

ORDINANCE NO. 2024-06-_____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, ADOPTING A _____ PERCENT (___ %) PROPERTY TAX EXEMPTION FOR QUALIFYING CHILD-CARE FACILITIES AS AUTHORIZED UNDER TEXAS TAX CODE SECTION 11.36 AND ARTICLE VIII, SECTION 1-R OF THE TEXAS CONSTITUTION; REPEALING CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of McKinney, Texas (the “City”) is a Home-Rule City possessing the full power of local self-governance pursuant to Article XI, Section 5 of the Texas Constitution, Section 51.072 of Texas Local Government Code and its Home Rule Charter; and

WHEREAS, the Texas Legislature enacted Senate Bill 1145, which amended the Tax Code to allow a property tax exemption for certain child-care facilities, as Codified in Texas Tax Code Section 11.36; and

WHEREAS, the voters of the State of Texas approved Proposition 2 on November 7, 2023, amending Article VIII, Texas Constitution, by adding Section 1-r to authorize ad valorem tax exemptions for child-care facilities; and

WHEREAS, the City Council of the City of McKinney, Texas (the “City Council”) recognizes the importance of quality child-care services and the economic challenges faced by child-care providers in the City; and

WHEREAS, the City Council finds and determines that it is in the best interest of the public health, safety, and general welfare of the citizens of McKinney, Texas, to adopt an exemption of _____ percent (___%) of the appraised value of all or a portion of the real property used to operate a qualifying child-care facility.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, THAT;

Section 1. FINDINGS

All of the above premises are hereby found to be true and correct and are hereby approved and incorporated into the body of this Ordinance as if set forth in their entirety.

Section 2. DEFINITIONS

For the purposes of this Ordinance, the terms “child-care facility” and “qualifying child-care facility” shall have the meanings ascribed to them in Texas Tax Code Section 11.36

Section 3. TAX EXEMPTION FOR QUALIFYING CHILD-CARE FACILITIES ADOPTED

Pursuant to the authority granted by Texas Tax Code Section 11.36 and Article VIII, Section 1-r of the Texas Constitution, the City of McKinney hereby adopts a property tax exemption for qualifying child-care facilities. Qualifying persons are entitled to an exemption from ad valorem taxation of _____ percent (___ %) of the appraised value of:

- (a) The real property the person owns and operates as a qualifying child-care facility; or

- (b) The portion of the real property that the person owns and leases to a person who uses the property to operate a qualifying child-care facility.

Section 4. **SUBJECT TO TEXAS TAX CODE SECTION 11.36**

The property tax exemption adopted by this Ordinance is subject to the limitations and requirements of Texas Tax Code Section 11.36.

Section 5. **PROPERTY WITH RESIDENTIAL USES EXCLUDED**

A person may not claim the child-care facility exemption for a property if the person also claims a Texas Tax Code Section 11.13 residence homestead exemption on the property or leases any part of the property to another for use as a principal residence.

Section 6. **REPEALER CLAUSE**

All ordinances, orders, or resolutions heretofore passed and adopted by the City Council of the City of McKinney, Texas, are hereby repealed to the extent that said ordinances, orders, or resolutions, or parts thereof, conflict with this Ordinance.

Section 7. **SAVINGS CLAUSE**

All rights and remedies of the City of McKinney are expressly saved as to any and all violations of the provisions of any ordinances which have accrued at the time of the effective date of this Ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances, same shall not be affected by this Ordinance but may be prosecuted until final disposition by the courts.

Section 8. **SEVERABILITY CLAUSE**

If any section, subsection, clause, phrase or provision of this Ordinance is for any reason held unconstitutional or void by a court of competent jurisdiction, such holding shall not affect any valid portion of this or any other ordinance of the City of McKinney, Texas.

Section 10. **EFFECTIVE DATE**

This Ordinance shall become effective immediately upon its passage and approval.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, ON THE 25TH DAY OF JUNE 2024.

CITY OF MCKINNEY, TEXAS

GEORGE C. FULLER, Mayor
GERÉ FELTUS, Mayor Pro Tem

CORRECTLY ENROLLED:

EMPRESS DRANE
City Secretary
TENITRUS BETHEL
Deputy City Secretary

DATE: _____

APPROVED AS TO FORM:

MARK S. HOUSER, City Attorney
ALAN LATHROM, Assistant City Attorney