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**ORDINANCE NO.**

**AN ORDINANCE AMENDING ORDINANCE NO. 20160629-001 TO INCREASE THE VALUE OF A PERCENTAGE-BASED HOMESTEAD EXEMPTION FROM AD VALOREM TAXES.**

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

**PART 1. Findings:**

- (A) According to data collected by Texas A&M Real Estate Center, the median-value home in Austin has experienced a 68.4% increase in City property taxes from 2005 to 2014 while the median income has remained relatively flat.
- (B) Travis County currently offers homeowners the maximum 20% homestead exemption on county property taxes, and other major cities in Texas, including Houston, Dallas, and Fort Worth offer homeowners a 20% homestead exemption.
- (C) In a 2015 Zandan Poll, Voices of the Austin Community, 79% of Austin residents indicated their support for a full 20% homestead exemption.
- (D) On June 4th 2015, the City Council passed Ordinance No. 20150604-010, which increased the homestead exemption to 6% and stated the Council's goal to phase in the full 20% exemption.
- (E) The City Council reaffirmed that commitment to phase in the full 20% homestead exemption on June 29th, 2016 when the homestead exemption was increased to 8%.
- (F) Increasing the homestead exemption is one of the ways that the City can slow the increase of an Austin homeowner's rising tax bill.

- 37 (G) The City Council, consistent with Ordinance 20160629-001 and in an effort  
38 to address the rapid rise in property taxes that many Austin residents are  
39 facing, should increase the current 8% homestead exemption.  
40  
41 (H) Council finds that Texas Tax Code Section 11.13(n) authorizes the City to  
42 establish a percentage-based exemption from ad valorem (property) taxes on  
43 the assessed value of residence homesteads.  
44  
45 (I) Council finds that it is in the public interest to increase such a homestead  
46 exemption to a total amount of 10% of the assessed value of residence  
47 homesteads.  
48

49 **PART 2.** Council previously adopted Ordinance No. 20160629-001 and set the  
50 percentage-based exemption from ad valorem (property) taxes of 8% of the assessed  
51 value of residence homesteads.  
52

53 **PART 3.** Council amends the previously adopted amount set forth in Ordinance No.  
54 20160629-001 and increases the total exemption from ad valorem taxes to 10% of the  
55 assessed value of a residence homestead.  
56

57 **PART 4.** The exemption adopted pursuant to this ordinance applies to the tax year  
58 beginning January 1, 2018.  
59

60 **PART 5.** This ordinance takes effect on \_\_\_\_\_, 2018.  
61

62 **PASSED AND APPROVED**

63 §  
64 §  
65 \_\_\_\_\_, 2018 § \_\_\_\_\_  
66 Steve Adler  
67 Mayor  
68  
69

70 **APPROVED:** \_\_\_\_\_ **ATTEST:** \_\_\_\_\_  
71 Anne L. Morgan Jannette S. Goodall  
72 City Attorney City Clerk  
73