

COUNTY OF GUADALUPE

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SEGUIN, TEXAS, REPEALING ORDINANCE NOS. 1002 92-34, 97-63 AND 04-32 AND AMENDING CHAPTER 94, ARTICLE II, SECTION 94-31, OF THE SEGUIN CODE OF ORDINANCES CONCERNING THE ABATEMENT OF TAXES ON IMPROVEMENTS IN EXCESS OF TWO THOUSAND DOLLARS (\$2,000.00) IN THE DOWNTOWN HISTORIC DISTRICT OF THE CITY OF SEGUIN; PROVIDING A SEVERABILITY CLAUSE AND AN EFFECTIVE DATE AND AUTHORIZING CITY STAFF TO SUBMIT THIS ORDINANCE AS A SUPPLEMENT TO THE CODE OF ORDINANCES

WHEREAS, the City of Seguin has designated a portion of the downtown area as a historically significant site, which site is more particularly described in Section 29 of the Seguin Zoning Ordinance as the Downtown Historic District (“DHD”); and

WHEREAS, Section 11.24 of the Texas Tax Code allows the City of Seguin to provide for a special tax exemption for historic properties such as those in the DHD; and

WHEREAS, the City has determined that those properties in Seguin’s DHD are further in need of tax relief to encourage reinvestment, preservation and renovation of the district; and

WHEREAS, although a tax “abatement” under Section 11.24 of the Tax Code has been in place for over ten years in the City of Seguin, the Seguin City Council wishes to clean up confusion in the terminology used in Seguin’s Code of Ordinances as well as the description of the properties subject to the exemption and therefore desires to pass this ordinance;

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

1. That Ordinance Nos. 1002 92-34, 97-63 and 04-32 are hereby repealed in their entirety.
2. That the text of Chapter 94, Article II, Section 94-31 of the Seguin Code of Ordinances is repealed and the following substituted in its place:

Section 94.31 Tax exemption for improvements in excess of \$2,000 for properties located in the Downtown Historic District

- (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 ordinance, the City hereby exempts from taxation the increase in value to a structure in the Downtown Historic District which results from renovation or restoration in which funds or labor of a value in excess of Two Thousand and no/100 Dollars (\$2,000.00) 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 value to the structure 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 for a period of up to five (5) years from the date of substantial completion of the restoration or renovation.
 - (e) The exemption is available for five (5) years 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.
3. In accordance with Section 3.10 of the Seguin City Charter, this Ordinance shall become effective upon passage on second reading.

4. If any clause or provision of this Ordinance shall be deemed to be unenforceable for any reason, such unenforceable clause or provision shall be severed from the remaining portions of the Ordinance, which shall continue to have full force and effect.
5. City Staff is hereby authorized to submit this Ordinance as a supplement to the Seguin Code of Ordinances.

PASSED UPON FIRST READING ON JUNE 21, 2005.

PASSED UPON SECOND READING ON JULY 5, 2005.

MAYOR BETTY ANN MATTHIES

ATTEST:

Thalia Stautzenberger, City Secretary