ORDINANCE NO.

AN ORDINANCE ESTABLISHING AN EXEMPTION FROM AD VALOREM TAXES FOR QUALIFYING CHILD-CARE FACILITY PROPERTIES.

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

PART 1. Findings:

(A) Texas Tax Code Section 11.36, as added by S.B. 1145 of the 88th Texas Legislature regular session (2023), authorizes an exemption from ad valorem (property) taxes on all or part of the appraised value of real property, or a portion thereof, operating as a qualifying child-care facility; and

(B) An exemption, as described in section (A) above, of 100 percent of the appraised value of all or a portion of real property used to operate a qualifying child-care facility is in the public interest.

PART 2. Council adopts an exemption, as authorized by Texas Tax Code Section 11.36, entitling qualifying persons to an exemption from taxation by the City of 100 percent of the appraised value of:

(A) the real property the person owns and operates as a qualifying child-care facility; or

(B) the portion of the real property that the person owns and leases to a person who uses the property to operate a qualifying child-care facility.

PART 3. As set forth in Texas Tax Code Section 11.36(g), a person cannot claim the child-care facility exemption on property they own and lease to another to operate a qualifying child-care facility if the person also claims a Texas Tax Code Section 11.13 residence homestead exemption on the property or leases any part of the property to another for use as a principal residence.

PART 4. The exemption adopted by this ordinance applies to the tax year beginning January 1, 2024.

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PART 5. This ordinance takes effect on _____, 2024.

PASSED AND APPROVED

§
§
_____, 2024 § _____
Kirk Watson
Mayor

APPROVED: _____ **ATTEST:** _____
Anne L. Morgan Myrna Rios
City Attorney City Clerk

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