



Monday, September 11, 2006

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Budget
RECOMMENDATION FOR COUNCIL ACTION

ITEM No. 3

Subject: Approve an ordinance adopting and levying an Ad Valorem Tax rate for the City of Austin for Fiscal Year 2006-2007.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

Additional Backup Material

(click to open)

- ☐ Ordinance
- ☐ Exhibit A

For More Information: Greg Canally, Budget Officer 974-2609

Prior Council Action: August 10, 2006 – Council set dates for Public Hearings on the tax rate and set dates for approval of the tax rate. Public Hearings on the tax rate were conducted on August 24, 2006, and August 31, 2006.

In the action proposed, the City Council will be approving an ordinance that levies, and orders to be assessed and collected for the calendar year 2006 an ad valorem tax set at a rate per \$100 of taxable value, with related property tax exemptions. See Exhibit A.

On August 10, 2006, the Austin City Council announced that the maximum proposed ad valorem tax rate it would consider adopting for Fiscal Year 2006-2007 will be \$0.4126.

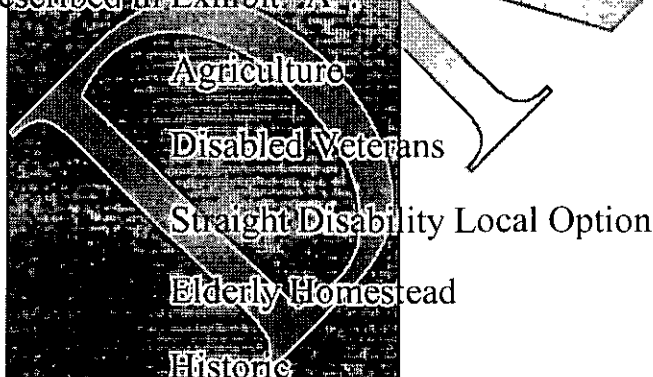
The actual tax rate adopted by the City Council may be lower than \$0.4126, but it will not be higher. The City Manager's Proposed Budget includes a tax rate of \$0.4066 per \$100 of taxable value, which was the estimated effective tax rate prior to the actual July certified tax roll. The actual effective tax rate, which is the tax rate that will generate the same amount of revenue as in the prior year, is \$0.3986.

AN ORDINANCE LEVYING MUNICIPAL AD VALOREM TAXES FOR THE CITY OF AUSTIN, TEXAS, FOR FISCAL YEAR 2006-2007.

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

PART 1. The City Council levies and orders to be assessed and collected for the fiscal year 2006-2007 and for each subsequent calendar year until otherwise ordained on all property in the limits of the City of Austin that is not exempt from taxation an ad valorem tax at the rate of \$ _____ per \$100 of taxable value. The tax is made up of two components: \$ _____ per \$100 of taxable value, the rate that, if applied to the total taxable value, will impose the total amount published under Section 26.04(e)(3)(C) of the Property Tax Code, less any amount of additional sales and use tax revenue that will be used to pay debt service; and \$ _____ per \$100 of taxable value, the rate that, if applied to the total taxable value, will impose the amount of taxes needed to fund maintenance and operation expenditures of the City for the coming year.

PART 2. The Council adopts the following property tax exemptions as further described in Exhibit "A":



PART 3. [IF APPLICABLE] THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

1 **PART 4. [IF APPLICABLE] THE TAX RATE WILL RAISE TAXES**
2 **FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY**
3 **APPROXIMATELY \$ ____.**

4 **PART 5.** This ordinance takes effect on October 1, 2006.

5 **PASSED AND APPROVED**

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7
8
9 _____, 2006

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§
§

Will Wynn
Mayor

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11
12 **APPROVED:**

13 _____
14 David Allan Smith
15 City Attorney

ATTEST:

Shirley A. Gentry
City Clerk

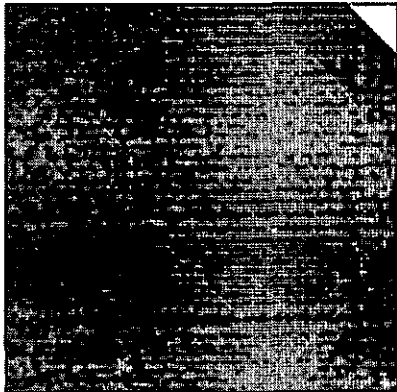


EXHIBIT "A"

AUSTIN PROPERTY TAX EXEMPTIONS

AGRICULTURE = Variable per acre of farmland / tax exempt

Agriculture - Confirmed agricultural property is taxed on the basis of a special valuation of the use (productivity) of the land. The area location (school district) and agricultural classification (dry crop, improved pasture or native pasture) determines the taxable value per acre of land.

DISABLED VETERANS = \$5,000 TO \$12,000

Disabled veterans exemptions range from \$5,000 to \$12,000 based on the following schedule:

% Disability	Exemption
10-30	\$5,000
31-50	\$7,500
51-70	\$10,000
71-100	\$12,000

STRAIGHT DISABILITY LOCAL OPTION = \$51,000

Disabled persons (unable to hold a job) on social security of forced retirement receive a \$51,000 tax exemption.

ELDERLY HOMESTEAD = \$51,000

Persons 65 years and older can apply for a \$51,000 tax exemption on their home.

HISTORIC HOMESTEAD

(A) Except as provided in Subsection (B) Below, for a property designated as a historic landmark before December 1, 2004 the following percentage of the assessed value of a property designated "H" Historic and approved for tax exemption shall be exempt from ad valorem taxes levied by the City:

- (1) 100 percent of the assessed value of the historic structure and 50 percent of the assessed value of the portion of the land the chief appraiser for the county

appraisal district determines is reasonably necessary for access to and use of the historic structure for:

- (a) an owner-occupied historic residential property that is not fully or partially leased to another person; and
 - (b) a property owned by a nonprofit corporation, as defined in the Texas Nonprofit Corporation Act; and
- (2) 50 percent of the assessed value of the historic structure and 25 percent of the assessed value of the portion of the land the chief appraiser for the county appraisal district determines is reasonably necessary for access to and use of the historic structure for any other historic property, including property used for a commercial purpose.

An exemption under Subparagraph (1)(a) above may not exceed the greater of \$2,000 or 50 percent of the ad valorem tax that the City would otherwise levy on the property.

(B) This subsection applies to a property designated as a historic landmark before December 1, 2004 that changed ownership after November 30, 2004, or designated as a historic landmark after November 30, 2004.

(1) The following percentage of the assessed value of a property designated "H" Historic and approved for tax exemption shall be exempt from ad valorem taxes levied by the city:

- (a) subject to the limitation of Paragraph (2), 100 percent of the assessed value of the historic structure and 50 percent of the assessed value of the portion of the land the chief appraiser for the county appraisal district determines is reasonably necessary for access to and use of the historic structure for:
 - (i) an owner-occupied historic residential property that is not fully or partially leased to another person; and a property owned by a nonprofit corporation, as defined in the Texas Nonprofit Corporation Act; and
- (b) 50 percent of the assessed value of the historic structure and 25 percent of the assessed value of the portion of the land the chief appraiser for the county appraisal district determines is reasonably necessary for access to and use of the historic structure for any other historic property, including property used for a commercial purpose.