



Legislation Text

File #: TNT 16-003, **Version:** 1

Consideration of and action to increase total tax revenues from properties on the tax roll by proposing to adopt a tax rate of \$0.720000 per \$100 valuation at a future meeting.

Summary: The Texas Constitution sets forth general requirements for truth-in-taxation, which include a number of public notices to inform taxpayers about local property taxes. When a proposed rate exceeds the rollback rate or the effective rate, whichever is lower, the taxing unit's governing body must vote to place a proposal to adopt the rate on the agenda of a future meeting as an action item. This vote must be recorded and the proposal must specify the desired rate. If the motion passes, the taxing unit must schedule two public hearings on the proposed rate.

For tax year 2016 (fiscal year 2016-2017), the effective tax rate is \$0.683862 per \$100 valuation and the rollback tax rate is \$0.733211 per \$100 valuation. The proposed tax rate is \$0.720000 per \$100 valuation, which exceeds the effective rate by \$0.036138. Because the proposed rate exceeds the lower of the rollback rate or the effective rate, the City Council must vote to place a proposal to adopt the rate on the agenda of a future meeting as an action item and in so doing, must specify the rate. If the motion passes, the City Council must schedule two public hearings on the proposal.

The recommended dates for said public hearings are Monday, September 26, 2016, at 5:30 p.m. and Monday, October 3, 2016, at 7:30 p.m. both to be held in the Council Chamber at City Hall. In accordance with the City's planning calendar, which is based on the truth-in-taxation requirements, the meeting to adopt the tax rate would be on Monday, October 10, 2016 at 5:30 p.m. in the Council Chamber at City Hall.

Fiscal/Budgetary Impact: Current ad valorem taxes represent approximately 34 percent of the total General Fund revenue in the proposed Fiscal Year 2016-2017 budget.

Take a record vote to increase the tax revenue for the 2016 tax year by proposing to adopt a tax rate of \$0.720000 per \$100 valuation at a future meeting.

Note: the motion must include the amount of the proposed tax rate (\$0.720000 per \$100 valuation) to be adopted at a future meeting and the vote must be a record vote.