

**ORDINANCE NO. 1581-11-2024**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GAINESVILLE, TEXAS, ADOPTING A LOCAL PROPERTY TAX EXEMPTION FOR QUALIFYING CHILD-CARE FACILITIES, AS DEFINED BY TEXAS TAX CODE 11.36, FOR THE TAX YEAR 2025 AND EACH YEAR THEREAFTER, AND AMENDING CHAPTER 18 “TAXATION” OF THE CODE OF ORDINANCES OF THE CITY OF GAINESVILLE, TEXAS, BY AMENDING ARTICLE I “IN GENERAL” BY CREATING SECTION 18-11 “CHILD-CARE FACILITY EXEMPTION”; PROVIDING REPEALING, SAVINGS, AND SEVERABILITY CLAUSES; FINDING AND DETERMINING THE MEETING AT WHICH THIS ORDINANCE IS ADOPTED WAS OPEN TO THE PUBLIC AS REQUIRED BY LAW; PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE.**

**WHEREAS**, the City of Gainesville, Texas (the “City”) is a home rule municipality pursuant to Article II, Section 5 of the Texas Constitution, Section 9.001 et seq, Texas Local Government Code, and its Home Rule Charter; and

**WHEREAS**, the City is authorized by Senate Bill 1145 of the 88<sup>th</sup> Texas Legislature (2023), adopted in Chapter 11, Section 11.36 of the Texas Tax Code, to adopt a local property tax exemption for qualified child-care facilities; and

**WHEREAS**, to qualify for the exemption authorized by state law, the property must be used exclusively to provide developmental and educational services for children attending the child-care facility with other functions incidental to that use allowed, and the property must be reasonably necessary for the operation of the child-care facility; and

**WHEREAS**, as set forth in Texas Tax Code Section 11.36(g), 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 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**, Section 11.36(c) of the Texas Tax Code authorizes the governing body of a municipality to adopt an exemption from taxation as a percentage of no less than 50% of the appraised value of a qualifying child-care facility, as defined under the Texas Tax Code; and

**WHEREAS**, the City Council of the City (“City Council”) hereby desires to adopt a one hundred percent (100%) tax exemption of the appraised value of real property used for qualifying child-care facilities, as defined under the Texas Tax Code, beginning with the 2025 tax year.

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

**Section 1. Findings incorporated.** The findings set forth above are determined to be true and correct and are hereby incorporated into the body of this Ordinance as if fully set forth herein.

**Section 2. Adoption of Exemption.** The City Council hereby adopts the exemption, as authorized and described in Texas Tax Code Section 11.36, of 100% of the city's ad valorem property taxes for real property used for qualifying child-care facilities, as defined therein.

**Section 3. Amendment.** Chapter 18, "Taxation", Article I, "In General", of the City's Code of Ordinances is hereby amended to create Section 18-11 to read entirely as follows:

**"Sec. 18-11. – CHILD-CARE FACILITY EXEMPTION**

- (a) Upon compliance with all requirements of any applicable laws and regulations of the state and the city including, but not limited to, Section 11.36 of the Texas Tax Code, and subject to the limitations and regulations therein, one hundred percent (100%) of the appraised value of:
- (i) real property a person owns and operates as a qualifying child-care facility, or
  - (ii) the portion of the real property that a person owns and leases to a person who uses the property as a qualifying child-care facility

shall be exempt from ad valorem taxes levied by the city for the tax year 2025, and for each year thereafter."

**Section 4. Savings/Repealing Clause.** All provisions of any ordinance in conflict with this Ordinance are hereby repealed to the extent they are in conflict. Such repeal shall not abate any pending prosecution for violation of the repealed ordinance, nor shall the repeal prevent a prosecution from being commenced for any violation if occurring prior to the repeal of the ordinance. Any remaining portions of said ordinances shall remain in full force and effect.

**Section 5. Severability Clause.** Should any section, subsection, sentence, clause, phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. The City 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 and phrases be declared unconstitutional or invalid.

**Section 6. Open Meeting.** That it is hereby found and determined that the meeting at which this Ordinance was passed was open to the public as required by law, and that public notice of the time, place and purpose of said meeting was given, all as required by Section 551.041 of the Texas Government Code.

**Section 7. Effective Date.** This Ordinance shall become effective immediately upon its adoption and its publication as required by law, except that the exemption adopted by this Ordinance applies to the tax year beginning January 1, 2025.

**SUSPENSION OF CHARTER**

**IN REGULAR SESSION OF THE CITY COUNCIL OF THE CITY OF GAINESVILLE, TEXAS, ON THE 19<sup>TH</sup> DAY OF NOVEMBER 2024, THE CHARTER PROVISION OF THE CITY OF GAINESVILLE REQUIRING THE READING OF THE ORDINANCE ON THREE SEPARATE OCCASIONS WAS SUSPENDED BY A VOTE OF:**

6 AYES, 0 NAYS, 1 ABSENT, AND 0 ABSTENTIONS

**ATTEST:**

  
DIANA ALCALA, CITY SECRETARY

  
TOMMY MOORE, MAYOR

**ADOPTION**

**ADOPTED IN REGULAR SESSION BY THE CITY COUNCIL OF THE CITY OF GAINESVILLE ON THE 19<sup>TH</sup> DAY OF NOVEMBER 2024 BY A VOTE OF:**

6 AYES, 0 NAYS, 1 ABSENT, AND 0 ABSTENTIONS

**ATTEST:**

  
DIANA ALCALA, CITY SECRETARY

  
TOMMY MOORE, MAYOR

