



# City of Keller

Keller Town Hall  
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## Legislation Text

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**File #:** 20-261, **Version:** 1

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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 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.