



COMMISSIONERS COURT COMMUNICATION

REFERENCE NUMBER _____

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DATE: 06/18/2024

**SUBJECT: DISCUSSION AND POSSIBLE ACTION CONCERNING THE
APPROVAL OF A RESOLUTION ESTABLISHING A TARRANT
COUNTY EXEMPTION TO PROPERTY TAXES FOR CHILDCARE
FACILITIES PURSUANT TO SECTION 11.36 OF THE TAX CODE**

COMMISSIONERS COURT ACTION REQUESTED

It is requested that the Commissioners Court discuss and possibly take action concerning the approval of a resolution establishing a Tarrant County exemption to property taxes for childcare facilities pursuant to Section 11.36 of the Tax Code.

BACKGROUND

On November 7, 2023, Texas voters approved Proposition 2 which created a new property tax exemption that exempts property taxes for childcare facilities. Section 11.36, Tex. Tax Code, allows a Commissioners Court to approve an exemption of property taxes for childcare facilities that meet certain criteria. A qualifying childcare facility must participate in the Texas Workforce Commission's (TWC) Texas Rising Star Program and have at least twenty (20) percent of children enrolled in the facility receive subsidized childcare services provided by TWC.

The exemption must be set at a minimum of fifty (50) percent. The owner of the childcare facility or property owner of property leased by a childcare facility may apply for this exemption. A property owner who leases the property to a childcare facility must reduce the rent charged for the lease of the property by the amount of the exemption.

FISCAL IMPACT

The fiscal impact for a fifty (50) percent exemption for childcare facilities in Tarrant County is estimated to be up to \$200,000.00 in savings to childcare providers.

SUBMITTED BY:	Administrator's Office	PREPARED BY: APPROVED BY:	Russell Schaffner
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