



## STAFF REPORT

**DATE:** September 5, 2017

**TO:** Ronald L. Olson, City Manager

**FROM:** Jonathan Locke, Executive Director of Finance

**SUBJECT:** Conduct the second of two public hearings on the proposed tax rate of 0.7498 per \$100 valuation for fiscal year October 1, 2017, through September 30, 2018, and announce meeting to adopt the proposed tax rate on September 19, 2017.

### **BACKGROUND AND FINDINGS:**

On August 22, 2017, City Council set the preliminary tax rate at 0.7498 per \$100 valuation and adopted a resolution scheduling the adoption of the tax rate for September 19, 2017, and setting public hearings for September 5, 2017, and September 12, 2017, on the proposed tax rate for the FY 2018 Proposed Annual Budget and Plan of Municipal Services.

The effective tax rate for FY 2018 is 0.7027. The rollback tax rate adjusted for sales tax for FY 2018 is 0.7223. Since the preliminary tax rate was set above the effective tax rate, Texas Property Tax Code requires two public hearings be held prior to the adoption of the final tax rate.

On September 5, 2017, the City Council held the first of two public hearings required by Texas Property Tax Code.

### **THE ALTERNATIVES CONSIDERED:**

#### **Which alternative is recommended? Why?**

In accordance with Texas Property Tax Code Section 26.05(d), the governing body of a taxing unit other than a school district may not adopt a tax rate that exceeds the lower of the rollback tax rate or the effective tax rate calculated as provided by this chapter until the governing body has held two public hearings on the proposed tax rate and has otherwise complied with Section 26.06 and Section 26.065.

### **CONFORMITY TO CITY POLICY:**

Meets truth-in-taxation laws as set forth in the Texas Property Tax Code.

### **FINANCIAL IMPACT:**

**What is the amount of the expenditure in the current fiscal year? For future years?**

N/A

**Is this a one-time or recurring expenditure?**

N/A

**Is this expenditure budgeted?**

N/A

**If not, where will the money come from?**

N/A

**Is there a sufficient amount in the budgeted line-item for this expenditure?**

N/A

**RECOMMENDATION:**

Staff recommends the City Council conduct the second of two public hearings to receive comments on the proposed tax rate of 0.7498 per \$100 valuation for fiscal year October 1, 2017, through September 30, 2018, and announce meeting to adopt the proposed tax rate on September 19, 2017.

**DEPARTMENTAL CLEARANCES:**

Finance

City Attorney

**ATTACHED SUPPORTING DOCUMENTS:**

None