



## Legislation Details (With Text)

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**Title:** Discussion of issues relating to the City's Truth-In-Taxation Calculation for Tax Year 2021.  
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Date	Ver.	Action By	Action	Result
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Discussion of issues relating to the City's Truth-In-Taxation Calculation for Tax Year 2021.

Summary: The Texas Constitution sets forth general requirements for truth-in-taxation, including a number of public notices to inform taxpayers about local property taxes. Truth-in-taxation requires compliance with certain steps in adopting the tax rate, but also is a mechanism for transparency. Two rates are calculated and serve to determine if a public hearing is required prior to adoption of the tax rate. The no-new revenue tax rate is the calculated rate that would provide about the same amount of tax revenue as the year before based on properties taxed in both years. The voter-approval tax rate is the calculated rate that would provide about the same amount of tax revenue spent the previous year for maintenance and operations, plus a 3.5% increase allowable by law, plus the revenue necessary to cover the debt service requirements.

For tax year 2021 (fiscal year 2021-2022), the no-new revenue tax rate is \$0.680159 per \$100 valuation and the voter-approval tax rate is \$0.720314 per \$100 valuation. The proposed tax rate is \$0.720000 per \$100 valuation, which is the basis for the ad valorem tax revenue in the proposed Fiscal Year 2021-2022 Budget. This rate is unchanged from the current ad valorem tax rate of \$0.720000 per \$100 valuation set by the City Council for tax year 2020 (FY 2020-2021). Because the proposed tax rate exceeds the no-new revenue tax rate, the City Council must conduct a public hearing on that proposed tax rate. On August 17, 2021, City Council voted to adopt a \$0.720000 tax rate and because that rate exceeds the no-new-revenue tax rate calculated for tax year 2021, a public hearing was scheduled for September 21, 2021 at 7:30 PM.

Prior to the public hearing, the City will present an overview of truth-in-taxation and the calculations for tax year 2021.

Fiscal/Budgetary Impact:

N/A.

Discussion only. A public hearing and action to adopt a property tax rate for tax year 2021 are included on the agenda of the regular meeting to follow.