



# Work Session/Briefing

**MEETING DATE:** July 9, 2024

**TITLE:**

Receive presentation on SB 1145 allowing certain property tax exemptions for certain childcare facilities in cities or counties.

**AGENDA ITEM SUBMITTED BY:**

Submitted by: Sylvia Carrillo-Trevino, ICMA-CM, CPM, City Manager

**BACKGROUND/HISTORY:**

SB 1145 added §11.36 to the Texas Tax Code, effective January 1, 2024. The new law allows, but does not require, counties and cities to exempt certain childcare facilities from local property taxes.

There are 12 in the 78602 zip code, and of that 9 reside within the City of Bastrop.

The tax exemption is specific to facilities who:

- Are a licensed childcare facility;
- Are a Texas Workforce Commission (TWC) Texas Rising Star program participant; and
- Have at least 20 percent of their children enrolled in TWC's Child Care Services (CCS) program.

**FISCAL IMPACT**

The total fiscal impact to the City of Bastrop is less than \$5,000.

**RECOMMENDATION:**

Allow a 50% tax exemption and work with the Chief Appraiser to create a process as required under SB 1145 to exempt properties who apply for the exemption and meet the requirements. This should be an annual request.

**ATTACHMENTS:**

1. Texas Workforce Commission Technical Document
2. List of potentially affected properties and the potential fiscal impact