



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 1

Agenda Date: June 14, 2023

In Control: City Council B Session

DEPARTMENT: Finance Department

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Staff Presentation and Recommendation on Property Tax Relief Options

SUMMARY:

City Staff will provide a Presentation and staff recommendation for property tax relief for Fiscal Year 2024 based on updated information received from the Bexar County Appraisal District. Based on the direction received during the City Council “B” Session, it may be necessary to have an item placed on the June 22, 2023 agenda to approve property tax relief options before the July 1 deadline and to be effective for Fiscal Year 2024.

BACKGROUND INFORMATION:

The City has long recognized the need to provide tax relief to resident homesteads, senior citizens and disabled persons. The City initially adopted an Over Age 65 homestead exemption in the amount of \$3,000 in FY 1974, which was incrementally increased to \$65,000 in FY 2004 and most recently to \$85,000 for FY 2023. In 2005, the City adopted a homestead exemption in the amount of \$12,500 for disabled persons which was increased to \$85,000 for FY 2023. In 2005, the City initiated a tax freeze for both Over-65 and disabled persons homesteads. Additionally, In FY 2020, the City adopted a Local Option Residence Homestead Exemption in the amount of .01% of the appraised value of a residence homestead (which equated to a minimum \$5,000 exemption by

State Statute). This exemption was increased to 10% for FY 2023. In FY 2023, the City will forego approximately \$95 Million in revenue due to the above exemptions and the tax freeze.

City Staff provided City Council Members with a preliminary update on taxable values and obtained policy direction and input on possible property tax relief options on April 13, 2023 and May 10, 2023, during the City Council Goal Setting Session and Financial Forecast briefings. Based on input received from City Council Members during these briefings and updated information from the Bexar County Appraisal District, staff will be providing a staff recommendation on additional property tax relief and an estimated property tax rate. It may be necessary to have an item placed on the June 22, 2023 City Council Agenda to approve the additional property tax relief option in order to provide to the Bexar County Appraisal District prior to a July 1, 2023 deadline and be included in the October Tax Bills. The property tax rate will continue to be refined until the certified tax roll is received from the Bexar County Appraisal District on July 25, 2023. Once the Certified Tax Roll is received, City staff will run the truth in taxation calculations to develop the final tax rate. The final tax rate will be proposed and formally adopted as part of the Fiscal Year 2024 Adopted Budget.

ISSUE:

This item is for briefing purposes only.

ALTERNATIVES:

This item is for briefing purposes only.

FISCAL IMPACT:

This item is for briefing purposes only.

RECOMMENDATION:

This item is for briefing purposes only.