

ORDINANCE 2024-O-101

AN ORDINANCE OF THE CITY OF LAREDO, TEXAS, ADOPTING A CHILD CARE FACILITIES TAX EXEMPTION EQUAL TO 100 PERCENT OF THE APPRAISED VALUE OF ALL OR A PORTION OF REAL PROPERTY OPERATING AS A QUALIFYING CHILD-CARE FACILITY. THIS EXEMPTION WAS PASSED DURING THE 88TH TEXAS LEGISLATURE REGULAR SESSION UNDER SENATE BILL 1145 AND APPROVED BY THE VOTERS IN NOVEMBER 2023, PROPOSITION 2. THE OWNER OR OPERATOR OF THE CHILD-CARE FACILITY MUST BE LICENSED WITH THE HEALTH AND HUMAN SERVICES COMMISSION; PARTICIPATE IN THE TEXAS WORKFORCE COMMISSION'S RISING STAR PROGRAM; AND HAVE AT LEAST 20 PERCENT CHILD ENROLLMENT AS RECIPIENTS OF SUBSIDIZED CHILDCARE SERVICES; QUALIFYING CHILD-CARE FACILITIES WILL BE EXEMPT FROM CITY AD VALOREM TAXES IN ACCORDANCE WITH CHAPTER 11, SECTION 11.36 OF THE TEXAS PROPERTY TAX CODE, STARTING WITH TAX YEAR 2024 AND EACH YEAR THEREAFTER UNLESS AMENDED; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, Pursuant to the provisions of the Texas Property Tax Code, Chapter 11, Section 11.36, a county or a municipality to adopt a Child-Care Facilities exemption as a percentage of the appraised value of all or a portion of real property operating as a qualifying Child-Care Facility and the percentage cannot be less than 50 percent; each person desiring such exemption shall file an application and an affidavit form with the Webb County Appraisal District; AND

WHEREAS, 100 percent of the appraised value of all or a portion of real property operating as a qualifying Child-Care Facility shall be exempt from all taxation for all City purposes beginning in Tax Year 2024 and future years, unless amended; AND

WHEREAS, The owner or operator of the Child-Care Facility must be licensed with the Health and Human Services Commission; participate in the Texas Workforce Commission's Rising Star Program; and have at least 20 percent child enrollment as recipients of subsidized childcare services; AND

WHEREAS, Pursuant to Section 11.36(f) of the Texas Property Tax Code, a person who owns the property and claims the exemption and leases to a person who uses the property to operate a qualifying Child-Care Facility must provide a disclosure document stating the amount of the property taxes that are reduced due to the exemption. The rent of the tenant must reflect that reduction through a monthly or annual credit against the rent.

WHEREAS, A person cannot claim the Child-Care Facility exemption on property they own and lease to another to operate a qualifying Child-Care Facility if the person also claims a Texas Property 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; AND

WHEREAS, That this ordinance shall be effective upon approval.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAREDO, TEXAS:

SECTION 1. Child-Care Facilities property tax exemption:

That the City of Laredo adopts a 100 percent exemption of the appraised value of all or a portion of real property operating as a qualifying Child-Care Facility and who shall be exempt from all taxation for all City purposes beginning for Tax Year 2024 and future years, unless revised. Pursuant to the provisions of the Texas Property Tax Code, Chapter 11, Section 11.36, a county or a municipality to adopt a Child-Care Facilities exemption as a percentage of the appraised value of all or a portion of real property operating as a qualifying Child-Care Facility. The percentage cannot be less than 50 percent. Each person desiring such exemption shall file an application and an affidavit form with the Webb County Appraisal District.

SECTION 2. The owner or operator of the Child-Care Facility must be licensed with the Health and Human Services Commission; participate in the Texas Workforce Commission's Rising Star Program; and have at least 20 percent child enrollment as recipients of subsidized childcare services

SECTION 3. Pursuant to Section 11.36(f) of the Texas Property Tax Code, a person who owns the property and claims the exemption and leases to a person who uses the property to operate a qualifying Child-Care Facility must provide a disclosure document stating the amount of the property taxes that are reduced due to the exemption. The savings must be passed on to the renter, and the rent of the tenant must reflect that reduction through a monthly or annual credit against the rent.

SECTION 4. A person cannot claim the Child-Care Facility exemption on property they own and lease to another to operate a qualifying Child-Care Facility if the person also claims a Texas Property 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 5. A person cannot claim the Child-Care Facility exemption on property they own and lease to another to operate a qualifying Child-Care Facility if the person also claims a Texas Property 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. If any section, subsection, sentence, clause, or phrase of this Ordinance is, for any reason, held to be unconstitutional or invalid, such holding shall not affect the validity of the remaining portions of the Ordinance. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

SECTION 7. This Ordinance shall become effective immediately upon approval.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR ON THIS
THE _____ DAY OF JUNE, 2024.

DR. VICTOR H. TREVINO
MAYOR

ATTEST:

MARIO I. MALDONADO, JR.
CITY SECRETARY

APPROVED AS TO FORM:

DOANH “ZONE” T. NGUYEN
CITY ATTORNEY