

City Council Workshop

Agenda Item #2

April 14, 2014

Review of City's Tax
Assistance Program

Staff would like an opportunity to update the City Council on the Local Tax Assistance Program. As of April 10, 2014, the City has received 130 applications qualifying for \$47,460.00 in assistance. The City currently has \$32,735.00 budgeted for the program.

Sec. 10-1205. Determination of Eligibility and Amount of Eligibility

If the Finance Director determines that the applicant is eligible to participate in the Program, he/she shall determine the total amount of such eligibility. Eligibility shall be the lesser of the following amounts:

a. The amount of credit qualified for under the Property Tax Fairness Credit program; or

b. A pro rata share of available monies in the Program Fund based on the amount of one's State Property Tax Fairness Credit; or

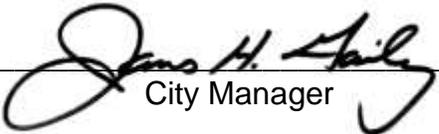
c. \$400.00.

The Finance Director shall report to the City Council in May of each year the projected payments and number of eligible applicants requesting assistance from the Program Fund.

Ordinance Section 10-1205(b) states that a pro rata share of the available monies will be the basis of the amount the applicants receive for assistance. The current program balance is \$32,735.00. Councilors have expressed the desire to review the budgeted amount versus requested amount prior to city staff distributing the funding on a pro rata basis. The City Council has two options in addressing the overage in the budget:

1. The Council can proceed with the pro rata share as required by Ordinance; or
2. The Council can vote on 4/23/14 to transfer \$15,000 from the Contingency Abatement Reserve to provide additional funding to the program.

Of the 130 applicants, 105 applicants qualify for the maximum refund amount of \$400.00. By transferring the \$15,000 this will bring the budget closer to the qualified amount. The pro rata share would be a smaller dollar amount compared to if the existing budget remained.


City Manager