

PROPERTY TAX EXEMPTIONS FOR HISTORIC LANDMARKS

City Historic Preservation Office

Each year in May, the Historic Landmark Commission certifies a list of historic landmarks which have complied with all applicable standards for eligibility for the annual partial ad valorem property tax exemption offered by the City of Austin, Travis County, and the Austin Independent School District (AISD). Once certified by the City Council, this list is forwarded to Travis County, AISD to be used in their budget processes, and to the Travis Central Appraisal District. This list does not constitute an approval of the annual property tax exemption applications – that process is part of the budget deliberations later this year.

Owners of historic landmarks have been able to apply for an annual partial ad valorem property tax exemption for their properties since 1977 in order to encourage the preservation of historically and architecturally-significant properties in the City of Austin. The City of Austin, Travis County, and the Austin Independent School District all participate in the program to grant a partial property tax exemption to historic landmarks that are in need of tax relief to encourage their preservation and which have passed an annual inspection by City staff to ensure their maintenance.

The City of Austin and Travis County offer a partial ad valorem property tax exemption equaling the total of 100% of the value of the structure and 50% of the value of the land for owner-occupied landmarks, and 50% of the value of the structure and 25% of the value of the land for income-producing landmarks. AISD offers a partial ad valorem property tax exemption equaling the total of 50% of the value of the structure and 25% of the value of the land for owner-occupied landmarks, and 25% of the value of the structure and 12½% of the value of the land for income-producing landmarks. Each taxing entity has enacted a cap on the total amount of the allowable exemption for owner-occupied landmarks designated since 2010, or for landmarks that were designated prior to 2010 but which have changed ownership since 2010. The City of Austin and Travis County both cap exemptions for those landmarks at \$2,500; AISD caps the exemption at \$3,500. No taxing entity has enacted a cap for income-producing properties.

Property owners who wish to be considered for the annual partial tax exemption must file a sworn affidavit with the City in January of each year, stating that the property is in need of tax relief to encourage its preservation, and citing the justification. Property owners must also file an application for the tax exemption with the Travis Central Appraisal District by the end of April of each year to qualify for the exemption. City staff inspects each landmark property annually, and makes a recommendation to the Historic Landmark Commission regarding whether the property is being properly maintained. City staff contacts property owners whose properties have a maintenance issue to discuss any necessary repairs to ensure continued preservation of the property. The Historic Landmark Commission then considers the list at a public hearing and makes a recommendation to the City Council as to which properties are eligible for the property tax exemption for that year, based upon the property owners' compliance with the regulations regarding maintenance of historic landmarks, and the requirement to obtain a Certificate of Appropriateness from the Commission prior to any exterior or site work.