

Issues



BRECKENRIDGE CITY COMMISSION
AGENDA SUMMARY FORM

Subject: Discussion and any necessary action regarding request from Junior Buckaroo Academy to be exempt from property taxes.

Department: Administration

Staff Contact: Cynthia Northrop

Title: City Manager

BACKGROUND INFORMATION:

We have received a request from Junior Buckaroo Academy requesting an exemption from property tax.

The State Statute, Under Tax Code Chapter 11, Section 37 (b) allows political subdivisions to consider the request but is not required or mandatory. The statute further defines a qualifying child-care facility as:

- (A) the owner or operator of which participates in the Texas Workforce Commission's Texas Rising Star Program as described by Section [2308.3155](#), Government Code, for that facility; and
- (B) at which at least 20 percent of the total number of children enrolled at the facility receive subsidized child-care services provided through the child-care services program administered by the Texas Workforce Commission.

Further criteria outlined in Section 37 (b) include:

- (b) Subject to Subsection (d), if the governing body of a county or municipality in the manner required by law for official action by the governing body adopts the exemption, a person is entitled to an exemption from taxation by the county or municipality of all or part of the appraised value of:
 - (1) the real property the person owns and operates as a qualifying child-care facility; or

(2) the portion of the real property that the person owns and leases to a person who uses the property to operate a qualifying child-care facility.

(c) The governing body of a county or municipality may adopt the exemption authorized by this section as a percentage of the appraised value of the property. The percentage specified by the governing body may not be less than 50 percent.

(d) To qualify for the exemption authorized by this section, the property must be:

(1) except as provided by Subsection (e), used exclusively to provide developmental and educational services for children attending the child-care facility; and

(2) reasonably necessary for the operation of the child-care facility.

FINANCIAL IMPACT:

A reduction of property value on the tax roll for the City of Breckenridge.

STAFF RECOMMENDATION:

Issues to consider if approved:

1. Setting a precedent for other Child Care facilities to come forward with a request for consideration.
2. A reduction in the taxable value for the City of Breckenridge.

Consider approval or denial of the request.