



## Recommendation for Action

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**File #:** 24-3790, **Agenda Item #:** 13.

1/18/2024

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### **Posting Language**

Approve an ordinance establishing an exemption from the City's ad valorem property tax of 100 percent of the appraised value of all or a portion of real property operating as a qualifying child-care facility.

### **Lead Department**

Financial Services.

### **Fiscal Note**

This item has no fiscal impact.

### **Prior Council Action:**

November 9, 2023 - Council approved Resolution No. 20231109-028, directing the City Manager to compose and bring the necessary ordinance(s) and other necessary documents to Council for approval no later than the first Council meeting of 2024 for the purposes of adopting the child-care facility property tax exemption for the 2024 tax year.

### **For More Information:**

Kerri Lang, Budget Officer, 512-974-2283.

### **Additional Backup Information:**

On November 7, 2023, the voters approved an amendment to the Texas constitution which authorized cities and counties to provide an exemption from ad valorem property taxation of 50 to 100 percent of the appraised value of all or a portion of real property used to operate a qualifying child-care facility. This exemption is in Texas Tax Code Section 11.36, passed during the 88th Texas Legislature regular session.

This ordinance adopts an exemption of 100 percent of the appraised value of all or a portion of real property used to operate a qualifying child-care facility, starting in the 2024 tax year. Once Council adopts this ordinance, in order to receive the child-care facility tax exemption, the person claiming the exemption must submit an application to the applicable appraisal district in which the property is located.

To qualify, a child-care facility must be licensed by the Health and Human Services Commission, the owner or operator must participate in the Texas Workforce Commission (TWC)'s Texas Rising Star Program, and at least 20 percent of the total number of children enrolled at the facility must be subsidized by TWC's child-care services program.