

RESOLUTION NO. 20231109-028

WHEREAS, during the 88th Regular Session, the Texas Legislature passed enabling legislation to place a constitutional amendment on the ballot for voters on November 7, 2023, which, if approved, would allow cities and counties to have the option to provide an exemption from ad valorem property taxation of between 50 to 100 percent of the appraised value of all or a part of real property used to operate a commercial child-care facility; and

WHEREAS, to be eligible, licensed child-care facilities must participate in the Texas Rising Star (TRS) Program of the Texas Workforce Commission and maintain a minimum 20 percent enrollment of children who receive subsidized child-care services provided through the child-care services program administered by the Texas Workforce Commission, among other criteria; and

WHEREAS, if a child-care facility is leasing the facility, the benefit must be passed down to the provider and not retained by the property owner; and

WHEREAS, current estimates show that under this eligibility criteria, up to 100 local providers would be eligible for this property tax relief; and

WHEREAS, the eligibility criteria does not allow licensed or registered home-based child-care centers to participate; and

WHEREAS, our community is approaching what many have described as a “child-care cliff” because the federal funding that has allowed many child-care providers to stay open and retain staff during the pandemic will soon expire, resulting in increased instability for working families and our community’s child-care providers, who already operate with incredibly thin profit margins; and

WHEREAS, as demonstrated in resolutions such as Resolution Nos. 20160211-018, 20170928-057, 20181004-036, 20190411-020, 20190620-089, 20200507-023, 20200729-089, 20200917-062, 20201015-073, 20201203-011, and 20230126-055, it is a long established goal of the City to advance policies, programs, and investments that support child-care providers and the families they serve; **NOW, THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The City Council affirms its intent to advance a 100 percent exemption from the City's ad valorem property tax for eligible child-care facility operators to provide them relief should the constitutional amendment be approved by the voters in November of 2023 and the legislation authorizing the exemption take effect on January 1, 2024.

BE IT FURTHER RESOLVED:

If the amendment is approved by the voters, the City Manager is directed to compose and bring the necessary ordinance(s) and other necessary documents to Council for approval no later than the first Council meeting of 2024 for the purposes of adopting the child-care facility property tax exemption for the 2024 tax year.

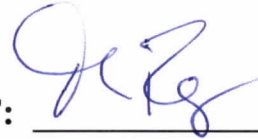
BE IT FURTHER RESOLVED:

The City Manager is further directed to explore a mechanism to provide licensed or registered home-based child-care providers similar property tax relief, be it through the creation of a fund to which home-based providers could apply for assistance, an amendment to an existing incentive program, such as the Chapter 380 program, or another recommended process, and is directed to report back to

Council with their findings, recommendations, and suggested eligibility criteria no later than May 9, 2024.

ADOPTED: November 9, 2023

ATTEST:



Myrna Rios
City Clerk