

City of San Antonio



AGENDA City Council Special Meeting

City Hall Complex
105 Main Plaza
San Antonio, Texas 78205

Monday, June 24, 2019

5:00 PM

Municipal Plaza Building

The City Council of San Antonio convened in a Special Meeting. City Clerk Leticia Vacek took the Roll Call noting a quorum with the following Councilmembers present:

PRESENT: Mayor Nirenberg, Treviño, Andrews-Sullivan, Viagran, Rocha Garcia, Gonzales, Cabello Havrda, Sandoval, Pelaez, Courage, and Perry.

City Clerk Vacek read the following caption:

2019-06-24-0584

ORDINANCE APPROVING A RESIDENCE HOMESTEAD EXEMPTION IN THE CITY FOR THE TAX YEAR BEGINNING JANUARY 1, 2019 IN AN AMOUNT EQUAL .01% OF THE APPRAISED VALUE OF THE RESIDENCE HOMESTEAD

Ben Gorzell presented an overview for a Proposed Property Tax Relief Homestead Exemption. He stated that during the City Council Policy Goal Setting Session, City Councilmembers requested the topic be placed on a Special City Council Meeting Agenda for consideration of .01% Homestead Exemption; which equates to a \$5,000 Exemption for Homesteads. Mr. Gorzell stated that the exemption cannot be adopted as a dollar amount; but must be a percentage. He explained the urgency of the meeting for the Homestead Exemption to take effect next fiscal year. He added that the City Council must take action prior to July 1, 2019; and shall notify the State Comptroller's Office and the Bexar Appraisal District.

Mr. Gorzell described the current exemptions the City offers: 1) A \$65,000 Exemption for over age 65; and 2) a \$12,500 Exemption for disabled persons; along with the tax freeze. He explained that means when someone turns age 65; the \$65,000 Exemption is applied to the city's taxable value of the home, thus the city's amount decreases and that dollar value is frozen going forward. He stated that the value of the home did not matter as that property tax bill will stay the same going forward. He explained that in total, the City will forego nearly \$52 million in property tax revenue from these exemptions and the tax freeze.

Mr. Gorzell provided the following statistics:

- 472,968 total parcels on the city’s property tax roll
- Approximately 50% split between commercial property (236,214 parcels) and residential property (236,754 parcels)
- Approximately 96,504 parcels have homeowners that reached age 65 and have a tax freeze
- Approximately 8,769 disabled persons have this exemption
- Approximately 23,867 disabled veterans have this exemption
- Approximately 44% of residential homesteads have Over Age 65 and Disabled Exemptions

San Antonio Area Exemption Comparison

Jurisdiction	Homestead Exemption	Over-65 Exemption	Disabled Exemption	Senior Tax Freeze
City of San Antonio	No	Yes	Yes	Yes
Bexar County	No	Yes	Yes	Yes
School Districts	Yes	Yes	Yes	Yes
United Health Systems	No	Yes	No	No
Alamo Colleges	No	Yes	Yes	Yes
San Antonio River Authority	Yes	Yes	Yes	No

Mr. Gorzell compared San Antonio to other major cities such as Houston, Dallas, Austin, and El Paso. He stated that they did not have the senior tax freeze. He added that since said cities do not have a tax freeze in place; their tax bills continue to rise. He noted that the following cities have a tax freeze like San Antonio; 1) Corpus Christi, and 2) Fort Worth. He explained that Fort Worth’s M&O Tax Rate is 63 cents while San Antonio’s remains at 35 cents per 100 dollar tax valuation.

Mr. Gorzell discussed the impact of HB 3 on School Districts as well as the impact of SB 2 Property Tax Reform on cities and counties which reduces the rollback rate from 8% to 3.5%.

Mr. Gorzell summarized the request for .01% General Homestead Exemption. He stated that the result of a \$5,000 Homestead Exemption to be effective January 1, 2019 is an estimated homeowner savings of \$28 annually. He stated that the General Fund revenue loss was estimated at \$3.6 million; Debt Services Fund was estimated at a revenue loss of \$2.2 million and the Debt Services capacity loss of \$33 million.

Mayor Nirenberg called upon citizens registered to speak:

Mario Bravo, Chair of Political Committee for Move Texas stated that he was concerned with renters and how the exemption will affect renter’s rights. He stated that the Homestead Exemption applies to individuals that own their home; but the renters will lose \$6 million in City services. He noted that he understood the community’s desire for tax relief, but expressed that it was happening too quickly.

Brett Finley, Government Affairs Director of Policy SABOR submitted written testimony regarding support of a homestead exemption in the amount of .01% of the appraised value of the residence.

Mayor Nirenberg stated that he was cognizant about how equitable the tax relief was and expressed support for the motion. He stated that the Bexar Appraisal District had been engaged with the process initiated by Councilmember Pelaez. Mayor Nirenberg noted that public participation was needed to ensure that homeowners were taking advantage of the exemptions. He stated that the public had been asking for property tax relief and that he intended to provide it with no strings attached.

Mayor Nirenberg added that the Homestead Exemption requires a collaborative effort by the City Council. He thanked City Council that showed collegiality on the Council to overcome differences and achieve consensus. He stated that it would be challenging to cut \$6 million from a \$2.8 billion budget but expressed it could be done.

Councilmember Perry stated that he supported the Homestead Exemption. He stated that his top three priorities were taxes, police, fire protection, and infrastructure. He stated that his constituents want property tax relief and that has tried to provide tax relief for the past couple of years.

Councilmember Perry moved to adopt the Ordinance. Councilmember Courage seconded the motion. After a lengthy discussion, the motion to approve prevailed by the following vote:

AYES: Mayor Nirenberg, Treviño, Andrews-Sullivan, Viagran, Rocha Garcia, Gonzales, Cabello Havrda, Sandoval, Pelaez, Courage, and Perry.

ADJOURNMENT

There being no further discussion, Mayor Nirenberg adjourned the meeting at 6:21 pm.

APPROVED

RON NIRENBERG
MAYOR

Attest:

LETICIA M. VACEK, TRMC/CMCMC
City Clerk