



Legislation Text

File #: TNT 20-002, **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 tax rate exceeds the no-new-revenue tax rate (formerly the effective tax rate), the taxing unit's governing body must vote to place a proposal to adopt the tax rate on the agenda of a future public meeting as an action item. This vote must be recorded and the proposal must specify the desired tax rate. If the motion passes, the taxing unit must schedule a public hearing on the proposed tax rate.

For tax year 2020 (Fiscal Year 2020-2021), the no-new-revenue tax rate is \$0.715264 per \$100 valuation and the voter-approval tax rate (formerly the rollback tax rate) is \$0.731826 per \$100 valuation. The proposed tax rate is \$0.720000 per \$100 valuation, which exceeds the no-new-revenue tax rate by \$0.004736. Because this proposed rate exceeds the no-new-revenue tax rate, the City Council must vote to place a proposal to adopt that tax rate on the agenda of a future public meeting as an action item and in so doing, must specify the rate. If the motion passes, the City Council must schedule a public hearing on the proposed tax rate at which time they may adopt the new rate.

The recommended date for said public hearing is Tuesday, September 15, 2020, at 7:30 p.m. to be held in the Council Chamber at City Hall, 710 E. San Augustine, Deer Park, TX 77536. 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 at the regular meeting of the City Council on Tuesday, September 15, 2020 also in the Council Chamber at City Hall and following the public hearing.

Fiscal/Budgetary Impact:

Current ad valorem taxes represent approximately 38 percent of the total General Fund revenue in the proposed Fiscal Year 2020-2021 budget.

Motion to be read as follows: "I move to increase the tax revenue for the 2020 tax year by proposing to adopt a tax rate of \$0.720000 per \$100 valuation at a future meeting."

****Must be record vote****