

Notice of Meeting of the Governing Body of the City of Georgetown, Texas June 17, 2021

The Georgetown City Council will meet on June 17, 2021 at 5:30 PM at City Council Chambers - 510 West 9th Street

The City of Georgetown is committed to compliance with the Americans with Disabilities Act (ADA). If you require assistance in participating at a public meeting due to a disability, as defined under the ADA, reasonable assistance, adaptations, or accommodations will be provided upon request. Please contact the City Secretary's Office, at least three (3) days prior to the scheduled meeting date, at (512) 930-3652 or City Hall at 808 Martin Luther King Jr. Street, Georgetown, TX 78626 for additional information; TTY users route through Relay Texas at 711.

The Georgetown City Council is now meeting in person. A quorum of the City Council will be in attendance at the Georgetown City Council Chambers located at 510 W 9th Street Georgetown, TX 78626. It is possible that one or more Council members may attend via video Conference using the Zoom client.

To allow for as much citizen participation as possible, citizen comments are accepted either in person or via the Zoom client.

To participate via Zoom:

You may log onto the meeting, at the link below, and “raise your hand” during the item. If you are unsure if your device has a microphone please use your home or mobile phone to dial the toll free number. To Join a Zoom Meeting, click on the link and join as an attendee. You will be asked to enter your name and email address – this is so we can identify you when you are called upon. At the bottom of the webpage of the Zoom Meeting, there is an option to Raise your Hand. To speak on an item, simply click on that Raise Your Hand option once the item you wish to speak on has opened. When you are called upon by the Mayor, your device will be remotely un-muted by the Administrator and you may speak for three minutes. Please state your name clearly upon being allowed to speak. When your time is over, your device will be muted again.

Face masks are encouraged. Use of profanity, threatening language,

slanderous remarks or threats of harm are not allowed and will result in you being immediately removed from the meeting.

If you have questions or need assistance, please contact the City Secretary's office at cs@georgetown.org or at 512-930-3651.

To have your comments forwarded to the City Council, but not read aloud during the meeting, submit the following form by 12:00 p.m. on the date of the meeting – <https://records.georgetown.org/Forms/AddressCouncil>

To join from a PC, Mac, iPad, iPhone or Android device, please click this URL:

**[https://georgetowntx.zoom.us/j/93364551110?](https://georgetowntx.zoom.us/j/93364551110?pwd=YIBveS83OTBQTkU2bnpCeWtUY0Zadz09)
[pwd=YIBveS83OTBQTkU2bnpCeWtUY0Zadz09](https://georgetowntx.zoom.us/j/93364551110?pwd=YIBveS83OTBQTkU2bnpCeWtUY0Zadz09)
Webinar ID: 933 6455 1110
Passcode: 619853**

Or to join by phone dial:

**(346)248-7799 OR (253)215-8782 OR (669)900-6833 OR (312)626-6799
OR (929)205-6099 OR (301)715-8592
TOLL FREE (877)853-5257 OR (888)475-4499 OR (833)548-0276 OR
(833)548-0282
Webinar ID: 933 6455 1110
Passcode: 619853**

Legislative Regular Agenda

- A First reading of an ordinance of the City Council of the City of Georgetown, Texas establishing the value of the exemption from ad valorem taxes for a percentage of the appraised value of residential homesteads; repealing conflicting ordinances and resolutions; including a severability clause; and setting an effective date -- Leigh Wallace, Finance Director

Adjournment

Certificate of Posting

I, Robyn Densmore, City Secretary for the City of Georgetown, Texas, do hereby certify that this Notice of Meeting was posted at City Hall, 808 Martin Luther King Jr. Street, Georgetown, TX 78626, a place readily accessible to the general public as required by law, on the ____ day of _____, 2021, at _____, and remained so posted for at least 72 continuous hours preceding the scheduled time of said meeting.

Robyn Densmore, City Secretary

City of Georgetown, Texas
City Council Special Meeting
June 17, 2021

SUBJECT:

First reading of an ordinance of the City Council of the City of Georgetown, Texas establishing the value of the exemption from ad valorem taxes for a percentage of the appraised value of residential homesteads; repealing conflicting ordinances and resolutions; including a severability clause; and setting an effective date -- Leigh Wallace, Finance Director

ITEM SUMMARY:

Over the past five years the market value of homes in Georgetown has increased, from \$4.9 billion in residential market value in 2016, to \$8.3 billion in 2021. The taxable value of homes has increased as a result. The State imposes a 10% cap on the yearly increase in taxable value of homesteads, and the City currently offers the greater of a \$5,000 or 1% exemption of taxable value of homesteads. For tax year 2021 (FY2022), more than 80% of homes in Georgetown were at or above the 10% state cap, compared to less than 20% last year.

The City Council desires to discuss and possibly take action to increase the value of the homestead exemption. For a change to be effective in the coming tax year 2021 (FY2022), it must be adopted before July 1, per Texas Tax Code 11.13.

This item will discuss the financial impact to the City and the homeowners of adopting a change in exemption. The attached ordinance is a draft for consideration and may be amended by the Council.

SPECIAL CONSIDERATIONS:

This item must be adopted on two readings according to the City Charter, and the second reading must occur on or before June 30 for the change to take effect in the next year.

FINANCIAL IMPACT:

A \$5,000 increase to the homestead exemption is estimated to result in \$389,000 less in property tax revenue for the City. Property tax revenue is split 46% toward General Fund operations such as public safety, and 54% toward the repayment of tax-supported debt such as road and park projects.

SUBMITTED BY:

Sharon Parker

ATTACHMENTS:

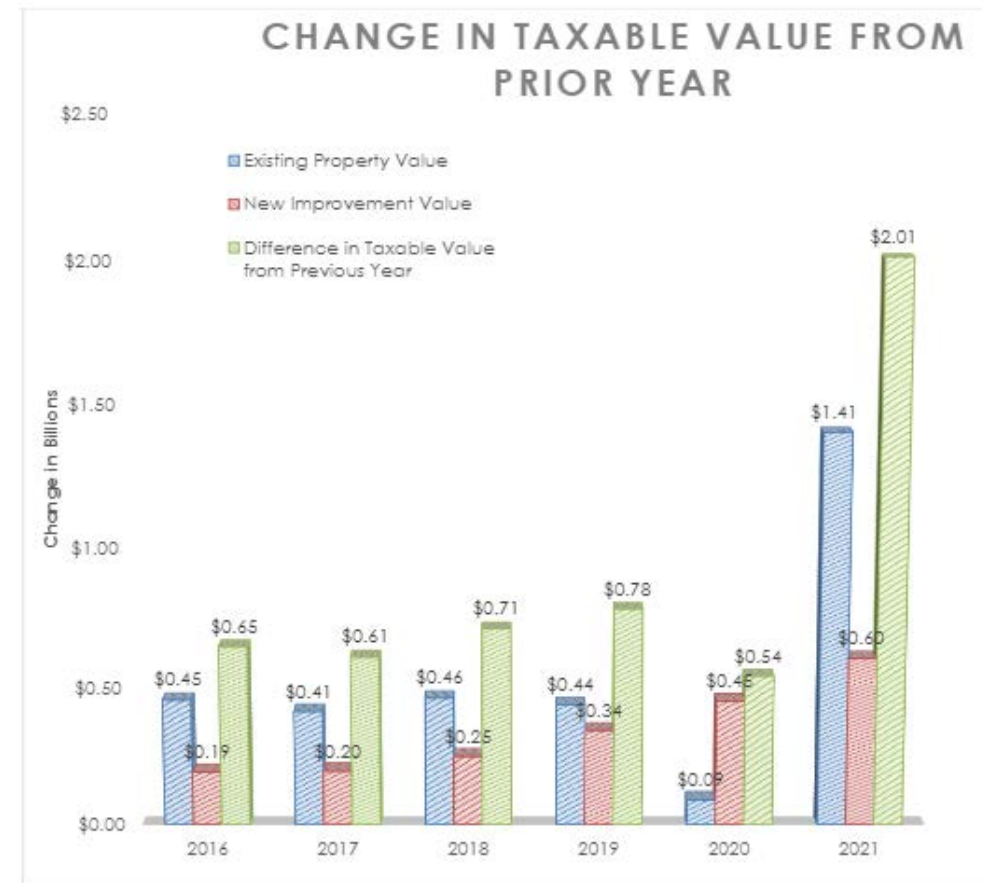
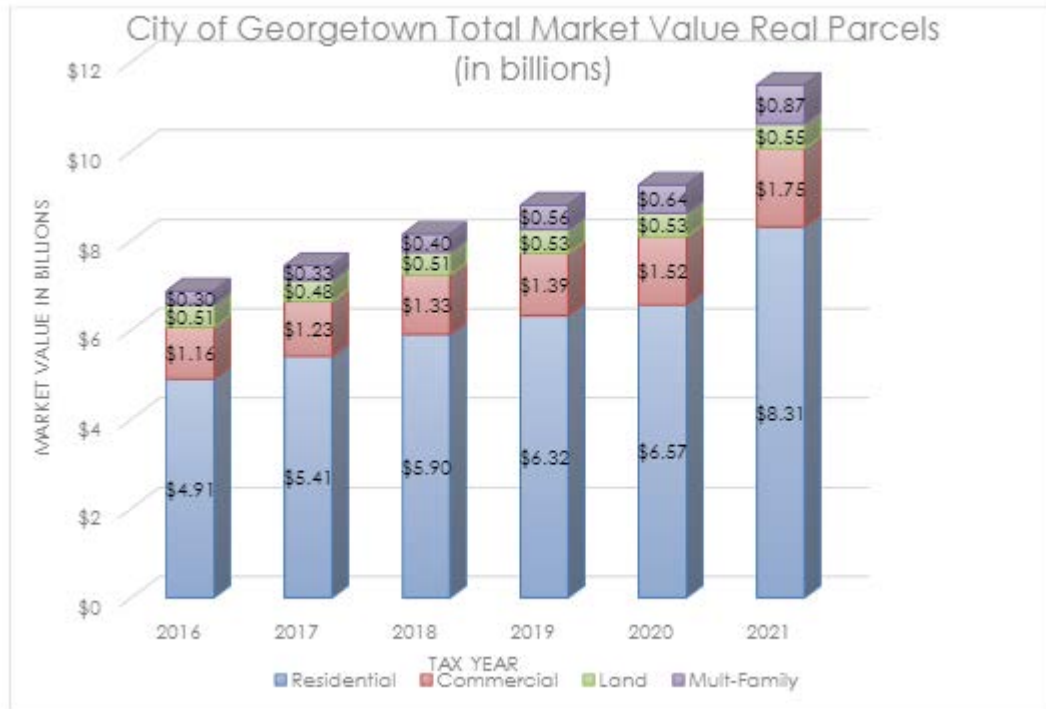
Increase homestead exemption
Ordinance

Increase Homestead Exemption

Special Called Meeting June 17, 2021

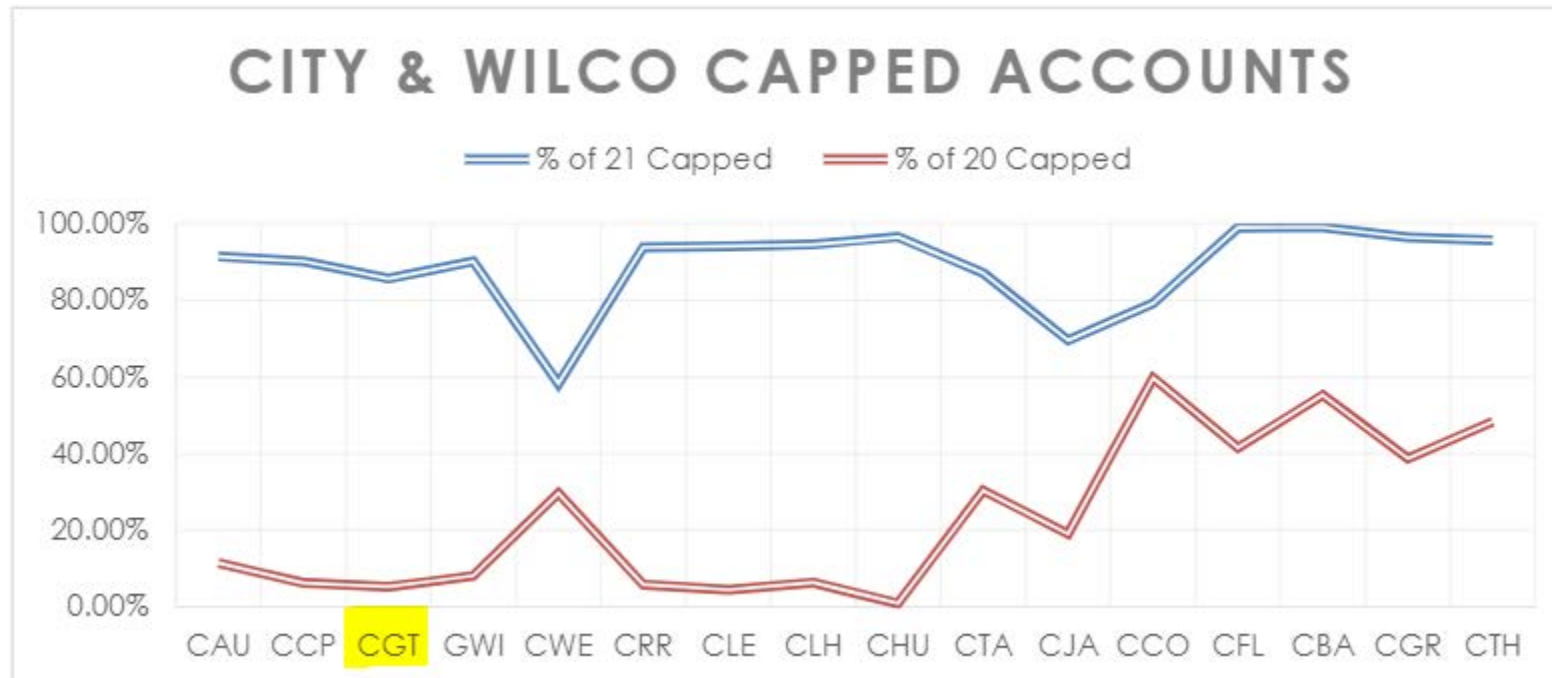
Background

Market and Taxable Value History for GT



Change in Homestead Capped Accounts

- Percent of homesteads hitting the State 10% max allowed increase in taxable value went from below 20% last year, to more than 80% this year



Current Homestead Exemption GT

- **Adopted 1983 via ordinance**
- **\$5,000 or 1% of market value, whichever is greater**
- **Current number of properties ~ 18,500**
- **Current value in lost property tax revenue, operations and debt sides**
 - ~\$389K total at current tax rate of 41.8 cents per \$100 of valuation
 - 46% Operations and Maintenance to General Fund
 - \$180,000
 - 54% Principal and Interest for General Debt Service Fund
 - \$210,000

Other Local Homestead Exemptions with WCAD

ENTITY Code	ENTITY	HS Amt	HS %
CAU	City of Austin	\$5,000	10
CCP	City of Cedar Park	\$5,000	1
CGT	City of Georgetown	\$5,000	1
CLE	City of Leander	\$5,000	1
CLH	City of Liberty Hill	\$5,000	1
GWI	Williamson CO	\$5,000	1.5

Current Other Exemptions

- **Homestead exemption age 65 and older - \$12,000**
- **Disabled exemption - \$40,000**
- **Tax ceiling on amount of taxes paid for disabled or 65 and older – amount varies**

Tax Code 11.13

- **Must adopt the change before July 1 for it to take effect for the coming year**
- **Taxing unit may not adopt a percentage more than 20%**
- **Homeowner may not claim more than one residence**

Increase Options

Dollar Value and Percent

- **\$10K, or 1%**
 - Dollar change annual impact to City: ~\$389K increment in lost revenue (\$776k total)
 - \$180K increment for General Fund, which has a tax rate cap; \$360K total
 - Dollar change annual impact to average taxable homeowner: ~\$20 lower tax bill
 - Percent change – taxable home value must be more than ~\$1M to use 1%
- **\$10K, or 1.5%**
 - Percent change – taxable home value must be more than ~\$670K to use 1.5%
- **\$10K, or 2%**
 - Percent change – taxable home value must be more than ~\$500K to use 2%

Next Steps

- **Council Action first reading, June 17 Special Called**
- **Council Action second reading, June 29 Special Called**
- **File updated exemption with Williamson Central Appraisal District**
- **No action needed from homeowners for currently filed homes**

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GEORGETOWN, TEXAS ESTABLISHING THE VALUE OF THE EXEMPTION FROM AD VALOREM TAXES FOR A PERCENTGE OF THE APPRAISED VALUE OF RESIDENTIAL HOMESTEADS; REPEALING CONFLICTING ORDINANCES AND RESOLUTIONS; INCLUDING A SEVERABILITY CLAUSE; AND SETTING AN EFFECTIVE DATE.

WHEREAS, the Texas Tax Code Section 11.13 authorizes a percentage or amount exemption from ad valorem (property) taxes on the appraised value of residential homesteads;

WHEREAS, pursuant to Ordinance No. 83-25, the City of Georgetown previously adopted an exemption in the amount greater of five thousand dollars (\$5,000) or one percent (1%) of the market value of a residential homestead ;

WHEREAS, the Texas Tax Code Section 11.13 further provides that “[i]n addition to any other exemptions provided by this section, an individual is entitled to an exemption from taxation by a taxing unit of a percentage of the appraised value of his residence homestead if the exemption is adopted by the governing body of the taxing unit before July 1 in the manner provided by law for official action by the body. If the percentage set by the taxing unit produces an exemption in a tax year of less than \$5,000 when applied to a particular residence homestead, the individual is entitled to an exemption of \$5,000 of the appraised value. The percentage adopted by the taxing unit may not exceed 20 percent.”

WHEREAS, the City Council finds that it is in the public interest to change the exemption at this time;

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GEORGETOWN, TEXAS THAT

Section 1. The meeting at which this ordinance was approved was in all things conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 2. Beginning tax year January 1, 2021, the City hereby adopts an exemption to ad valorem taxes for residential homesteads in the amount of \$10,000 or 1 percent, whichever is greater.

Ordinance Number: _____

Description: Ad Valorem Exemption Ordinance

Date Approved: _____

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Section 3. If any provision of this ordinance or application thereof to any person or circumstance shall be held invalid, such invalidity shall not affect the other provisions, or application thereof, of this ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are hereby declared to be severable.

Section 4. The Mayor is hereby authorized to sign this ordinance and the City Secretary to attest. This ordinance shall become effective in accordance with the provisions of the Charter of the City of Georgetown.

PASSED AND APPROVED ON FIRST READING on the _____ day of _____, 2021.

PASSED AND APPROVED ON SECOND READING on the _____ day of _____, 2021.

ATTEST:

THE CITY OF GEORGETOWN:

Robyn Densmore,
City Secretary

Josh Schroeder,
Mayor

APPROVED AS TO FORM:

Skye Masson, City Attorney

Ordinance Number: _____

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Description: Ad Valorem Exemption Ordinance

Date Approved: _____