Prospective Service Agreement with Austin Independent School District

August 16, 2017

City of Austin, TX

Council Discussion Scenario #1

City contracts with AISD for $10M and with other school districts for $7.4M in services, increases senior homestead exemption by $9,000; AISD eliminates copper pennies

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- City *increases* FY18 tax rate by 1.6 cents above rollback rate
- AISD *gains* $4.6M in uncommitted budget, *reduces* FY19 tax rate by 1.9 cents (eliminates "copper pennies")
- Net aggregate tax payer *savings* of $2.1M
- Typical homeowner in COA/AISD *saves* $8.33
- Typical homeowner in COA/non-AISD *pays* $44.97 more, realizes benefits that meet or exceed this amount
- Typical senior *saves* $11.04, seniors held harmless in aggregate but still individual winners and losers
- Includes funding for potential rollback election

Non-AISD School District Communities

Based on Council Discussion Scenario #1

Funding, Impacts, and Benefits for Other School District Communities within the City of Austin

School District Community	Aggregate Community Bill Impact	Aggregate Community Benefit	Tax Bill Impact to Typical Non-Senior Homeowner*	Weighted Benefit to Typical Non-Senior Homeowner*
Del Valle	$330,446	$1,090,470	$44.97	$148.40
Eanes	$507,110	$507,110	$44.97	$44.97
Leander	$257,598	$721,275	$44.97	$125.92
Manor	$402,581	$1,127,226	$44.97	$125.92
Pflugerville	$386,024	$1,273,880	$44.97	$148.40
Round Rock	$1,147,408	$2,639,039	$44.97	$103.43

* *The typical non-senior homeowner is defined as the owner of a homestead at the median assessed value within the Travis Central Appraisal district portion of the City ($305,510) who does not receive the senior/disabled homestead exemption.*

Senior Exemption Considerations

- Seniors experience school district tax *freeze*, thus generally realize no savings from reduction in AISD tax rate

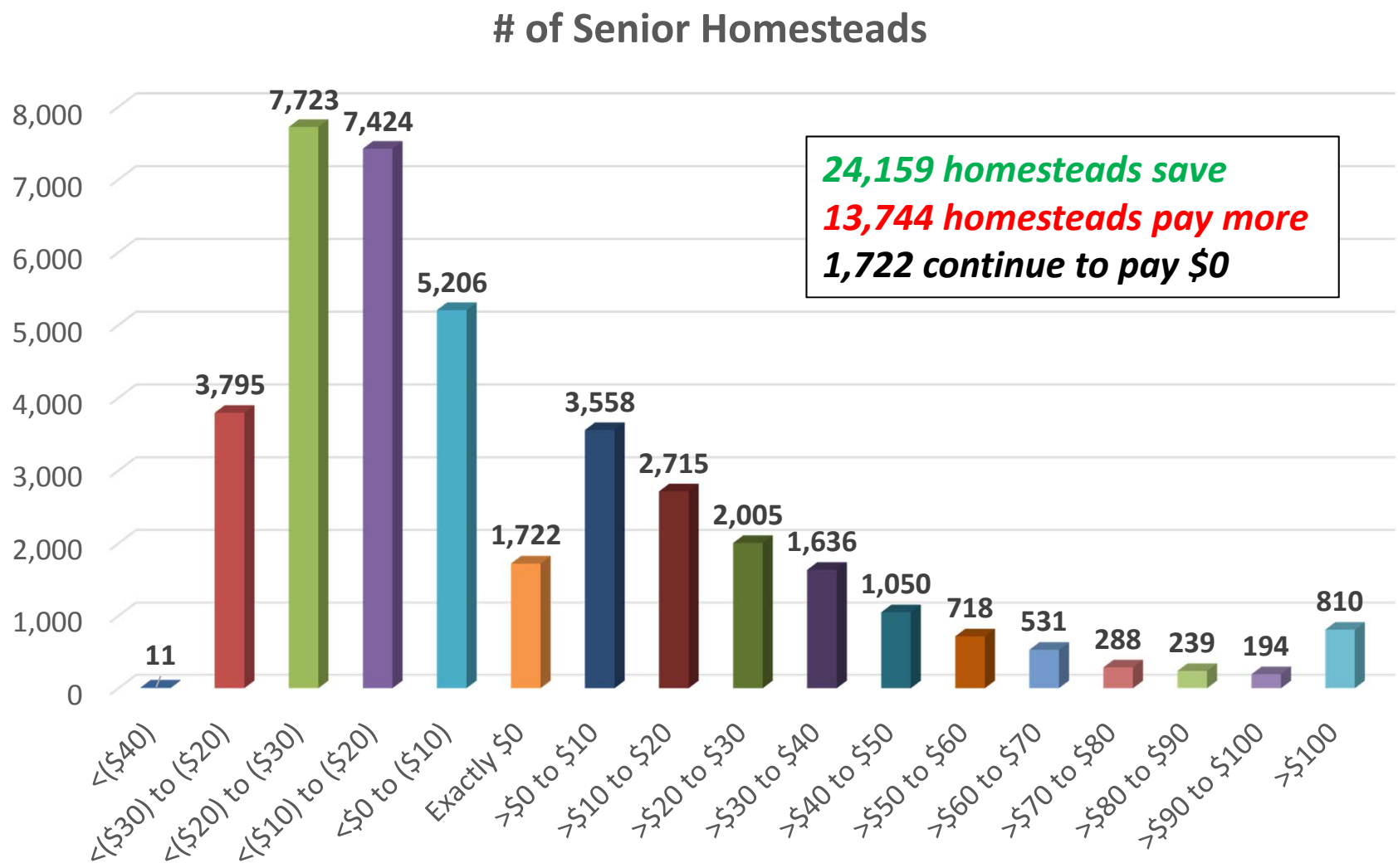
- The senior exemption, once adopted, would not be reduced in the event of a successful rollback election; City would need contingency plan for addressing potential revenue loss

Senior Impact
vs. Proposed Budget
Per Council Discussion Scenario #1

FY18 Assessed Value	Net Property Tax Impact
$100,000	($39.98)
$200,000	($25.26)
$300,000	($10.54)
$500,000	$18.90
$1,000,000	$92.50

Senior Tax Bill Impacts

Based on Council Discussion Scenario #1



Questions & Discussion