



Austin City Council

Mayor
Will Wynn

Mayor Pro Tem
Betty Dunkerley

Council Members
Mike Martinez
Jennifer Kim
Lee Leffingwell
Brewster McCracken
Sheryl Cole

City Auditor
Stephen L. Morgan

Deputy City Auditor
Colleen Waring

Audit Report

**PROPERTY TAX: ANNEXATIONS
FOLLOW-UP**

July 2006

**Office of the City Auditor
Austin, Texas**

Audit Team

Niki Raggi, CGAP
Olga Ovcharenko
Doug Whitworth

Assistant City Auditor

Corrie Stokes, CIA, CGAP

A full copy of this report is available for download at our website:
<http://www.ci.austin.tx.us/auditor/reports>. You may also contact our office by email at
oca_auditor@ci.austin.tx.us.
Please request Audit No. AU05202.

OCA maintains an inventory of past audit report copies and we encourage you to return any unwanted hardcopy reports to our office to help us save on printing costs. Please mail to:
P. O. Box 1088, Austin, Texas 78767-8808.

Alternative formats are available upon request.
Please call (512) 974-2805 or Relay Texas #711.



Printed on recycled paper



City of Austin



Office of the City Auditor

301 W. 2nd Street, Suite 2130

P.O. Box 1088

Austin, Texas 78767-8808

(512) 974-2805, Fax: (512) 974-2078

email: oca_auditor@ci.austin.tx.us, website: <http://www.ci.austin.tx.us/auditor>

Date: July 25, 2006
To: Mayor and Council
From: Stephen L. Morgan, City Auditor
Subject: Property Tax: Annexations Audit - Follow-up Results

Our office performed follow-up work on the Property Tax: Annexations Audit issued in July 2003. The purpose of this follow-up work was to verify whether City planning staff has completed analysis of properties along Lake Austin that are currently exempt from paying City property tax to determine whether to maintain the exemption.

We found that City planning staff has made important progress related to our original recommendation with the scheduled annexation of an area called the “Peninsula” and the decision to begin to provide services and collect taxes from those properties adjacent to the Peninsula that are currently exempt from taxation.

Additionally, in our review of appraisal district records for properties in the Lake Austin area, we found several anomalies, including 34 properties omitted from the City property tax roll and one property erroneously paying property tax to the City. Given the errors found in the appraisal district records, the City should collaborate with the appraisal district to ensure that all properties within Austin’s city limits are correctly attributed to Austin. While the City does not have responsibility for maintaining the appraisal district records, it is in the City’s best interest to ensure that all properties within the city limits are paying property tax to the City of Austin.

We have issued three recommendations that address the need for the City to collaborate with the appraisal district to correct the present problems and to ensure that all properties are correctly added to the City tax roll by the appraisal district in the future.

We appreciate the cooperation and assistance we received from staff in the City Neighborhood Planning and Zoning Department and from the Travis Central Appraisal District during this follow-up project.

Stephen L. Morgan, CIA, CGAP, CFE, CGFM
City Auditor

PROPERTY TAX FOLLOW-UP COUNCIL SUMMARY

This report presents the results of our follow-up work on the Property Tax: Annexations audit issued in 2003. The purpose of this follow-up work was to verify whether City planning staff has completed analysis of properties along Lake Austin that are currently exempt from paying City property tax to determine whether to maintain the exemption.

We found that City planning staff has made important progress related to our original recommendation with the scheduled annexation of an area called the “Peninsula” and the decision to begin to provide services and collect taxes from those properties adjacent to the Peninsula that are currently exempt from taxation. Additionally, in our review of appraisal district records for properties in the Lake Austin area, we found several anomalies, including 34 properties omitted from the City property tax roll and one property erroneously paying property tax to the City. Given the errors found in the appraisal district records, the City should collaborate with the appraisal district to ensure that all properties within Austin’s city limits are correctly attributed to Austin. While the City does not have responsibility for maintaining the appraisal district records, it is in the City’s best interest to ensure that all properties within the city limits are paying property tax to the City of Austin.

We have issued three recommendations that address the need for the City to collaborate with the appraisal district to correct the present problems and to ensure that all properties are correctly added to the City tax roll by the appraisal district in the future. Management concurs with these recommendations.



ACTION SUMMARY PROPERTY TAX FOLLOW-UP

Rec. #	Recommendation Text	Management Concurrence	Proposed Implementation Date
01	As annexation in the Lake Austin area continues and services get extended to the annexed properties, the Director of the Neighborhood Planning and Zoning Department should determine whether it is feasible to provide services and collect tax from the properties that are adjacent to annexed areas that are currently subject to the 1986 ordinance.	Concur	Ongoing, as part of annexation review
02	In order to address current problems with the City property tax roll, the Director of the Neighborhood Zoning and Planning Department should collaborate with the Travis Central Appraisal District (TCAD) to ensure that existing errors in the City tax roll are corrected and that TCAD's records of City boundaries around Lake Austin are accurate.	Concur	July 2006
03	In order to prevent future problems with the City property tax roll, the Director of the Neighborhood Zoning and Planning Department should establish a process for ensuring that future additions to the City property tax roll are incorporated accurately by the appraisal district and that City jurisdictional boundaries are correctly reflected in the appraisal district records.	Concur	Implemented

TABLE OF CONTENTS

BACKGROUND	1
OBJECTIVES, SCOPE, AND METHODOLOGY	2
FOLLOW-UP RESULTS	3
APPENDIXES	
Appendix A: Management Response.....	11
Appendix B: Ordinance 860130-A	19
EXHIBITS	
Exhibit 1: Lake Austin Area	1
Exhibit 2: Lake Austin Area and Peninsula Area	4
Exhibit 3: Location of Anomalies.....	6
Exhibit 4: Assessed Value and Estimated Revenue Loss for 12 Properties on North Shore.....	7
Exhibit 5: Inventory of Services for 12 Properties on North Shore.....	7
Exhibit 6: Assessed Value and Estimated Revenue Loss for 22 Properties in Peninsula Area.....	8
Exhibit 7: Inventory of Services for 22 Properties in Peninsula Area.....	8

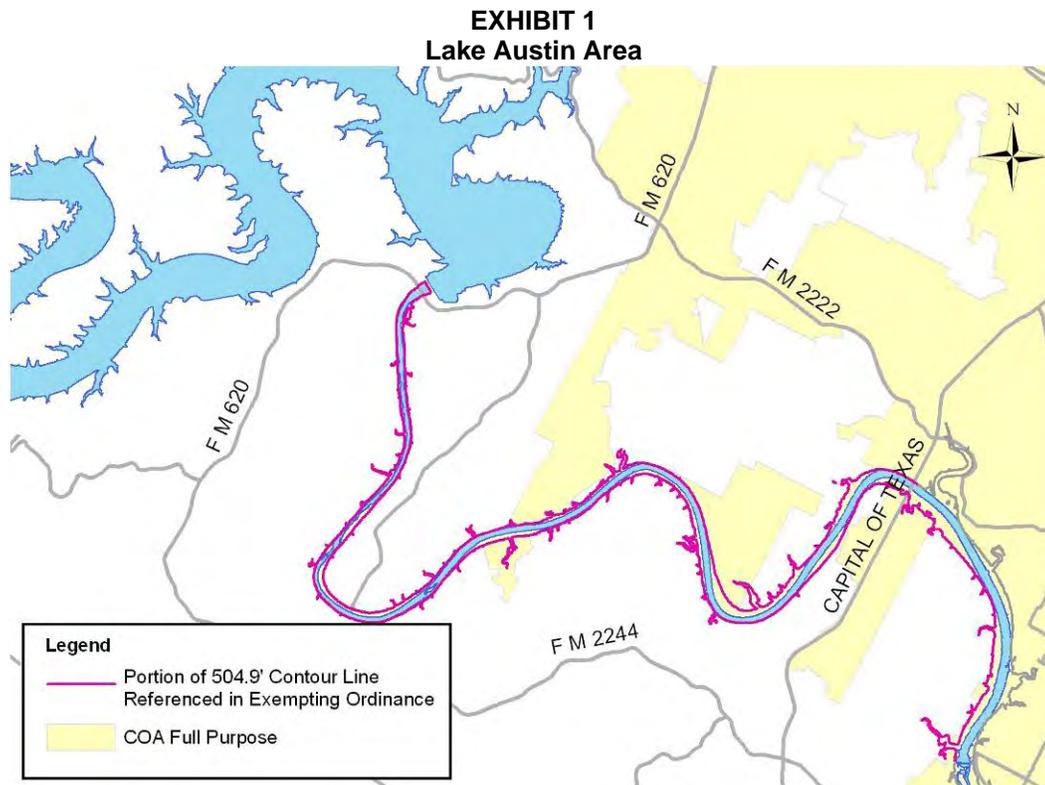
BACKGROUND

The City of Austin levies taxes on all properties located within its full purpose jurisdiction, unless exempt by law. The strip of land along Lake Austin, below a certain elevation, has been within the City limits since 1891. However, the properties located in this area have never received full municipal services and have not been taxed by the City.

In 1986, the City reiterated and codified this exemption. City Ordinance 860130-A exempts certain properties located below the 504.9' contour line of Lake Austin from paying the City portion of property taxes. According to the ordinance, the exemption is granted on the basis that the City is not providing municipal services to these properties, due to the difficulty and expense of providing services to this area. Additionally, the 1986 ordinance clarifies that this special status is granted until all City services are available in this area and the City Council, by resolution, orders taxes to be collected on all or part of the value of such area.

The area covered by the ordinance is shown in the map below and it includes:

- The north shore of Lake Austin from Capital of Texas Hwy (Loop 360) to Mansfield Dam (16 miles).
- The south shore of Lake Austin from Tom Miller Dam to Mansfield Dam (20 miles).



SOURCE: OCA analysis of properties along Lake Austin, May 2006.

OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

The purpose of a follow-up audit is to assess the progress that the department has made toward addressing the original audit findings and implementing the recommendations set forth in the original audit report.

The purpose of this follow-up work was to verify what evaluation City planning staff has done to determine whether to tax and serve properties along Lake Austin that are exempt from paying property tax.

Original Audit Recommendation (July 2003):

The Transportation, Planning, and Sustainability Department should evaluate the costs and benefits of providing services and taxing the properties near Lake Austin that are currently exempt, as well as to evaluate whether to annex for full purpose the adjoining properties that are now in the City's limited purpose jurisdiction.

Scope

The audit follows up on the Property Tax Annexations audit findings and focuses on the recommendation made to the City planning staff, specifically pertaining to the properties located in the full purpose jurisdiction that are exempt from City property taxes.

Methodology:

In order to perform this follow-up work, the audit team used various methods, including:

- Interviewing City staff in the City Neighborhood Planning and Zoning Department as well as staff in other City departments involved in the annexation process, including Financial and Administrative Service Department, Austin Fire Department, and Austin Water Utility;
- Interviewing staff in the City Law Department;
- Interviewing staff at the Travis Central Appraisal District;
- Reviewing and analyzing a variety of internal City documents pertaining to annexation;
- Reviewing applicable State and City law;
- Testing property tax records:
 - Performed data analysis, using Geographic Information System (GIS), on all properties located in and around the Lake Austin below the 504.9 contour line;
 - Used property tax appraisal records for 2005 from the Travis Central Appraisal District (TCAD) and matched them with data from the City's GIS; and
 - Identified anomalies.

This audit follow-up work was conducted in accordance with generally accepted government auditing standards.

FOLLOW-UP RESULTS

The City planning department has made important progress towards implementing the recommendation set forth in the original audit report. However, during our review of appraisal district tax records for properties in the Lake Austin area we found several anomalies, including 34 properties omitted from the City tax roll and one property erroneously paying property tax to the City. While the City does not have responsibilities for maintaining the appraisal district records, it is in the City's best interest to ensure that all properties within the city limits are paying property tax to the City of Austin.

The City planning department has made progress related to the recommendation set forth in the original audit report.

The City planning department has made progress related to the original audit recommendation with the scheduled annexation of an area called the "Peninsula" and the decision to begin to provide services and collect taxes from those properties located in the Lake Austin area adjacent to the Peninsula currently exempt from taxation. Our work revealed that difficulties in providing services to other properties along Lake Austin still exist; however, there may be exempted properties that can be served and taxed in the future as annexation in the area progresses. The Peninsula area is shown in Exhibit 2 on the following page.

The City Neighborhood Planning and Zoning Department (NPZD) has made important progress related to the audit recommendation set forth in the 2003 audit report. NPZD has made progress related to the original audit recommendation by initiating the three-year annexation process for the Peninsula area and recommending the removal of the property tax exemption at the end of the three-year period for the properties adjacent to the Peninsula annexation area. According to City staff, this area has been selected primarily because it is already, for the most part, receiving City water and wastewater services, which, along with fire protection services, are among the main cost drivers of annexations.

NPZD has not conducted a cost and benefit analysis for providing services to all the exempt properties around Lake Austin, as originally called for in the recommendation, but has moved forward with identifying exempt properties in the full purpose area that can be served by the City. Rather than conducting an analysis of the entire area exempt by ordinance, NPZD concentrated their efforts on either areas that already have a large number of City water and wastewater customers or areas that are not served by another water and wastewater provider. As a result of this analysis, NPZD has selected a subset of the Lake Austin area for annexation and removal of the property tax exemption.

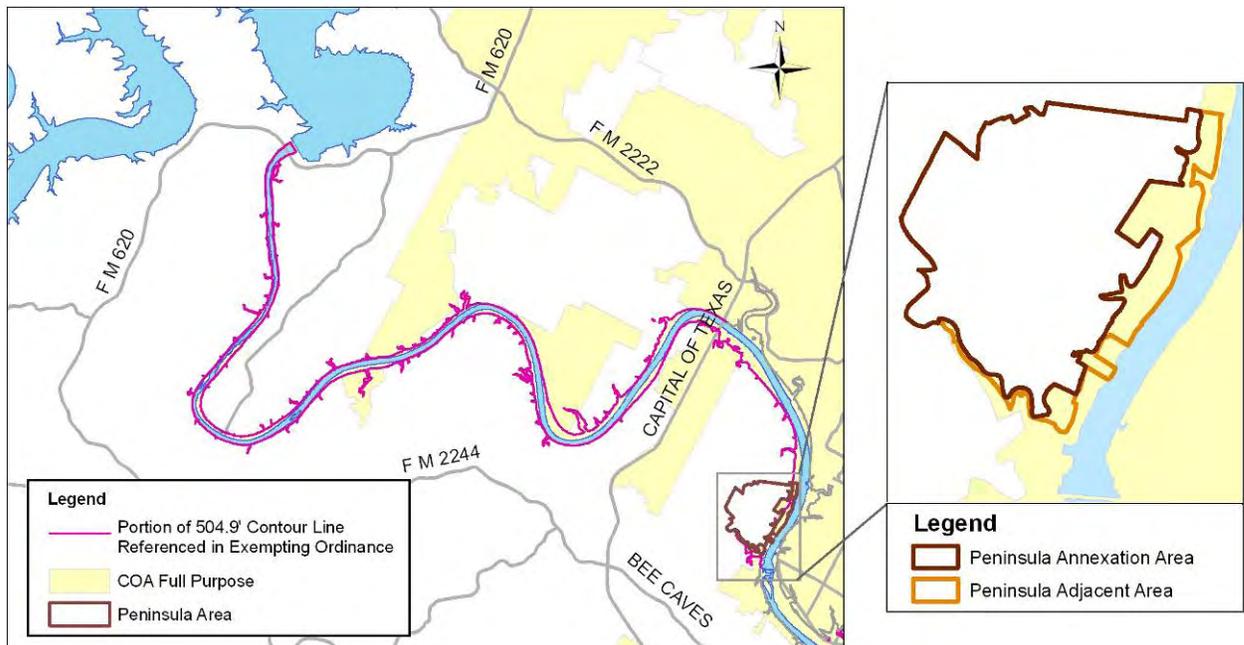
The area under consideration includes (1) the Peninsula annexation area which includes a portion of the city's limited purpose jurisdiction and extra territorial jurisdiction that will be annexed; and (2) the area adjacent to the Peninsula, which includes a small area in the city's full purpose jurisdiction that is currently covered by the 1986 ordinance (see Exhibit 2). The City will begin to provide services to this area and will collect taxes from the properties in this area in conjunction with the three-year annexation process. All the properties in the Peninsula annexation area and in the adjacent area are scheduled to be fully served and taxed by the City beginning in 2009 at the end of the State-mandated three-year annexation process.

Our analysis of the Lake Austin area subject to the 1986 ordinance indicates that difficulties of providing services to these properties along Lake Austin still exist; however, there may be exempted properties that can be served and taxed in the future. The 1986 ordinance exempted properties located along Lake Austin below the 504.9' contour line from paying property tax because of the difficulty and expense of providing municipal services to those areas at that time. Today, the vast majority of residents in the area covered by the ordinance still do not receive services from the City of Austin, though there are some properties that are receiving some City services, such as water or wastewater services. However, the majority of the properties that are being served by one or more City department are located in the area adjacent to the Peninsula for which the exemption by ordinance will be removed in 2009.

The area subject to the ordinance includes the land along Lake Austin below the 504.9' contour line, which is characterized by narrow and steep roads and impervious terrain. Moreover, the majority of the area covered by the 1986 ordinance lies along a thin stretch of land along Lake Austin that extends to the far west side of Travis County, away from the City. This distance makes it difficult for the City to provide public safety services such as police and fire, which require short response times. Additionally, the majority of the properties in this area receive water and wastewater services from private companies or municipal utility districts.

As discussed above, the difficulty and expense of providing services to properties along Lake Austin still stand. However, there may be properties that can be served and taxed in the future as the City grows westward and annexation in the areas occurs.

**EXHIBIT 2
Lake Austin Area and Peninsula Area**



SOURCE: OCA analysis of properties along Lake Austin, May 2006.

Recommendations

01. As annexation in the Lake Austin area continues and services get extended to the annexed properties, the Director of the Neighborhood Planning and Zoning Department should determine whether it is feasible to provide services and collect tax from the properties that are adjacent to annexed areas that are currently subject to the 1986 ordinance.

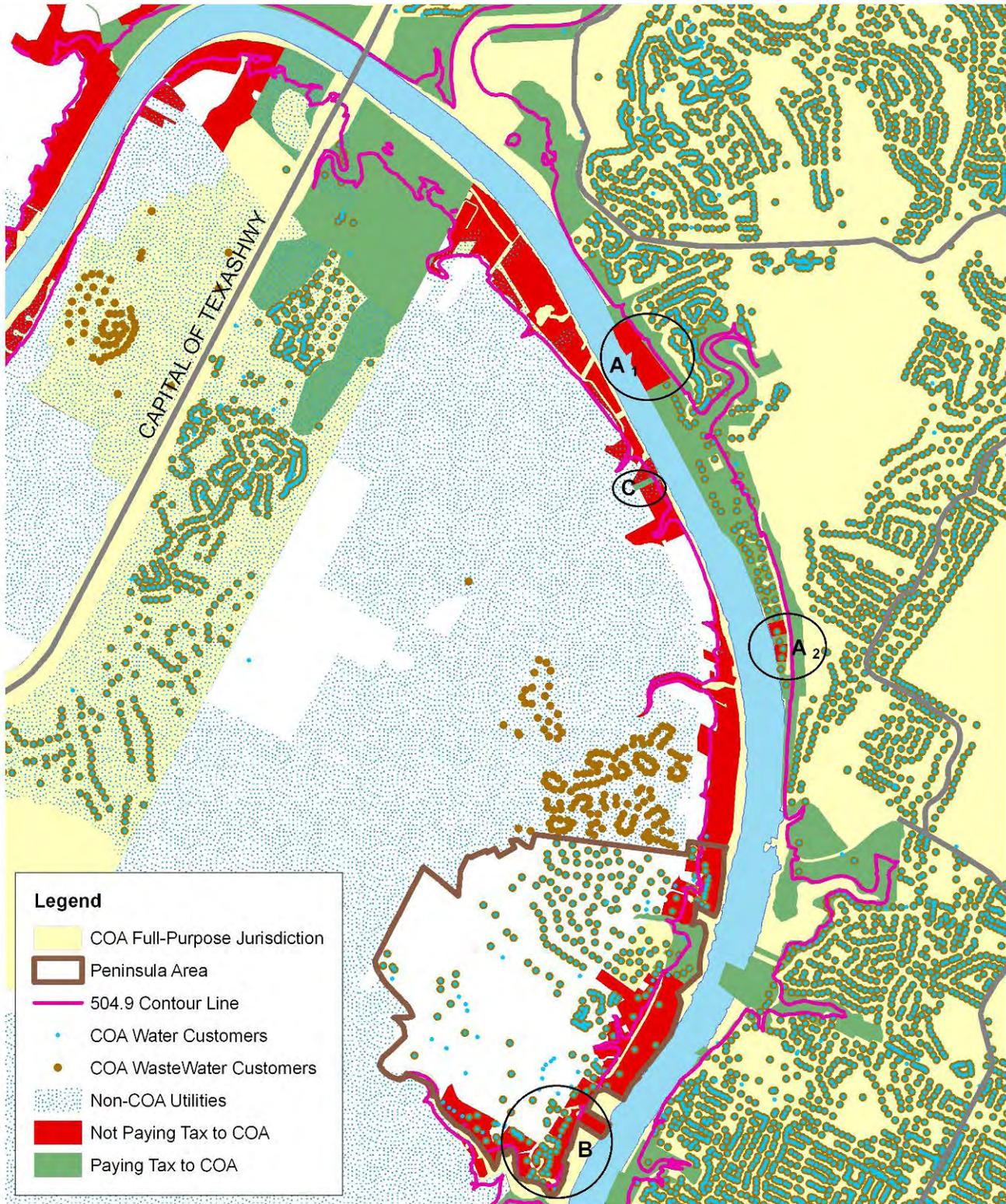
MANAGEMENT RESPONSE: Agree/Underway

As City services are extended to the properties surrounding the 504.9' contour area, the Neighborhood Planning and Zoning Department will evaluate the feasibility of amending the 1986 ordinance.

Audit work performed on property tax records showed several anomalies, including several properties missing from the City tax roll.

Analysis performed on appraisal district records for properties located along the Lake Austin area showed several errors, including 34 properties located within Austin's full purpose jurisdiction that are currently not on the City tax roll and one property that is erroneously paying property tax to the City. Given the errors found in the appraisal district records, the City should collaborate with the appraisal district to ensure that all properties within Austin city limits are correctly attributed to Austin. While the City does not have responsibilities for maintaining the appraisal district records, it is in the City's best interest to ensure that all properties within the city limits are paying property tax to the City of Austin. Exhibit 3 in the following page shows the location, within the City of Austin, of the anomalies identified.

EXHIBIT 3
Location of Anomalies



- A₁- properties on North Shore erroneously NOT paying COA property tax (receiving some City services)
- A₂- properties on North Shore erroneously NOT paying COA property tax (receiving most City services)
- B - properties in the Peninsula area erroneously NOT paying COA property tax (receiving most City services)
- C - property, in exempted area, erroneously paying COA property tax

SOURCE: OCA analysis of properties along Lake Austin, May 2006.

Due to errors in appraisal district records, twelve properties located in the City full purpose jurisdiction and in an area not exempted by the ordinance are currently not paying property tax to the City of Austin. These properties are located on the north shore of Lake Austin downstream from Loop 360 and are therefore not located in an area subject to the 1986 ordinance. This area along Lake Austin and below the 504.9' contour line has been part of the City full purpose jurisdiction since 1891, when the Texas State Legislature incorporated the City of Austin. According to TCAD staff, the appraisal district erroneously omitted three properties from the City tax roll. The remaining nine properties are not on the City tax roll due to differences between the City and TCAD's jurisdictional boundaries records.

As shown in Exhibit 4 below, the total assessed value for these properties is approximately \$11 million, resulting in a yearly revenue loss for the City of approximately \$49,000. This amount is based on the 2005 property certified value and is calculated using the City's approved 2005-06 property tax rate of \$0.4430 per \$100 of taxable assessed value.

EXHIBIT 4
Assessed Value and Estimated Revenue Loss for 12 Properties on North Shore

Total Assessed Value (AV)		Estimated Yearly Revenue Loss to COA (AV * COA tax rate)	
\$	11,152,923	\$	49,407

SOURCE: OCA analysis of properties along Lake Austin, May 2006.

NOTE: The estimated revenue loss does not incorporate possible exemptions.

All 12 properties are receiving City services at varying levels as shown in Exhibit 5 below. Specifically, most properties do not receive either water or wastewater services though all receive electric and drainage services and most properties receive solid waste services. All properties are eligible to receive City fire and police protection as well as library services.

EXHIBIT 5
City Services Received by 12 Properties on North Shore

Type of Service	Number of Properties Receiving COA Services
Electric	10
Water	3
Wastewater	3
Solid Waste	9
Drainage	10
Fire	12
Police	12
Library	12

SOURCE: OCA analysis of properties along Lake Austin, May 2006.

Twenty-two additional properties, located in a portion of the Peninsula area within the City's full purpose, are not paying property tax to the City of Austin. These properties are located in areas that City records indicate were annexed by the City for full purpose in either 1968 or 1973. However, TCAD jurisdictional boundary records erroneously reflect that these properties are outside of the city limits.

As shown in Exhibit 6 below, the total assessed value for these properties is approximately \$12 million, resulting in a yearly revenue loss for the City of approximately \$52,000. This amount is based on the 2005 property certified value and is calculated using the City's approved 2005-06 property tax rate of \$0.4430 per \$100 of taxable assessed value.

The great majority of these properties (19) are located above the contour line and therefore have never been subject to the 1986 ordinance and should be paying City tax. The remaining three properties have a small portion of land below the contour line, however they should not be exempt under the 1986 ordinance as they have been annexed into the full purpose jurisdiction and annexation negates the ordinance. All 22 properties are located in the Peninsula area for which the exemption by ordinance will be removed in 2009.

EXHIBIT 6
Assessed Value and Estimated Revenue Loss for 22 Properties in Peninsula Area

Total Assessed Value (AV)	Estimated AV to COA* (calculated on % of property in COA Full Purpose)	Estimated Yearly Revenue Loss to COA (AV to COA * COA tax rate)
\$ 12,119,723	\$ 11,719,629	\$ 51,918

* Two properties are only partially within the City Full purpose jurisdiction.

SOURCE: OCA analysis of properties along Lake Austin, May 2006.

NOTE: The estimated revenue loss does not incorporate possible exemptions.

Of these 22 properties, which should be on the City property tax roll, two are undeveloped lots and the remaining 20 properties are all receiving City services at varying levels as shown below. None of the properties receive solid waste services but almost all of them receive electric, water, wastewater, and drainage services. All are eligible to receive City fire and police protection as well as library services.

EXHIBIT 7
City Services Received by 22 Properties in Peninsula Area

Type of COA Service	Number of Properties Receiving COA Services
Electric	19
Water	18
Wastewater	18
Solid Waste	0
Drainage	18
Fire	22
Police	22
Library	22

SOURCE: OCA analysis of properties along Lake Austin, May 2006.

Our work identified one property located along Lake Austin and crossed by the contour line which is erroneously paying property tax to the City of Austin. In addition to the 34 properties missing from the City tax roll noted above, our work identified one property, located in an area exempt by the ordinance, which is erroneously assessed City property tax on a portion of the property. According to TCAD staff, this property was incorrectly added to the City tax roll by the appraisal district.

Approximately 20 percent of the property is within Austin’s full purpose jurisdiction and below the contour line. This portion is in an area that has never been annexed by the City and as a result should be exempt from taxation according to the 1986 ordinance. The total assessed value for this property is approximately \$3.5 million, resulting in a yearly overpayment to the City of approximately \$3,600, without considering possible exemptions. This amount is based on the 2005 property certified value and is calculated using the City’s approved 2005-06 property tax rate of \$0.4430 per \$100 of taxable assessed value.

While the City does not have responsibilities for maintaining the appraisal district records, it is in the City’s best interest to ensure that all properties within the city limits are paying property tax to the City of Austin. Errors in the appraisal district records have surfaced as result of work performed by our office. Additionally, we found that there is currently no entity within the City with ongoing responsibility for reviewing appraisal district records. According to the current process, when an annexation occurs, the City planning department notifies the appraisal district by sending an annexation notice that includes the annexation ordinance and the legal description of the annexation boundaries. Upon receiving notifications from the City, TCAD updates their database to add the properties contained in the annexed areas to the City tax roll beginning January 1st of the following year. However, the City of Austin does not later verify that all affected properties were updated and added to the City tax roll. In addition, the City does not currently take steps to review the City jurisdictional boundaries against appraisal district records. Given the errors encountered in the appraisal district records during our review, the City should collaborate with the appraisal district to ensure that all properties within Austin city limits are correctly attributed to Austin.

Recommendations

02. In order to address current problems with the City property tax roll, the Director of the Neighborhood Zoning and Planning Department should collaborate with the Travis Central Appraisal District (TCAD) to ensure that existing errors in the City tax roll are corrected and that TCAD’s records of City boundaries around Lake Austin are accurate.

MANAGEMENT RESPONSE: Agree/Underway

The Neighborhood Planning and Zoning Department is working with the Travis Central Appraisal District to correct the errors identified and will review property records to ensure that properties within City’s boundaries are accurately included on the tax roll.

03. In order to prevent future problems with the City property tax roll, the Director of the Neighborhood Zoning and Planning Department should establish a process for ensuring that future additions to the City property tax roll are incorporated accurately by the appraisal district and that City jurisdictional boundaries are correctly reflected in the appraisal district records.

MANAGEMENT RESPONSE: Agree/Implemented

The Neighborhood Planning and Zoning Department will implement an additional step in the annexation process to ensure that annexed properties are added to the tax roll.

**APPENDIX A
MANAGEMENT RESPONSE**



To: Steve Morgan, City Auditor

From: Laura J. Huffman, 
Assistant City Manager

Subject: Management's Response to Property Tax: Annexations Follow-up Report

Date: July 19, 2006

Outlined below is our response to the Property Tax: Annexations Follow-up Report completed by the Office of the City Auditor.

1. **Recommendation:** *As annexation in the Lake Austin area continues and services get extended to the annexed properties, the Director of the Neighborhood Planning and Zoning Department should determine whether it is feasible to provide services and collect tax from the properties that are adjacent to annexed areas that are currently subject to the 1986 ordinance.*

Response: Agree.

As City services are extended to the properties surrounding and included in the 504.9' Contour Area, the Neighborhood Planning and Zoning Department will evaluate the feasibility of amending the 1986 Ordinance and collecting City of Austin property taxes from this area, providing analysis and recommendations as needed to the City Manager's office.

2. **Recommendation:** In order to assess current problems with the City property tax roll, the Director of the Neighborhood Planning and Zoning Department should collaborate with the Travis County Central Appraisal District (TCAD) ensure that existing errors are corrected and that TCAD's records of City boundaries around Lake Austin are accurate.

Response: Agree.

The Neighborhood Planning and Zoning Department has reviewed TCAD records and the City of Austin's boundaries in the Lake Austin area and concurs that the 34 properties identified in the City Auditor's Property Tax Follow-up Report are within the City's taxing jurisdiction. Steps to notify both the Travis Central Appraisal District have been initiated to ensure their inclusion on the City's 2006

tax roll. TCAD will also be instructed to remove the parcel from the City's tax roll that was identified as being outside the City's taxing jurisdiction. TCAD has agreed to notify the individual property owners.

Significant improvements in Geographic Information Systems (GIS) have enhanced the capability to accurately determine appropriate taxing jurisdiction assignments. The Neighborhood Planning and Zoning Department uses GIS extensively and will review property records to ensure that properties inside the City's boundaries in the Lake Austin area and elsewhere are accurately included on the tax roll.

3. **Recommendation:** *In order to prevent future problems with the City property tax roll, the Director of the Neighborhood Zoning and Planning Department should establish a process for ensuring that future additions to the City property tax roll are incorporated accurately by the appraisal district and that City jurisdictional boundaries are correctly reflected in the appraisal district records.*

Response: Agree.

Implementation of an additional step in the annexation process will be undertaken to ensure that annexed properties have been added to the City's Tax Roll. Annexation staff in the Neighborhood Planning and Zoning Department will verify a representative sample of annexed parcels for proper inclusion on the roll, focusing on jurisdictional boundaries as well.

If you have any questions about our response, please contact me at 974-7097 or Greg Guernsey, Director of the Neighborhood Planning and Zoning Department at 974-2387.

**ACTION PLAN
PROPERTY TAX FOLLOW-UP**

Rec #	Recommandation Text	Concurrence	Proposed Strategies for Implementation	Status of Strategies	Responsible Person/ Phone Number	Proposed Implementation Date
01	As annexation in the Lake Austin area continues and services get extended to the annexed properties, the Director of the Neighborhood Planning and Zoning Department should determine whether it is feasible to provide services and collect tax from the properties that are adjacent to annexed areas that are currently subject to the 1986 ordinance.	Concur	The Neighborhood Planning and Zoning Department will provide analysis and recommendations to the City Manager's office so that as City services are extended to the properties surrounding and included in the 504.9' Contour Area, resolutions that will order the collection of taxes on properties now being served by the City may be recommended to the City Council.	The current status of the recommendation is underway.	Virginia Collier, Principal Planner (512) 974-2022 NPZD	Annexation review is a continuous process. When properties adjacent to the Lake Austin area are identified and proposed for annexation as part of Austin's annual annexation program, the provision of city services and assessment of city property tax for properties that are adjacent to annexed areas that are currently subject to the 1986 ordinance will be considered.

Rec #	Recommendation Text	Concurrence	Proposed Strategies for Implementation	Status of Strategies	Responsible Person/ Phone Number	Proposed Implementation Date
02	In order to address current problems with the City property tax roll, the Director of the Neighborhood Zoning and Planning Department should collaborate with the Travis Central Appraisal District (TCAD) to ensure that existing errors in the City tax roll are corrected and that TCAD's records of City boundaries around Lake Austin are accurate.	Concur	<p>The Neighborhood Planning and Zoning Department has reviewed TCAD records and the City of Austin's boundaries in the Lake Austin area and concurs that the 34 properties identified in the City Auditor's Property Tax Follow-up Report are within the City's taxing jurisdiction. Steps to notify both the Travis Central Appraisal District have been initiated to ensure their inclusion on the City's tax roll. TCAD will also be instructed to remove the parcel from the City's tax roll that was identified as being outside the City's taxing jurisdiction. TCAD has agreed to notify the individual property owners.</p> <p>Significant improvements in Geographic Information Systems (GIS) have enhanced the capability to accurately determine appropriate taxing jurisdiction assignments. The Neighborhood Planning and Zoning Department uses GIS extensively and will review property records to ensure that the errors are corrected and properties annexed in the Lake Austin area are accurately included on the tax roll.</p>	The current status of the recommendation is underway.	Virginia Collier, Principal Planner (512) 974-2022 NPZD	July 2006

Rec #	Recommendation Text	Concurrence	Proposed Strategies for Implementation	Status of Strategies	Responsible Person/ Phone Number	Proposed Implementation Date
03	In order to prevent future problems with the City property tax roll, the Director of the Neighborhood Zoning and Planning Department should establish a process for ensuring that future additions to the City property tax roll are incorporated accurately by the appraisal district and that City jurisdictional boundaries are correctly reflected in the appraisal district records.	Concur	Implementation of an additional step in the annexation process will be undertaken to ensure that annexed properties have been added to the City's tax roll. Annexation staff in the Neighborhood Planning and Zoning Department will verify a representative sample of annexed parcels for proper inclusion on the roll, focusing on jurisdictional boundaries as well.	The current status of the recommendation is implemented.	Virginia Collier, Principal Planner (512) 974-2022 NPZD	Annually in March - a review of TCAD records for areas annexed by the city should reflect changes resulting from annexations completed during the previous calendar year.

APPENDIX B
CITY ORDINANCE 860130-A

ORDINANCE NO. 860130- A

AN ORDINANCE DECLARING THE LIMITED PURPOSE JURISDICTION STATUS OF ALL SHORELINE PROPERTIES LYING ALONG LAKE AUSTIN BELOW THE 504.9' MEAN SEA LEVEL CONTOUR LINE; DECLARING THE FULL PURPOSE JURISDICTION OF THE LANDS LYING BENEATH THE NORMAL CONSERVATION POOL ELEVATION OF LAKE AUSTIN; DECLARING AN ERROR IN THE CITY OF AUSTIN'S 1985 TAX APPRAISAL ROLL; PROVIDING FOR SEVERABILITY; SUSPENDING THE RULE REQUIRING THE READING OF ORDINANCES ON THREE SEPARATE DAYS; AND DECLARING AN EMERGENCY.

WHEREAS, by an 1891 legislative enactment, a portion of the Lake Austin shoreline properties between the normal conservation pool level of Lake Austin and the 504.9' mean sea level contour line was included within the limits of the City of Austin; and,

WHEREAS, in 1928, the City of Austin redefined the boundaries of the corporate City limits to specifically include all lands along Lake Austin and below 504.9' mean sea level; and,

WHEREAS, the City of Austin has not regularly and routinely provided comparable municipal services such as construction and maintenance of street, water, and wastewater facilities, or police and fire protection because of the difficulty in economically providing such services to the very sparsely populated suburban areas clustered along the rugged terrain on both sides of Lake Austin; and,

WHEREAS, substantial confusion regarding the status of voting rights of the residents living along the Lake Austin shoreline, below the respective north shore and south shore 504.9' mean sea level contour lines has existed because of the inability to exactly locate said contour lines without doing an on-the-ground survey; and,

WHEREAS, because of its special status within the City of Austin, Lake Austin shoreline properties below the respective 504.9' mean sea level contour lines have never been taxed by the City of Austin; and,

WHEREAS, certain services normally provided in limited purpose jurisdiction areas, including planning and zoning controls, have been long provided in this area; and,

WHEREAS, it is appropriate to clarify the status of the Lake Austin shoreline properties below the respective north

shore and south shore 504.9' contour lines, and to avoid any future confusion over the respective rights and duties of Lake Austin shoreline residents or the respective rights and duties of the City of Austin; Now, Therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. That all lands lying along Lake Austin, between the north shore 492.8' mean sea level contour line, said line being the normal conservation pool elevation of Lake Austin, and the north shore 504.9' mean sea level contour line, upstream of the Capital of Texas Highway bridge (Loop 360), and all lands lying along Lake Austin, between the south shore 492.8' mean sea level contour line, said line being the normal conservation pool elevation of Lake Austin, and the south shore 504.9' mean sea level contour line, upstream of Tom Miller Dam, and more particularly described by the parcel number listing attached hereto and incorporated herein by reference as Exhibit "A," shall be treated, ~~from the effective date of this ordinance,~~ according to the same tax collection policy which prevailed with regard to said tracts from the 1891 through the 1984 tax years, until all City services are available for said tracts and the City Council, by resolution, orders taxes to be collected on all or part of the value of said tracts.

PART 2. That the City of Austin declares and recognizes that all lands lying between the north shore 492.8' mean sea level contour line and the south shore 492.8' mean sea level contour line, such lines comprising the normal conservation pool level of Lake Austin, are full purpose jurisdiction lands of the City of Austin, and have been at all times since the 1891 Act of Incorporation.

PART 3. That the request to list the aforescribed property on the City's tax appraisal roll for the 1985 tax year was made in error, and the Chief Appraiser of the Travis County Appraisal District is hereby requested to move the Travis County Appraisal Review Board to correct the City's tax appraisal roll by written order and notify the Travis County Assessor of this action.

PART 4. If any provision, section, sentence, clause or phrase of this Ordinance, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void or invalid (or for any reason unenforceable), the validity of the remaining portion of this Ordinance or its application to other persons or set of circumstances shall not be affected thereby, it being the intent of the City Council and the City of Austin in adopting, and of the Mayor in approving this Ordinance, that no portion hereof or provision or regulation contained herein

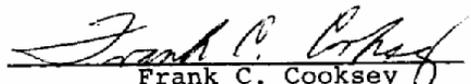
shall become inoperative or fail by reason of any unconstitutionality or invalidity of any other portion, provision or regulation.

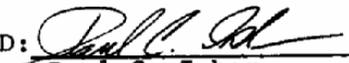
PART 5. Whereas an emergency exists concerning the safe, orderly and healthful growth and development of the City; and in order to clarify the rights, duties, and responsibilities of the various emergency service jurisdictions, including but not limited to the Travis County Sheriff's office, volunteer fire departments, and Travis County rural fire prevention districts, as well as the rights, duties, and responsibilities of the comparable City of Austin emergency service departments; and whereas such emergency requires that this Ordinance become effective immediately upon its passage in order to assure the immediate preservation of the public peace, health, safety and general welfare; therefore, the rule requiring the reading of ordinances on three separate days is hereby suspended and this Ordinance shall become effective immediately upon its passage, as provided by the Charter of the City of Austin.

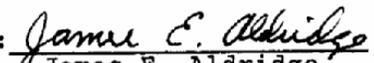
PASSED AND APPROVED

January 30, 1986

§
§
§
§


Frank C. Cooksey
Mayor

APPROVED: 
Paul C. Isham
City Attorney

ATTEST: 
James E. Aldridge
City Clerk

30JAN86
DLG:mtc
1/DG

