

CITY OF SEGUIN

ORDINANCE NO.:

STATE OF TEXAS

ORDINANCE OF THE CITY COUNCIL OF SEGUIN, TEXAS AMENDING THE SEGUIN CODE OF ORDINANCES CHAPTER 94, TAXATION, ARTICLE II, AD VALOREM TAXES, TO CHANGE THE GUIDELINES FOR RECEIVING A HISTORIC DISTRICT TAX ABATEMENT; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR PUBLICATION; PROVIDING AN EFFECTIVE DATE; AND AUTHORIZING STAFF TO PREPARE THIS ORDINANCE FOR SUBMISSION AS A SUPPLEMENT TO THE CODE OF ORDINANCES

WHEREAS, after researching how other communities evaluated historic district tax abatements the Main Street Advisory Board discussed changes to the downtown tax abatement policies; and

WHEREAS, the Main Street Advisory Board recommends that rather than a fixed dollar amount the minimum investment for a five year abatement should be at least off 15% of the appraised value of the property and a 40% investment be required for a ten year abatement; and

WHEREAS, since the tax abatement review committee has been abolished references to that committee have been removed.

NOW THEREFORE BE IT ORDAINED, by the City Council of Seguin, Texas:

SECTION ONE. The Seguin Code of Ordinances, Chapter 94, Taxation, Article II, Ad Valorem Taxes, Section 94-31, Tax exemption for improvements made to properties in the downtown historic district; is amended to read as follows (underlining indicates added text, ~~striketrough~~ indicates deleted text):

(a) Pursuant to Section 11.24 of the Texas Tax Code and Article 8, Section 1-f of the Texas Constitution, as the same may be amended from time to time, and provided the applicant is in compliance with the following subsections of this section, the city hereby exempts from taxation the increase in value to a structure in the downtown historic district which results from rehabilitation, renovation or restoration in which funds or labor of a value in excess of ~~\$2,000.00~~ 15% of the appraised value of the building were expended. This exemption does not apply to the taxation on assessed value of the structure prior to renovation or restoration, nor the value of the land.

(b) To be eligible for exemption, the property owner must submit an application to the Main Street Advisory Board ~~and the Seguin Economic Development Tax Abatement Review Committee~~ documenting the completed renovation or restoration. If the Main Street Advisory Board and the tax abatement review committee approves the application then it will be forwarded to city council for final approval. With city council approval the ~~increased~~ property will be taxed on the pre-rehabilitation value ~~to of the structure per the guidelines of Section 94-31(d) due to the renovation or restoration will be exempt from taxation.~~

(c) The exemption may be initially refused or cancelled during the life of the exemption if:

- (1) Ad valorem taxes are or become delinquent on the property; unless the delinquency is the product of a bona fide and verifiable dispute with the taxing entities;

- (2) The property initially does not or fails to be in compliance with all local and state building codes.
- (d) The city may grant an exemption from taxation:
- (1) For a period of up to five years from the date of substantial completion of the rehabilitation, restoration or renovation for an expenditure of funds in excess of 15% \$2,000.00 but less than 40% of the appraised value of the structure prior to the rehabilitation \$500,000.00; or
- (2) For a period of up to ten years from the date of substantial completion of the rehabilitation, restoration or renovation [for] an expenditure of funds in excess of \$500,000.00 40% of the appraised value of the structure prior to the rehabilitation.
- (e) The term of exemption is available regardless of whether the property ownership changes.
- (f) The property owner must execute a tax exemption agreement on a form acceptable to city staff which may contain conditions for the granting of the exemption and provisions for repayment in the event of default.

SECTION TWO. If any word, phrase, clause, sentence, or paragraph of this ordinance is held to be unconstitutional or invalid by a court of competent jurisdiction, the other provisions of this ordinance will continue in force if they can be given effect without the invalid portion.

SECTION THREE. All ordinances and resolutions or parts of ordinances or resolutions in conflict with this ordinance are repealed.

SECTION FOUR. This Ordinance shall become effective ten days after the date of its publication.

SECTION FIVE. City staff is authorized to prepare this Ordinance for submission as a supplement to the Seguin Code of Ordinances.

PASSED AND APPROVED on first reading this 15th day of January, 2019.

PASSED AND APPROVED on second reading this 5th day of February 2019.

DON KEIL, Mayor

ATTEST:

Naomi Manski, City Secretary