

From: Jed Hefner
Sent: Wednesday, April 19, 2023 11:24 AM
To: Josh Stevens; Crystal Caldera; Sandra Passailaigue
Cc: Mayor Riley; Carol Goering; Vickie Wallace
Subject: RE: Agenda Item revision/ request for May 2, 2023

I second.

From: Josh Stevens <josh.stevens@leonvalleytexas.gov>
Sent: Wednesday, April 19, 2023 11:01 AM
To: Crystal Caldera <c.caldera@leonvalleytexas.gov>; Sandra Passailaigue <s.pass@leonvalleytexas.gov>
Cc: Jed Hefner <jed.hefner@leonvalleytexas.gov>; Mayor Riley <mayorriley@leonvalleytexas.gov>; Carol Goering <c.goering@leonvalleytexas.gov>; Vickie Wallace <v.wallace@leonvalleytexas.gov>
Subject: Agenda Item revision/ request for May 2, 2023

Dr Caldera and Ms. Passailaigue,

Instead of the agenda item (Resolution) I added with Councilor Hefner in the meeting last night, I'd like to request that the agenda item be changed to an Ordinance and to read (something similar, slight modifications okay):

“Presentation, Discussion, and Possible Action on an Ordinance, Beginning January 1, 2023, Increasing the General Residence Homestead Exemption in an Amount Equal to 20 Percent of the Appraised Value of the Homestead or the Statutorily Mandated Minimum of \$5,000, Increasing the Homestead Property Tax Exemption for Persons 65 Years of Age or Older from \$30,000 to \$50,000, Increasing the Homestead Exemption for Disabled Persons from \$30,000 to \$50,000, and Amendments to Section 11.02 of the City of Leon Valley Code of Ordinances to Add Such Exemptions. (1st Reading as Required by City Charter)“

I've requested Councilor Hefner respond to this email and cosponsor the new wording of this agenda item.

The official ordinance text, which I've attached for legal review, will state (if this text needs to be what is placed on the agenda, I'm fine with that also):

“APPROVING (A) AN INCREASE, BEGINNING JANUARY 1, 2023, IN: (1)THE GENERAL RESIDENCE HOMESTEAD EXEMPTION IN THE CITY FOR AN INDIVIDUAL IN AN AMOUNT EQUAL TO 20 PERCENT OF THE APPRAISED VALUE OF THE RESIDENCE HOMESTEAD OR THE STATUTORILY MANDATEDMINIMUM OF \$5,000; (2) HOMESTEAD PROPERTY TAX EXEMPTION FOR PERSONS 65 YEARS OF AGE OR OLDER FROM \$30,000 TO \$50,000; AND (3) HOMESTEAD PROPERTY TAX EXEMPTION FOR DISABLED PERSONS FROM \$30,000 TO \$50,000; AND (B) AMENDMENTS TO CHAPTER 11 OF THE CITY CODE OF LEON VALLEY, TEXAS TO ADD SUCH EXEMPTIONS.”

Dr. Caldera, is it possible for staff to work on preparing a full breakdown of each of these exemptions, including:

1. Estimated fiscal impact for increasing general residence homestead exemption to **20%** combined with increase in exemption for disabled persons and those 65+ from \$30,000 to \$50,000
2. Estimated fiscal impact for increasing general residence homestead exemption to **15%** combined with increase in exemption for disabled persons and those 65+ from \$30,000 to \$50,000
3. Estimated fiscal impact for increasing general residence homestead exemption to **10%** combined with increase in exemption for disabled persons and those 65+ from \$30,000 to \$50,000
4. Estimated fiscal impact for increase in exemption for disabled persons and those 65+ from \$30,000 to \$50,000 only, with **no change to general residence homestead exemption**
5. Estimated fiscal impact for increase in general residence homestead exemption to 20%, with **no change to exemptions for disabled persons and those 65+**
6. **Maximum tax rate (or estimate, if we can't yet compute the exact maximum tax rate) that the City Council can approve during the summer budgeting process without opening the door for a citizen petition, and the approximate net fiscal impact of increasing the tax rate to this maximum tax rate combined with the approximate figures for new property assessments.** (e.g. 0.53444 ; net fiscal impact, using new property value assessments, without any change to exemptions is +\$900,000; net fiscal impact, using new property assessments, with change in general exemption to 20% and increase in exemption for disabled and those 65% to \$50,000 is net +\$250,000.)

I think it's necessary to have the entire breakdown, because many of the numbers are interdependent on each otherExamples:

- o A disabled person, under 65 years old (not locked), with a home valued at \$400,000 would derive a greater benefit from a 20% homestead exemption than the increase from \$30,000 to \$50,000
- o A disabled person, under 65 years old, with a home valued at \$200,000, would derive greater benefit from the change in exemption from \$30,000 to \$50,000 than the 20% homestead exemption.
- o If both of these exemptions were simply added together for the same person, that won't give us an accurate number, because the city will only be fiscally impacted by whichever exemption benefits the property owner to the greatest extent. The same is applied to seniors with multiple different exemptions.

Apologies for such a long email, but hopefully providing the draft ordinance cuts out some of the legwork for this item. 😊 I want to put the most drastic/ significant numbers on the agenda item (just to best conform to TOMA), though this might not be what the Council ends up voting for.

Please let me know if there's any questions or concerns. If I didn't word one of the requests above well, please give me a call – I acknowledge it's complex and can probably explain better over the phone.

Also for reference, I used the template of the ordinance from San Antonio during their June 16, 2022 meeting. It's agenda item 2022-06-16-0433.

Josh 😊