



Legislation Details (With Text)

File #:	20-261	Version:	1
Type:	New Business	Status:	Approved
File created:	6/4/2020	In control:	City Council
On agenda:	6/16/2020	Final action:	6/16/2020
Title:	Consider an ordinance approving a residential homestead property tax exemption increase of 2% for a total exemption of 14%, 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. 061620_Homestead Exemption Ordinance, 2. H-4 Homestead Presentation		

Date	Ver.	Action By	Action	Result
6/16/2020	1	City Council	approve	

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 14%, 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, to 8% in 2017, to 10% in 2018, and to 12% in 2019. The current exemption reduces the taxable value of a residential property with a homestead exemption by the greater of 12% of taxable value or \$5,000. The proposed ordinance would increase the exemption by 2% for a total of 14%. The proposed exemption would reduce the preliminary FY 2020-21 (Tax Year 2020) taxable residential homestead value from \$364,215 to \$355,937 or a taxable value reduction of \$8,278, based upon the Tarrant Appraisal District's May estimate. If approved, the exemption would be included in the Fiscal Year 2020-21 (Tax Year 2020) 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 \$212,000. Increasing the exemption by 2% would reduce the potential levy by approximately \$424,000.

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 14%, which is an increase of 2% from the current exemption.