



# CITY OF MCKINNEY, TEXAS

## Legislation Details (With Text)

<b>File #:</b>	17-506	<b>Name:</b>	Tax Exemption for Over Age 65
<b>Type:</b>	Ordinance	<b>Status:</b>	Approved
		<b>In control:</b>	City Council Regular Meeting
<b>On agenda:</b>	6/20/2017	<b>Final action:</b>	6/20/2017
<b>Title:</b>	Consider/Discuss/Act on an Ordinance Increasing the Homestead Exemption for Residents Over Age 65		
<b>Indexes:</b>			
<b>Attachments:</b>	1. Ordinance, 2. Presentation		

Date	Ver.	Action By	Action	Result
6/20/2017	1	City Council Regular Meeting	Approved	Pass
5/16/2017	1	City Council Regular Meeting	Tabled to Another Meeting	Pass

Consider/Discuss/Act on an Ordinance Increasing the Homestead Exemption for Residents Over Age 65

**COUNCIL GOAL:** Financially Sound Government

**MEETING DATE:** June 20, 2017

**DEPARTMENT:** Budget

**CONTACT:** Mark Holloway, Chief Financial Officer

### RECOMMENDED CITY COUNCIL ACTION:

- Approve the ordinance.

### ITEM SUMMARY:

- This item was presented at the May 16<sup>th</sup> Council meeting, but was tabled at the request of Council until the new Mayor and Council were seated.
- This agenda item discusses the impact of increasing the tax exemption for residents over age 65.
- For every \$5,000 increase in exemption, eligible homeowners will pay \$29 less in taxes at current tax rate.
- For every \$5,000 increase in exemption, non-eligible homeowners will pay \$3.28 more in taxes at current tax rate.

### BACKGROUND INFORMATION:

- The current homestead exemption for residents over age 65 has been \$50,000 since 2005. Between 1999 and 2005, the exemption was \$30,000. Before 1999, the exemption was \$4,500 since 1979.

- When compared with other area cities, exemptions range from \$30,000 to \$80,000.
- The county appraisal district must receive notice of adoption from the City before July 1 in order for the increase to be effective October 1 for 2017 taxes.

**SPECIAL CONSIDERATIONS:** None

**FINANCIAL SUMMARY:**

- Based on the current tax rate and the current number of households claiming the over 65 exemption, the potential reduction in revenue for every \$5,000 increase in exemption is approximately \$200,000.