

RESOLUTION NO. 20140925-086

WHEREAS, many Austin homeowners have experienced large increases in their property valuations and thus their property taxes; and

WHEREAS, State law limits a general homestead exemption granted by the city to a percentage of the property's appraised value, with a minimum of \$5,000 in value exempted; and

WHEREAS, exemptions based on a percentage of value provide a higher absolute benefit to owners of the City's most costly housing, and it could have significant revenue impacts for the City and/or overly burden renters; and

WHEREAS, Council adopted Resolution 20140828-086 directing the City Manager to draft an ordinance establishing a percentage-based homestead exemption that results in a \$5,000 tax exemption for all homesteaded properties; and

WHEREAS, Council adopted Resolution 20130321-042 identifying a local-option flat-tax exemption to ad valorem taxes for municipalities as a legislative priority for upcoming sessions;

WHEREAS, a hybrid approach that would allow for a percentage-based exemption subject to a cap on the maximum value exempted could achieve a goal of homeowner property tax relief while mitigating the concerns raised by an exemption solely based on a percentage of a property's appraised value;

WHEREAS, City staff analyzed the impact of a hybrid approach in answer to Question # 120 regarding the 2014-2015 Proposed Budget, providing estimates of the General Fund property tax revenue that would be foregone should state law be changed to allow for a hybrid approach, with various values set as the maximum; and

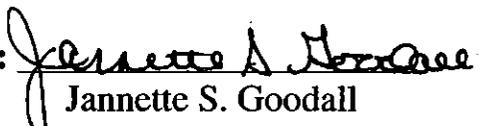
WHEREAS, State Representative Eddie Rodriguez plans to file a bill in the coming legislative session that will allow local governments to place a cap on the current homestead option (see Attachment A); **NOW, THEREFORE,**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The City Council adds support for a hybrid homestead exemption that would allow for a percentage-based general homestead exemption subject to a cap on the maximum value exempted, to its legislative agenda for the 84th Legislative Session.

ADOPTED: September 25, 2014

ATTEST:


Jannette S. Goodall
City Clerk

TEXAS HOUSE OF REPRESENTATIVES



EDDIE RODRIGUEZ FIFTY-FIRST DISTRICT

September 16, 2014

Austin City Council
301 W. Second St.
Austin, TX 78701

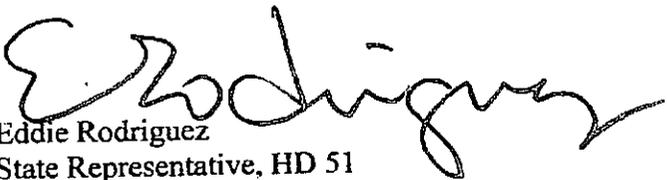
Dear Council Member Morrison,

As we have discussed, I plan to file a bill in the coming legislative session that will allow local governments to place a cap on the current homestead exemption option, which allows local taxing entities to offer an exemption of up to 20 percent of a home's value.

This legislation will ensure all homeowners experience tax relief, including our low- and middle-income residents who are struggling to keep up with their property tax bills.

My intent with this legislation is to give our local governments more tools for a balanced approach to property tax cuts. I hope to enable our own City Council to make decisions that will provide relief to Austin homeowners as soon as possible.

Sincerely,



Eddie Rodriguez
State Representative, HD 51

