



## Travis County Commissioners Court Agenda Request

**Meeting Date:** June 24<sup>th</sup>, 2014

**Prepared By/Phone Number:** Christina Cerda x 43858 and Susan Zavala x 49701

**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. NOTICE OF EFFECTIVE TAX RATE

### **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](mailto: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

5501 AIRPORT BOULEVARD  
AUSTIN, TX 78751  
(512) 854-9473

June 24, 2014

MEMORANDUM FOR THE COUNTY JUDGE SAM BISCOE

PRECINCT 1, COMMISSIONER RON DAVIS

PRECINCT 2, COMMISSIONER BRUCE TODD

PRECINCT 3, COMMISSIONER GERALD DAUGHERTY

PRECINCT 4, COMMISSIONER MARGARET GÓMEZ

FROM: Bruce Elfant, Tax Assessor-Collector

SUBJECT: Property Tax Rate Considerations

---

### 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. Optional Homestead Exemption: \$5,000 or 20% (whichever is greater).
- B. Over 65 and Disabled Optional Homestead Exemptions: \$70,000.
- C. Historic Exemptions: City of Austin's Historic Exemption Policy
- D. Anticipated Collection Rate (for Effective Tax Rate Calculations): 100% (lower estimates may be used only with justification)
- E. 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.
- F. Notice of Effective Tax Rate: Local Government Code **Sec. 140.010 (c)**

Attachment: 2013 Historic Exemption Per Jurisdictions  
Local Government Code Sec 140.010

## 2013 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

## LOCAL GOVERNMENT CODE SEC 140.010

### Sec. 140.010. PROPOSED PROPERTY TAX RATE NOTICE FOR COUNTIES AND MUNICIPALITIES.

(a) In this section, "effective tax rate" and "rollback tax rate" mean the effective tax rate and rollback tax rate of a county or municipality, as applicable, as calculated under Chapter 26, Tax Code.

(b) Except as provided by this subsection, each county and municipality shall provide notice of the county's or municipality's proposed property tax rate in the manner provided by this section. A county or municipality to which Section 26.052, Tax Code, applies may provide notice of the county's or municipality's proposed property tax rate in the manner provided by this section or in the manner provided by Section 26.052, Tax Code.

**(c) A county or municipality that provides notice of the county's or municipality's proposed property tax rate in the manner provided by this section is exempt from the notice and publication requirements of Sections 26.04(e), 26.052, and 26.06, Tax Code, as applicable, and is not subject to an injunction for failure to comply with those requirements.**

(d) A county or municipality that proposes a property tax rate that does not exceed the lower of the effective tax rate or the rollback tax rate shall provide the following notice:

"NOTICE OF (INSERT CURRENT TAX YEAR) TAX YEAR PROPOSED PROPERTY TAX RATE FOR (INSERT NAME OF COUNTY OR MUNICIPALITY)

"A tax rate of \$\_\_\_\_\_ per \$100 valuation has been proposed by the governing body of (insert name of county or municipality).

PROPOSED TAX RATE	\$_____ per \$100
PRECEDING YEAR'S TAX RATE	\$_____ per \$100
EFFECTIVE TAX RATE	\$_____ per \$100

"The effective tax rate is the total tax rate needed to raise the same amount of property tax revenue for (insert name of county or municipality) from the same properties in both the (insert preceding tax year) tax year and the (insert current tax year) tax year.

"YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS FOLLOWS:

property tax amount = (rate) x (taxable value of your property) / 100

"For assistance or detailed information about tax calculations, please contact:

(insert name of county or municipal tax assessor-collector)  
(insert name of county or municipality) tax assessor-collector  
(insert address)  
(insert telephone number)

(insert e-mail address)

(insert Internet website address, if applicable)"

(e) A county or municipality that proposes a property tax rate that exceeds the lower of the effective tax rate or the rollback tax rate shall provide the following notice:

"NOTICE OF (INSERT CURRENT TAX YEAR) TAX YEAR PROPOSED PROPERTY TAX RATE FOR (INSERT NAME OF COUNTY OR MUNICIPALITY)

"A tax rate of \$\_\_\_\_\_ per \$100 valuation has been proposed for adoption by the governing body of (insert name of county or municipality). This rate exceeds the lower of the effective or rollback tax rate, and state law requires that two public hearings be held by the governing body before adopting the proposed tax rate.

PROPOSED TAX RATE            \$\_\_\_\_\_ per \$100

PRECEDING YEAR'S TAX RATE \$\_\_\_\_\_ per \$100

EFFECTIVE TAX RATE         \$\_\_\_\_\_ per \$100

ROLLBACK TAX RATE         \$\_\_\_\_\_ per \$100

"The effective tax rate is the total tax rate needed to raise the same amount of property tax revenue for (insert name of county or municipality) from the same properties in both the (insert preceding tax year) tax year and the (insert current tax year) tax year.

"The rollback tax rate is the highest tax rate that (insert name of county or municipality) may adopt before voters are entitled to petition for an election to limit the rate that may be approved to the rollback rate.

"YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS FOLLOWS:

$$\text{property tax amount} = (\text{rate}) \times (\text{taxable value of your property}) / 100$$

"For assistance or detailed information about tax calculations, please contact:

(insert name of county or municipal tax assessor-collector)

(insert name of county or municipality) tax assessor-collector

(insert address)

(insert telephone number)

(insert e-mail address)

(insert Internet website address, if applicable)

"You are urged to attend and express your views at the following public hearings on the proposed tax rate:

First Hearing: (insert date and time) at (insert location of meeting).

Second Hearing: (insert date and time) at (insert location of meeting)."

(f) A county or municipality shall:

(1) provide the notice required by Subsection (d) or (e), as applicable, not later than September 1 by:

(A) publishing the notice in a newspaper having general circulation in:

(i) the county, in the case of notice published by a county; or

(ii) the county in which the municipality is located or primarily

located, in the case of notice published by a municipality; or

(B) mailing the notice to each property owner in:

(i) the county, in the case of notice provided by a county; or

(ii) the municipality, in the case of notice provided by a

municipality; and

(2) post the notice on the Internet website of the county or municipality, if applicable, beginning not later than September 1 and continuing until the county or municipality adopts a tax rate.

(g) If the notice required by Subsection (d) or (e) is published in a newspaper:

(1) the notice may not be smaller than one-quarter page of a standard-size or a tabloid-size newspaper; and

(2) the headline on the notice must be in 24-point or larger type.

(h) A county or municipality that provides notice under this section shall on request provide any information described by Sections 26.04(e)(1)-(7), Tax Code, regarding the county or municipality, as applicable.

**Added by Acts 2013, 83rd Leg., R.S., Ch. 800 (S.B. [1510](#)), Sec. 1, eff. January 1, 2014.**