

CITY COUNCIL MEMORANDUM

AGENDA ITEM

Ordinance Setting the Tax Rate for Fiscal Year 2016

ORIGINATING DEPARTMENT

City Manager/Finance

BACKGROUND INFORMATION

Chapter 26 of the Property Tax Code requires taxing units to comply with truth-in-taxation laws in adopting their tax rates. A taxing unit must calculate and publish its effective and rollback rates before adopting an actual tax rate. The Tax Appraisal District of Bell County published these rates in the Killeen Daily Herald on August 7, 2015. The City has complied with all provisions of the truth-in-taxation laws regarding adopting a tax rate.

DISCUSSION/CONCLUSION

On August 11, 2015, at a regular city council meeting, the Killeen City Council set the preliminary tax rate at the current rate of 74.98¢ per \$100 valuation. The rollback rate for the 2015 tax year is 82.90¢. The preliminary rate represents the maximum rate that can be adopted for the FY 2016 Budget. It is now necessary that the City Council adopt a final tax rate to support the Fiscal Year 2016 Annual Budget and Plan of Municipal Services.

FISCAL IMPACT

Adopting the current tax rate of 74.98¢ per \$100 valuation will generate ad valorem tax revenues in the amount of \$36,987,879, net of discounts and the City's expected collection ratio. A total of \$12,659,180 of the ad valorem revenues collected will be allocated to an interest and sinking fund for the retirement of debt.

RECOMMENDATION

It is recommended that the attached ordinance be approved and that the tax rate for the City of Killeen for FY 2016 be set at 74.98¢ per \$100 of taxable valuation on non-exempt real and personal property.