

RESOLUTION NO.

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

WHEREAS, rapidly escalating property taxes are driving an increasing number of homeowners out of Austin's neighborhoods; and

WHEREAS, a city homestead exemption would provide homeowners some relief on their property taxes; and

WHEREAS, State law only allows the City to adopt a homestead exemption based on a percentage of the appraised value; and

WHEREAS, State law also mandates that a City provide a minimum exemption of \$5,000 per residential property if any exemption is granted; and

WHEREAS, the Council passed Resolution No. 20130321-042 and Resolution No. 20061214-011 both of which identified a flat rate exemption as a legislative priority for upcoming sessions; and

WHEREAS, in Resolution No. 20140626-064 Council affirmed its support for making flat rate tax exemptions a high priority for the city's legislative agenda, along with mandatory sales disclosures and other changes aimed at creating a more equitable property tax system; and

WHEREAS, the Council must balance any homestead exemption with the impact on other taxpayers, the provision of city services, and the overall city budget; and

WHEREAS, Council directed the City Manager to provide a report analyzing the impact on the city budget of providing a general homestead exemption of a percentage of appraised value; and

WHEREAS, Council desires to adopt an exemption that provides the same financial benefit to all homeowners regardless of property value; and

WHEREAS, a homestead exemption of \$5,000 per residential property is estimated to cost the city 3.1 million dollars in forgone tax revenue annually;

NOW, THEREFORE,

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

The City Manager is directed to return to Council with an ordinance establishing a percentage-based homestead exemption that results in a \$5,000.00 tax exemption for all homesteaded properties no later than December 1, 2014.

ADOPTED: _____, 2014

ATTEST: _____

Jannette S. Goodall
City Clerk