

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

DEPARTMENT: City Manager, Office of Management and Budget

AGENDA DATE: Introduction: September 11, 2012
Public Hearing: September 18, 2012

CONTACT PERSON NAME AND PHONE NUMBER: Lynly Leeper, Chief Budget Officer/541-4777

DISTRICT(S) AFFECTED: All

SUBJECT:
AN ORDINANCE AMENDING TITLE 3 (REVENUE AND FINANCE) OF THE EL PASO MUNICIPAL CODE, CHAPTER 3.04 (PROPERTY TAXES) BY AMENDING SECTION 3.04.040 (EXEMPTION – RESIDENCE HOMESTEAD) TO INCREASE THE AD VALOREM PROPERTY TAX EXEMPTION FOR INDIVIDUALS WHO QUALIFY UNDER THE CURRENT CODE.

BACKGROUND / DISCUSSION:
It is recommended the current City Code be amended to increase the homestead exemption for senior and disabled citizens from thirty-thousand dollars of the market value of the residence homestead to forty-thousand dollars effective on January 1 of the first calendar after which the total rate exceeds \$0.69/\$100 or January 1, 2015 whichever occurs earlier.

PRIOR COUNCIL ACTION:
City Council previously amended the City Code to provide a thirty-thousand dollar exemption effective January 1, 2006.

AMOUNT AND SOURCE OF FUNDING:
N/A

BOARD / COMMISSION ACTION:
N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD: Lynly M. Leeper

ORDINANCE NO. _____

AN ORDINANCE AMENDING TITLE 3 (REVENUE AND FINANCE) OF THE EL PASO MUNICIPAL CODE, CHAPTER 3.04 (PROPERTY TAXES) BY AMENDING SECTION 3.04.040 (EXEMPTION – RESIDENCE HOMESTEAD) TO INCREASE THE AD VALOREM PROPERTY TAX EXEMPTION FOR INDIVIDUALS WHO QUALIFY UNDER THE CURRENT CODE.

WHEREAS, the provisions of Title 3, Chapter 3.04, Section 3.04.040 of the Municipal Code have been established for the purpose of promoting the health, safety, moral and general welfare of its citizens; and

WHEREAS, the El Paso City Council clearly recognizes that the values of residential homesteads have steadily increased in the ensuing twenty five (25) year period; and

WHEREAS, the El Paso City Council clearly recognizes the need to treat fairly and equitably its senior and disabled citizens consistent with the intent of Title 3, Section 3.04.040 of the Municipal Code; and

WHEREAS, the El Paso City Council finds that the proposed amendment will have a positive impact upon the public health, safety, morals, and general welfare of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

Section 1. That Chapter 3.04, Section 3.04.040(A) of the El Paso Municipal Code is amended to read as follows:

- A. Effective January 1 of the next immediate calendar year following the Effective Date as set forth in Section 2 below, Forty Thousand Dollars of the market value of the residence homestead owned by any person, married or unmarried, including those living alone, who are under a disability for purposes of payment of disability insurance benefits under Federal Old Age Survivors and Disability Insurance or its successor, or of married or unmarried persons sixty-five years of age or older, including those living alone, during each tax year, as provided by state law, shall be exempt from all ad valorem taxes hereafter levied by the City for that year.

Section 2. That this ordinance shall be effective on the date that the El Paso City Council adopts an ad valorem tax rate that equals or exceeds \$0.6900 of one percent of the assessed property value or January 1, 2015, whichever occurs first.

Section 3. Except as herein amended, Title 3, Revenue and Finance, of the El Paso City Code shall remain in full force and effect.

APPROVED this _____ day of _____, 2012.

CITY OF EL PASO

John F. Cook
Mayor

ATTEST:

Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

Bertha A. Ontiveros
Assistant City Attorney

Lynly G. Leeper, Chief Budget Officer
Office of Management and Budget

ORDINANCE NO. _____

12-1001-021/PL#132707/TITLE 3.04.040 AMEND/BAO



Ordinance to Increase Elderly and Disabled Property Tax Exemption

September 18, 2012

Lynly Leeper, Chief Budget Officer



Elderly and Disabled Tax Exemption

- Increase the exemption amount for elderly and disabled taxpayers from \$30,000 to \$40,000 on qualified property for owners over the age of 65 or disabled
 - January 1st of the year following the adoption of a total tax rate that equals or exceeds \$0.69/\$100
- or**
- January 1, 2015
- whichever occurs first**
- Exemptions are not transferable and only apply to homestead properties



Elderly and Disabled Tax Exemption

Total parcels	213,859
Homestead parcels	123,684

- 42,767 (34.6%) of homestead parcels belong to qualified elderly and disabled
- 19.1% of City's property tax derived from parcels belonging to qualified elderly and disabled



Impact of Proposed Tax Exemption

- Qualifying homes valued at \$111,339 or less will see a tax savings
- Shifts \$3 million annually to non-exempted households; equivalent to less than a 1% increase for households not eligible for the exemption.



Questions Comments

