

**State of Texas  
County of Bexar  
City of San Antonio**



**FINAL  
Meeting Minutes  
City Council B Session**

City Hall Complex  
105 Main Plaza  
San Antonio, Texas 78205

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Wednesday, February 14, 2018

2:00 PM

Municipal Plaza Building

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The City Council of San Antonio will convene in the “B” Room of the Municipal Plaza Building. City Clerk Leticia Vacek took the Roll Call noting the following Councilmembers present:

**PRESENT:** 11 - Mayor Nirenberg, Treviño, Shaw, Viagran, Saldaña, Gonzales, Brockhouse, Sandoval, Pelaez, Courage, and Perry

1. Briefing by Bexar Appraisal District Chief Appraiser Michael Amezcuita on the appraisal process and property tax relief options available to homesteads in Texas cities. [Ben Gorzell, Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer]

Councilmember Treviño stated that he served as Vice-Chair on the Bexar County Appraisal District (BCAD). He noted that BCAD was committed to transparency and wanted to communicate programs and processes to the public. He stated that the deadline for property value protests was May 15, 2018.

Michael Amezcuita provided an overview of the annual property tax assessment timeline and the legal requirements setting same. He noted that the Texas Constitution required taxation to be equal and uniform and property to be taxed based on current market value. He stated that property owners had a right to notices of increase in appraised property value and Bexar

County mailed notices when values increased over \$1,000. He noted that property was appraised at market value on January 1st of each year but preliminary investigations were underway to allow appraisal re-evaluations in situations of emergency or natural disaster.

Mr. Amezcuita provided an overview of shifting costs from the state to local school districts, cities, and counties. He noted that the majority of funding for schools was collected through local property taxes. He stated that Texas did not have a legal requirement for sales disclosure and commercial properties utilized the "Equal and Uniform" provision of State Law to reduce values below market value. He noted significant increases in commercial property litigation and resulting losses to BCAD. He stated that the city could adopt a Local Homestead Exemption or reduce the property tax rate to provide tax relief to homeowners. He noted that it was more viable to pursue an end to the current commercial appeals process than to lower property taxes. He provided an overview of residential market value change and taxable value change from 2007 to 2017 across Bexar County.

Ben Gorzell highlighted Governor Greg Abbott's recent tax proposal to reduce the property tax rollback rate from 8.0% to 2.5% and the legislative requirements to approve same. He noted that if approved, the proposed revenue cap would be effective as of Fiscal Year 2022. He stated that the City of San Antonio had not increased the property tax rate in 25 years but lowered it seven times. He noted that if the proposed cap had been in place for the previous 10 years; it would have resulted in \$339 million in lost revenue with an average monthly savings of \$4.74 per homestead. He provided an overview of Local Homestead Exemption options and the resulting fiscal impact to the city.

Ed Guzman outlined Neighborhood Empowerment Zones, Community Land Trusts, and Homestead Preservation Districts as alternative property tax programs.

Councilmember Treviño spoke of increasing public awareness regarding property tax regulations and supporting legislative solutions at the State Level.

Mayor Nirenberg asked of opportunities for appraisal reform. Mr. Amezcuita spoke in favor of sales price disclosure requirements and legislative changes.

City Manager Sheryl Sculley noted that in 2018, the city would forego approximately \$47 million in tax revenue through 101,000 senior and disabled exemptions.

Councilmember Perry asked of the number of individual lawsuits filed against BCAD and resulting legal fees. Mr. Amezcuita replied that BCAD was involved in 800-1,200 lawsuits and spent between \$1 million and \$1.5 million annually. Councilmember Perry spoke in support of a Local Homestead Exemption.

Councilmember Viagran asked of valuation increases to residents to account for state contribution reductions. Mr. Amezcuita replied that increases would be necessary. Councilmember Viagran asked of the generally accepted methods and standards for appraisal. Mr. Amezcuita explained stipulations to derive market values and costs. Councilmember Viagran expressed support for improved transparency and customer service throughout the appraisal process. She asked of unfunded future mandates. Jeff Coyle replied that there were none in the Governor's proposed plan but reductions in state-supplied services led to increased service costs for municipalities. Councilmember Viagran asked of lowering the taxable percentage threshold for value changes. Mr. Gorzell replied that staff could analyze value changes and the impact of restricting the threshold. Councilmember Viagran asked of tax rebates for residential property owners. City Attorney Andy Segovia replied that the City of San Antonio did not have the authority to rebate taxes.

Councilmember Brockhouse asked of the most important factor in valuation. Mr. Amezcuita replied that sales information, expense information, and location were the primary factors. Councilmember Brockhouse expressed support for a Local Homestead Exemption, rate rollbacks, and prioritizing City Services to identify areas for reduction.

Councilmember Shaw cautioned against cutting services to offer exemptions without public input and spoke in favor of advocating for changes at the State Level.

Councilmember Sandoval spoke in support of services to allow residents to stay in their homes despite rising property valuations and taxes. She asked of outreach to advertise the protestation process. Mr. Amezcuita replied that print advertisements were required and social media efforts would be increased in the future. Councilmember Sandoval asked of categorical differentiations for exemptions. Mr. Gorzell replied that state statute mandated that additional exemptions be standardized. Councilmember Sandoval asked for revenue projections utilizing modified tax rates. Mr. Gorzell replied that a one-cent reduction to the current tax rate would result in revenue loss of \$10.5 million. Mrs. Sculley added that staff would provide additional long-term projections at a future presentation. Councilmember Sandoval asked of the general revenue impact of Tax Increment Reinvestment Zones. Mr. Gorzell replied that it was \$18 million.

Councilmember Viagran asked of efforts to minimize resident displacement. Mr. Amezcuita replied no such measures existed due to the restrictions of the Tax Code.

Councilmember Treviño asked Councilmembers to provide more consistent feedback to BCAD regarding community outreach and customer service.

Mr. Amezcuita asked City Staff to contact him regarding expansion of parking options at BCAD for customers.

Councilmember Courage asked of the average change in value resulting from protestation. Mr. Amezcuita replied that historically, the changes were between 5 and 8 percent and he could provide the dollar amount at a later time. Councilmember Courage expressed concern about service cuts that would negatively impact the local community.

Councilmember Pelaez asked of BCAD's improvement efforts. Mr. Amezcuita replied that they were focused on increased transparency and communication. Councilmember Pelaez asked of the number of homeowner lawsuits and arbitrations. Mr. Amezcuita replied that he had less than 10 lawsuits and 600 arbitrations in 2017. Councilmember Pelaez asked of the discrepancy in the number of lawsuits filed versus settled compared to other large Counties in Texas. Mr. Amezcuita replied that BCAD still had many 2017 lawsuits pending and that he had a smaller staff than other comparable tax offices. Councilmember Pelaez expressed concern that BCAD processes and attitudes were not supportive of constituents exercising their right to protestation.

Mayor Nirenberg thanked Mr. Amezcuita and staff for their presentations.

#### **EXECUTIVE SESSION**

Mayor Nirenberg recessed the meeting into Executive Session at 4:55 pm to discuss the following:

- A. Economic Development negotiations pursuant to Texas Government Code Section 551.087 (economic development).
- B. The purchase, exchange, lease or value of real property pursuant to Texas Government Code Section 551.072 (real property).
- C. Legal advice related to anti-harassment policies pursuant to Texas Government Code Section 551.071 (consultation with attorney).

#### **RECONVENED**

Mayor Nirenberg reconvened the meeting at 6:00 pm and announced that no action was taken in Executive Session. He addressed the Ceremonial Item.

**CEREMONIAL**

Mayor Nirenberg and the City Council extended official congratulations to Nancy L. Hard on her retirement as President/CEO of Family Service Association. It was noted that Ms. Hard led the agency with a staff of over 550 serving 90,000 individuals since September 2001. It was also noted that Ms. Hard gained a national reputation for her leadership work in the areas of program development, community resource development and capacity building. The City Council wished Ms. Hard well in her future endeavors.

**CITIZENS TO BE HEARD**

Mayor Nirenberg called upon the citizens registered to speak.

Mark Perez expressed concern with public safety standards and zoning practices.

Antonio Diaz spoke in opposition to colonialism. He asked the City Council to support human rights to correct historical injustices against the Indigenous Population.

Nazirite Ruben Flores Perez expressed concern that CPS Energy was overcharging its customers and asked the City Council to provide monetary assistance to citizens.

Rhett Smith thanked City Council for their work during the SA to DC Trip. He spoke in support of sensible gun control and better mental health services.

Raymond Zavala spoke in support of panhandling restrictions and asked the City Council to allocate funds for enforcement of same.

**ADJOURNMENT**

There being no further discussion, Mayor Nirenberg adjourned the meeting at 6:27 pm.

APPROVED

RON NIRENBERG  
MAYOR

ATTEST:

LETICIA M. VACEK, TRMC/CMC/MMC  
CITY CLERK