

Item 22



Travis County Commissioners Court Agenda Request

Meeting Date: June 4th, 2013

Prepared By/Phone Number: Tien Dao x 49388

Elected/Appointed Official/Dept. Head: Bruce Elfant, Tax Assessor-Collector

Commissioners Court Sponsor: County Judge Sam Biscoe

AGENDA LANGUAGE:

- CONSIDER AND TAKE APPROPRIATE ACTION ON ASSUMPTIONS FOR TRAVIS COUNTY REGARDING THE FOLLOWING:
 - A. PROPERTY TAX RATE CONSIDERATIONS
 - B. 2013 PARCEL FEE RATE (TAX ASSESSOR-COLLECTOR)

BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS:

STAFF RECOMMENDATIONS:

ISSUES AND OPPORTUNITIES:

FISCAL IMPACT AND SOURCE OF FUNDING:

REQUIRED AUTHORIZATIONS:

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials should be submitted as a pdf to the County Judge's office, agenda@co.travis.tx.us by Tuesdays at 5:00 p.m. for the next week's meeting.



TRAVIS COUNTY TAX OFFICE
BRUCE ELFANT
TAX ASSESSOR AND COLLECTOR

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AUSTIN, TX 78751
(512) 854-9473

May 30, 2013

MEMORANDUM FOR THE COUNTY JUDGE SAM BISCOE
PRECINCT 1, COMMISSIONER RON DAVIS
PRECINCT 2, COMMISSIONER SARAH ECKHARDT
PRECINCT 3, COMMISSIONER GERALD DAUGHERTY
PRECINCT 4, COMMISSIONER MARGARET GÓMEZ

FROM: Bruce Elfant, Tax Assessor-Collector

SUBJECT: Property Tax Rate Considerations and 2013 Parcel Fee Rate

1. Property Tax Rate Considerations

Each year there are several items the Commissioners Court must consider when establishing tax rates and budget forecasts for Travis County. We and the Planning and Budget Office recommend the Court adopt the following parameters:

- A. Anticipated Collection Rate (for Effective Tax Rate Calculations): 100% (lower estimates may be used only with justification).
- B. Debt Service (and the resulting debt tax rate) may be reduced using year-end or reserve balances if available in the debt service fund: If appropriate, this would be addressed as part of the Preliminary Budget development.
- C. Optional Homestead Exemption: \$5,000 or 20% (whichever is greater).
- D. Over 65 and Disabled Optional Homestead Exemptions: \$70,000.
- E. Historic Exemptions: City of Austin's Historic Exemption Policy

Attachment: 2012 Historic Exemption Per Jurisdictions

2012 HISTORIC EXEMPTION PER JURISDICTIONS

Properties designated "H" Historic Landmarks which are used exclusively as a residence by the owners OR Properties owned by a non-profit corporation as defined by the Texas Non-profit Corporation Act:

	Tax exemption on assessed value of land reasonably necessary to access and use structure	Tax exemption on assessed value of historic structure
Austin ISD	25%*	50%*
City of Austin	50%**	100%**
Travis County	50%**	100%**
Travis County Healthcare District	50%**	100%**
ACC District	Repealed January 1, 2010	Repealed January 1, 2010

* Owner-occupied residence or property owned by a non-profit corporation and designated historic after December 31, 2011 or any historic designated owner-occupied residence or property owned by a non-profit corporation which changes ownership after December 31, 2011 are eligible for a property tax exemption by the AISD equaling 50% of the value of the structure and 25% of the value of the land, with a maximum exemption of \$3,500. The maximum exemption instituted by the AISD does NOT affect the exemptions offered by City of Austin, Travis County, Travis County Healthcare District, and the Austin Community College District.

** TIER TWO – Owner-occupied residence or property owned by a non-profit corporation and designated historic after December 1, 2004 or any historic designated owner-occupied residence or property owned by a non-profit corporation which changed ownership after December 1, 2004 are eligible for a property tax exemption by the City of Austin, Travis County, and Travis County Healthcare District equaling 100% of the value of the structure and 50% of the value of the land, with a maximum exemption of the greater of \$2,000 savings for each jurisdiction or 50% of the tax levy for each jurisdiction. The maximum exemption instituted by the City of Austin, Travis County, and Travis County Healthcare District does NOT affect the exemptions offered by AISD, and the Austin Community College District.

**TIER THREE – Owner-occupied residence or property owned by a non-profit corporation and designated historic after December 31, 2011 or any historic designated owner-occupied residence or property owned by a non-profit corporation which changes ownership after December 31, 2011 are eligible for a property tax exemption by the City of Austin, Travis County, and Travis County Healthcare District equaling 100% of the value of the structure and 50% of the value of the land, with a maximum exemption of \$2,500. The maximum exemption instituted by the City of Austin, Travis County, and Travis County Healthcare District does NOT affect the exemptions offered by AISD, and the Austin Community College District.

All other properties designated "H" Historic Landmarks:

	Tax exemption on assessed value of land reasonably necessary to access and use structure	Tax exemption on assessed value of historic structure
Austin ISD	12.5%	25%
City of Austin	25%	50%
Travis County	25%	50%
Travis County Healthcare District	25%	50%
ACC District	Repealed January 1, 2010	Repealed January 1, 2010

2. 2013 Parcel Fee Rate

In accordance with Texas Property Tax Code, Sec.6.23, 6.24, and 6.27, we have attempted to fairly allocate expenses incurred while assessing and collecting for all taxing jurisdictions involved in Travis County's consolidated collection program for the 2013 tax year. Per the costing model used in years past, these tax collection expenses include:

- ACCOUNTING - Reconciliation of collections; report and fund disbursements.
- DELINQUENT COLLECTIONS - Administrative and legal costs to research, process, and collect delinquent taxes.
- EFFECTIVE TAX RATE AD - Newspaper publication notices required by Texas Property Tax Code Sec.26.04 (e).
- EFFECTIVE TAX RATE CALCULATIONS - Compilation and calculation of information required by Texas Property Tax Code Sec.26.04.
- INFORMATION SYSTEMS LABOR SUPPORT - ITS labor support costs.
- COMPUTER/RPD SYSTEM ANNUAL UPKEEP - Annual maintenance supplies, printing and licensing costs.
- COMPUTER SYSTEM COST - AS/400 system annualized costs based on a five year pay out.
- SPECIAL CONSIDERATIONS / PURCHASES - Expenses incurred in addition to the above.

The fair sharing of costs allocated to the jurisdictions is solely based on the relative number of parcels. The allocated expenses and per parcel fee calculation are shown on the attached.

The Planning and Budget Office recommends the Court adopt the calculated 2013 parcel fee rate of \$1.19. The current parcel fee rate is \$1.03.

Attachment: Tax Year 2013 Parcel Rate Calculations and Parcel Rate Fact Sheet

If my staff or I can be of further assistance, please do not hesitate to call me at 4-9632.

BE/td

cc: Leslie Browder, Executive Manager, Planning and Budget
Jessica Rio, Budget Director, Planning and Budget
Nicki Riley, County Auditor

TAX YEAR 2013 PARCEL RATE CALCULATIONS

Prepared by the Travis County Tax Office

PROPERTY TAX COLLECTION EXPENSES (Jurisdiction Allocation)

Accounting	\$	238,116
Delinquent Collections		
Property Tax Collections Division	\$	728,742
Legal (Atty ad litem) & Tax Sale Costs	\$	27,250
County Attorney Collections Division	\$	752,485
Effective Tax Rate Ad	\$	15,818
Effective Tax Rate Calculations	\$	29,539
Information Systems Labor Support	\$	19,948
Computer/RPD System Annual Upkeep	\$	45,006
Computer System Cost	\$	9,178
Special Considerations / Purchases	\$	0

TOTAL ALLOCATED COLLECTION COSTS	\$	1,866,082
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PER PARCEL RATE CALCULATION (Jurisdictions other than Travis County)

1,566,419 Parcel Count ÷ Costs =	\$	1.19
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PARCEL RATE REVENUES (Revenue may differ from costs due to rounding)

Parcel Rate x Parcel Count =	\$	1,864,039
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May 30, 2013

PARCEL RATE FACT SHEET

Summary

- The calculated 2013 parcel fee rate is \$1.19.
- Calculated rate is 16 cents higher than the current (2012) parcel fee rate.
- The 2013 projected revenue is \$1,864,039.
- Projected revenue is \$269,510 more than the 2012 projected revenue.
- There is 1 jurisdiction new to the Travis County Tax Office.
- The 2013 parcel count for jurisdictions in Travis County excluding the County is 1,566,419.
- Parcel count is 18,333 more than 2012 parcel count used in calculations.

Special Notes

Preliminary Budget will likely have a 3.00% in compensation, 6.00% increase in healthcare and a 4.19% increase in retirement.

Increases in existing personnel costs comprise the majority of the parcel fee increase.