



## CITY COUNCIL MEMORANDUM

**FROM:** The Office of the City Manager   **DATE:** June 27, 2022

**SUBJECT:** Consider Ordinance No. 3745, amending Chapter 74, Article II, of the North Richland Hills Code of Ordinances to increase the residence homestead exemption from ad valorem taxes as authorized by Section 11.13(n) of the Texas Property Tax Code.

**PRESENTER:** Mark C. Mills, Director of Finance

### **SUMMARY:**

City Council is being asked to consider Ordinance No. 3745 which would increase the residence homestead exemption from 15% to 20% as allowed by state law.

### **GENERAL DESCRIPTION:**

During City Council Work Sessions on May 18, 2022, and June 27, 2022, staff shared information with City Council regarding anticipated property value trends and the City's residence homestead exemption. Section 11.13(n) of the Texas Property Tax Code authorizes a taxing unit to exempt a percentage of the appraised value of a residence homestead if the exemption is adopted by the governing body before July 1. The City's current residence homestead exemption is 15%. This ordinance proposes to increase the exemption from 15% to 20%, which is the maximum exemption allowed by State law. If passed, this increase will reduce the taxable value of a homestead by 20% or \$5,000, whichever is greater. This exemption will be effective for the tax year beginning January 1, 2022.

### **RECOMMENDATION:**

Approve Ordinance No. 3745, amending Chapter 74, Article II, of the North Richland Hills Code of Ordinances to increase the residence homestead exemption from ad valorem taxes as authorized by Section 11.13(n) of the Texas Property Tax Code.