



Legislation Text

File #: 24-392, Version: 1

STRATEGIC PRIORITY: Government Performance & Financial Management
AGENDA DATE: February 14, 2024
COUNCIL DISTRICT(S): N/A
DEPARTMENT: Budget and Management Services
EXECUTIVE: Jack Ireland

SUBJECT

Authorize an optional child-care facilities exemption of 50 percent for qualifying child-care facilities as defined in the Texas Tax Code beginning with the 2024 tax year (fiscal year beginning October 1, 2024) - Estimated Annual Revenue Foregone: ~~TBD~~ [General Fund \(\\$79,512\)](#) and [Debt Service Fund \(\\$30,507\)](#) totaling [\(\\$110,019\)](#)

BACKGROUND

Texas Proposition 2, the Property Tax Exemption for Child-Care Facilities Amendment, was on the ballot as a legislatively referred constitutional amendment on November 7, 2023. The ballot measure was approved. The measure amended the state constitution to allow counties or municipalities to authorize a property tax exemption on all or part of the appraised value of real property used to operate child-care facilities.

The Texas Tax Code defines an eligible child-care facility as a facility licensed by the Health and Human Services Commission to provide assessment, care, training, education, custody, treatment, or supervision for a child who is not related by blood, marriage, or adoption to the owner or operator of the facility, for all or part of the 24-hour day, whether or not the facility is operated for profit or charges for the services it offers.

In order to qualify for the exemption, the owner or operator of the child-care facility must participate in the Texas Workforce Commission's Texas Rising Star Program for the facility, and at least 20 percent of the total number of children enrolled at the facility must receive subsidized child-care services provided through the child-care services program administered by the Texas Workforce Commission.

The exemption is authorized as a percentage of appraised value of the property and may not be less than 50 percent.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On January 22, 2024, the Government Performance and Financial Management Committee was briefed and recommended to move this item forward for City Council approval on February 14, 2024.

FISCAL INFORMATION

Estimated Annual Revenue Foregone: ~~TBD~~ [General Fund \(\\$79,512\) and Debt Service Fund \(\\$30,507\) totaling \(\\$110,019\)](#)

Source: Eligible child-care facility list provided by Workforce Solutions of Greater Dallas