Legislation Details (With Text)

File #:	16-350 **Version:** 1		
Type:	New Business	**Status:**	Agenda Ready
File created:	6/7/2017	**In control:**	City Council
On agenda:	6/20/2017	**Final action:**	6/20/2017
Title:	Consider an ordinance approving a residential homestead property tax exemption of 8%, as authorized and defined by Section 11.13(n) of the Texas Property Tax Code in the City of Keller, Tarrant County, Texas; providing a penalty; and authorizing publication.		
Attachments:	1. Ordinance No. 1848		

Date	Ver.	Action By	Action	Result
6/20/2017	1	City Council		

To: Mark R. Hafner, City Manager

From: Aaron Rector, Director of Finance

Subject:
Consider an ordinance approving a residential homestead property tax exemption of 8%, as authorized and defined by Section 11.13(n) of the Texas Property Tax Code in the City of Keller, Tarrant County, Texas; providing a penalty; and authorizing publication.

Background:
In 1986, the City of Keller approved a homestead exemption of 1% and in 2016, the homestead exemption was increased to 4%. The exemption reduces the taxable value of a residential property with a homestead exemption by the greater of 4% of taxable value or $5,000. The proposed ordinance would increase the exemption by 4% for a total of 8%. The proposed exemption would reduce the preliminary FY 2017-18 (Tax Year 2017) taxable value from $345,449 to $331,631 or a taxable value reduction of $13,818. If approved, the exemption would be included in the Fiscal Year 2017-18 (Tax Year 2017) taxable value calculations.

Budget Impact:
Because the exemption will be applied to an upcoming budget year, staff will modify budget projections to accommodate the approved exemption.

Financial Considerations:
Based upon early taxable value estimates, every 1% increase of exemption would reduce the potential levy by approximately $185,600. Increasing the exemption by 4% would reduce the potential levy by $742,400.

Citizen Input/Board Review:
Not applicable

Legal Review:

Not applicable

Alternatives:
City Council has the following alternatives:
- Approve as submitted
- Approve with changes
- Denial

Council Action:
Consider approval of a homestead exemption of 8%, which is an increase of 4% from the current exemption.