

City of Austin Homestead Exemption

400 K Properties in Travis County

126 K Properties in Austin Taxing Jurisdiction with HS Exemptions

\$38 B Total Appraised Value for 2014 HS Properties

20% HS Exemption would reduce City Revenue by **\$36 M**

10% HS Exemption would reduce City Revenue by **\$18 M**

\$228 K Median value of HS Properties

20% Homestead Exemption allowed by State Law
\$220 Savings per year for Median valued home

How to Manage **\$36 M** Less Revenue Where will the Money Come From?

Council Discretionary Spending over last few years:

\$30M	New Downtown Library over budget
\$20M	Yearly Estimate for Electric Utility Impact Fees
\$14M	Surplus in Budget, per year, over last 2 years
\$ 9M	Golf Course in South Austin
\$ 8M	Tax Abatements/Incentives to Apple
\$ 7M	Fee Waivers to UT Med School/Teaching Hospital
\$ 4M	Fee Waivers to Marriott Hotel

We have the resources to pay for the above discretionary items, then we have the resources to pay for a City Homestead Exemption.

Proposal Must: Ensure we do not negatively impact City Services, and we do not negatively affect rental properties.

We need to prioritize it for Austinites and encourage home ownership.

City of Austin Homestead Exemption Plan:

1. Implement a 10% Homestead Exemption in year one,
2. Phase in an increase of 5% per year, until 20% is reached in year 3,
3. Collaborate with other Texas cities and lobby the Legislature for a Flat Rate exemption to deal with regressive impact,
4. Propose a \$40 K Flat Rate Exemption for all City of Austin HS. Equates to \$25 M per year, \$200 per year savings per Homestead.
5. Evaluate and adjust Flat Rate Exemption as required.