



Legislation Details (With Text)

File #:	18-173	Version:	1
Type:	New Business	Status:	Approved
File created:	6/12/2018	In control:	City Council
On agenda:	6/19/2018	Final action:	6/19/2018
Title:	Consider an ordinance approving a residential homestead property tax exemption increase of 2% for a total exemption of 10%, 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. 061918_Homestead Exemption_Ord. No. 1892, 2. H-1 Homestead.pdf		

Date	Ver.	Action By	Action	Result
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To: Mark R. Hafner, City Manager

From: Aaron Rector, Director of Administrative Services

Subject:

Consider an ordinance approving a residential homestead property tax exemption increase of 2% for a total exemption of 10%, 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% which was the exemption rate until 2016. The homestead exemption was increased to 4% in 2016 and increased again to 8% in 2017. The exemption reduces the taxable value of a residential property with a homestead exemption by the greater of 8% of taxable value or \$5,000. The proposed ordinance would increase the exemption by 2% for a total of 10%. The proposed exemption would reduce the preliminary FY 2018-19 (Tax Year 2018) taxable residential homestead value from \$349,585 to \$342,593 or a taxable value reduction of \$6,992. If approved, the exemption would be included in the Fiscal Year 2018-19 (Tax Year 2019) taxable value calculations.

Financial Impact:

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

Based upon early taxable value estimates, every 1% increase of exemption would reduce the potential levy by approximately \$192,905. Increasing the exemption by 2% would reduce the potential levy by \$385,810.

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 10%, which is an increase of 2% from the current exemption.