

City of Terrell

Annexation Public Hearings

April 11, 2023

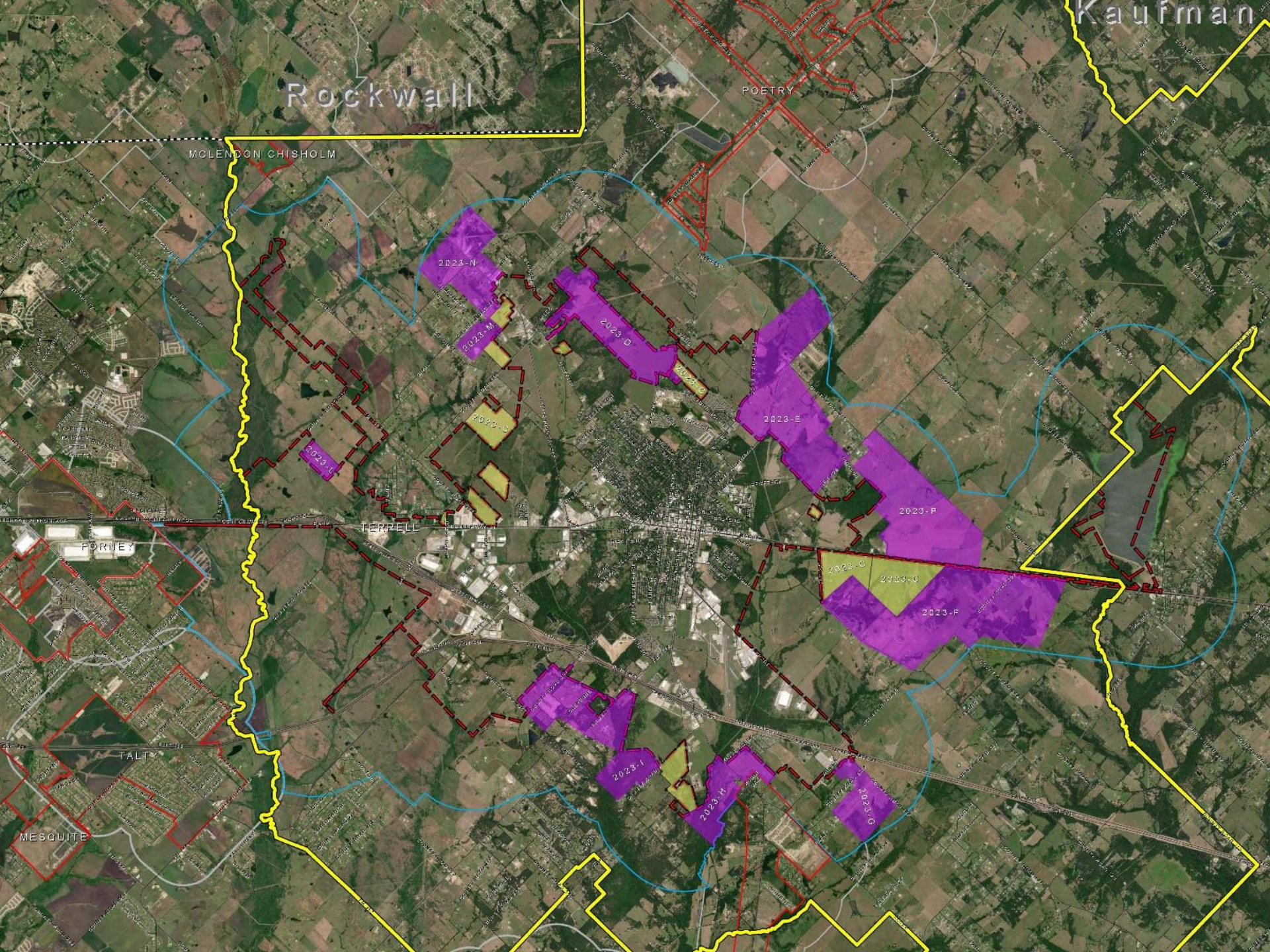
Annexation Overview

The City of Terrell prevailed in the 2019 legal case clearing the way for another round of Annexation.

Why Annex?

- Protect commercial entryways from negative development
- Protect Terrell ISD from overwhelming development
- Plan for growth of roads, water, sewer and drainage facilities in a manner that protects current and future development
- Plan for growth in Police, Fire and other services in a manner that protects current and future development

The path forward needs to balance respect for current landowners with the realities of development pressure.



What Legal Right Does Terrell Have to Annex?

City Council Resolutions No. 927 and 928 closed the gap between the City Comprehensive Plan and HB 347, the annexation legislation signed May 24, 2019.

Areas identified in these Resolutions are generally, but not exclusively lands impacted by the City of Terrell's long-range Transportation Plan, adopted in January 2018, as part of the City's Comprehensive Plan.

Under Resolutions No. 927 and 928, the City Manager was directed to proceed with the creation of service plans for those areas, which includes the effort to define annexation boundaries.

This action gave the City authority to annex under the annexation rules in place prior to HB 347.

In short, the City may complete annexations in any of these areas according to State annexation laws in place on January 1, 2019.

Service Plans have been completed for all areas 2023-A through 2023-P. (except there is no 2023-K)

What City Services are Provided?

A service plan is available for all annexed areas.

In general, trash pickup, police, animal control, fire, park facility reservations and other services such are available immediately.

Annexed properties may maintain their current trash service for up to two years.

Street maintenance transitions from the County to the City immediately.

Other services such as construction of new water, sewer and street infrastructure are phased in over time as development occurs.

Note: City Property Taxes don't pay for water and sewer. Water and sewer services are paid for from the City Water and Sewer bills.

7300 Acres, 85 Impacted Homes

Annexation	Houses
2023-A	2
2023-B	1
2023-C	0
2023-D	0
2023-E	13
2023-F	11
2023-G	12
2023-H	0
2023-I	0
2023-J	21
2023-L	1
2023-M	0
2023-N	23
2023-O	1
2023-P	0
Total Houses	85

What restrictions apply to land use?

Current land uses continue upon annexation.

The only exception identified is “Fireworks Stand”, of which the City has identified one. That use will be allowed to continue for twenty years.

Illegal land uses (for example, an unauthorized landfill or used tire dump) are shut down but none are identified.

Commercial structures are subject to Fire Safety and Building requirements. (limited grandfathering)

Grandfathered uses that are contrary to newly applied zoning and which are subsequently abandoned by the owner may expire under certain conditions.

No change to Ag Exemptions (part 1)

Annexation does not change agricultural use or agricultural exemptions.

If the Kaufman County Tax Assessor has granted an Agricultural Exemption, it remains in effect, unchanged.

If your tax statement shows a Land Market Value and an Agricultural Value, your City taxes are calculated using the Agricultural Value.

Market Value	\$1,300,000
Ag Use Value	\$49,000
Appraised Value	\$49,000
Total City Tax Rate	0.7642
Total City Taxes	\$374.46

No change to Ag Exemptions (part 2)

There is no need to reapply, this is automatically applied to all newly annexed properties with an Ag Exempt status.

All land enters with Agricultural Zoning, such land stays zoned Agricultural until a different zoning is applied.

Even if the zoning changes, the Agricultural Exemption stays in place and the City taxes are calculated on the Agricultural Valuation for as long as the agricultural use continues.

No change to Other Exemptions

Terrell has a Senior Property Valuation Freeze policy, such “frozen” valuations already in place are automatically carried over.

Homesteads are automatically carried over.

Detailed questions may be directed to the City Attorney.

How does an Ag Agreement Work?

Must already have a Kaufman County Ag Exemption.

Completely voluntary, not a requirement.

In exchange for not developing, landowners are offered a period to remain outside the City Limits.

If development occurs, annexation is automatic.

At the expiration of the time period, now 30 years, the City has rights to voluntarily annex the property.

How does a No Contest Agreement Work?

Completely voluntary, not a requirement, available to all.

Not automatic, requires City and landowner signatures.

In exchange for not contesting the annexation, land owners are offered a reimbursement of certain City property taxes.

Reimbursement is based on the improvements on the property on the date of annexation.

For example, a new building constructed years after annexation would not be eligible for reimbursement of certain City property taxes.

No Contest Agreement Example

Applicable Tax Rates

Taxing Entities	Current Rates	
Emergency Service Dist.	0.100000	Outside of City only, not charged in City
Kaufman County M&O	0.279292	
Kaufman County I&S	0.066558	
Road and Bridge	0.070412	
Terrell ISD M&O	0.942900	
Terrell ISD I&S	0.370700	
Trinity Valley C. College	0.115494	
City of Terrell M&O	0.614200	Reimbursement subject to No Contest Agreement
City of Terrell I&S	0.150000	Not reimbursed

Rates subject to annual approval by each governing board. Values determined by the Kaufman Central Appraisal District.

No Contest Agreement Example Prior to Annexation

		Before Annexation
Appraised/Market Value		\$300,000
Homestead		\$50,000
Assessed/Taxable Value		\$250,000
Emergency Service District	0.100000	\$250
All Other County/ISD/College Combined	1.845356	\$4,613
City of Terrell M&O	0.614200	
City of Terrell I&S	0.150000	
Total		\$4,863

No Contest Agreement Example After Annexation

		Before Annexation	After Annexation
Appraised/Market Value		\$300,000	\$300,000
Homestead		\$50,000	\$50,000
Assessed/Taxable Value		\$250,000	\$250,000
Emergency Service District	0.100000	\$250	
All Other County/ISD/College Combined	1.845356	\$4,613	\$4,613
City of Terrell M&O	0.614200		\$1,536
City of Terrell I&S	0.150000		\$375
Total		\$4,863	\$6,524

No Contest Agreement Example

After 1st Year Reimbursement

		Before Annexation	After Annexation	After Reimbursement
Appraised/Market Value		\$300,000	\$300,000	\$300,000
Homestead		\$50,000	\$50,000	\$50,000
Assessed/Taxable Value		\$250,000	\$250,000	\$250,000
Emergency Service District	0.100000	\$250		
All Other County/ISD/College Combined	1.845356	\$4,613	\$4,613	\$4,613
City of Terrell M&O	0.614200		\$1,536	
City of Terrell I&S	0.150000		\$375	\$375
Total		\$4,863	\$6,524	\$4,988

No Contest Agreement Forecast

Property Taxes	City M&O Reimbursement to Taxpayer
Due January 2024	Not on the city tax rolls
Due January 2025	100%
Due January 2026	100%
Due January 2027	100%
Due January 2028	100%
Due January 2029	100%
Due January 2030	100%
Due January 2031	80%
Due January 2032	60%
Due January 2033	40%
Due January 2034	20%
Due January 2035	No Reimbursement

What is the Process?

Public Comments received March 20 (Noon and 6PM)

Public Comments received April 4

Public Comment Period and First Reading April 11

Agreements must be received by the City Attorney no later than April 14, 5pm

Agreements can be added to the Ordinances on April 18.

The City requires “two readings” of all ordinances, the second reading and an additional Public Comment period is scheduled for April 18, 2023