



MEMORANDUM

To: Mayor and City Council
From: Jennifer Miller, Director of Finance
Date: December 12, 2017
Reference: Consider approval of a Disabled Person Water Sewer Discount
2030: Sustainable City Government

Introduction:

Currently, senior citizens and disabled persons receive a property tax exemption as allowed by Texas Property Tax Law. The City also provides a 10% discount on water and sewer rates to senior citizens. A similar discount on water and sewer rates is not provided to disabled persons. The City received a request to consider adding a disabled person discount to the Water Sewer rate ordinance.

Analysis:

Staff considered:

- how a customer would qualify for the disabled person discount,
- whether a customer could receive both a senior discount and disabled person discount, and
- the impact of offering a ten percent disabled person discount on other rates as well as water sewer revenue.

A customer receiving the disabled persons property tax exemption, in accordance with State law, at the same address of the residential account held in the name of the disabled person, can request the disabled person discount of ten percent off the water and sewer rate. In addition, the customer will need to provide valid proof that he/she resides at the service address. Valid proof includes government issued identification, valid Texas driver's license, or any original documentation proving residency.

Staff will compare the information submitted to property tax records. If all information agrees, the disabled person discount will be provided if the residential account is not already receiving the senior discount. A customer may only receive one discount due to status as a senior or disabled person.

The impact of offering the disabled person discount was included in the recent rate study. It was determined that providing a disabled person discount to residential property owners receiving the disabled person property tax exemption will have a minimal impact on revenue as well as rates in general. The amount of revenue forgone by offering a disabled person rate will be \$14,480 per year based on:

- there are only 124 residential properties receiving a disable person property tax exemption who are not currently receiving a senior citizen discount on their water bill
- rates effective February 1, 2018
- an average consumption of 11,000 gallons

Legal Review:

The City Attorney reviewed this ordinance.

Fiscal Impact:

Minimal impact to Water Sewer revenues based on the recent rate study which included a disabled person discount equal to the senior citizen discount.

Recommendation:

City staff recommends approval.