



# SETTING THE PRELIMINARY TAX RATE

RS-17-085

August 15, 2017

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# Property Tax History

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<b>Fiscal Year</b>	<b>Tax Rate</b>	<b>Freeze Adjusted Taxable Value</b>	<b>Exemption Value</b>	<b>Tax Levy</b>
2007	0.6950	\$ 3,504,499,234	\$ 350,942,363	\$ 24,356,270
2008	0.6950	3,972,782,440	370,590,698	27,610,838
2009	0.6950	4,400,933,543	389,272,462	30,586,488
2010	0.6950	4,393,080,749	481,935,337	31,931,424
2011	0.7428	4,395,993,060	535,751,159	34,075,719
2012	0.7428	4,520,459,969	553,300,701	35,040,072
2013	0.7428	4,599,097,718	606,059,551	35,663,378
2014	0.7428	4,795,024,710	662,109,123	37,110,950
2015	0.7498	4,811,164,418	755,476,941	37,579,399
2016	0.7498	4,943,248,641	840,029,405	38,659,704
2017	0.7498	5,105,756,819	943,288,983	39,950,656
2018 <sup>1</sup>	0.7498	5,495,220,469	1,110,668,560	42,948,763

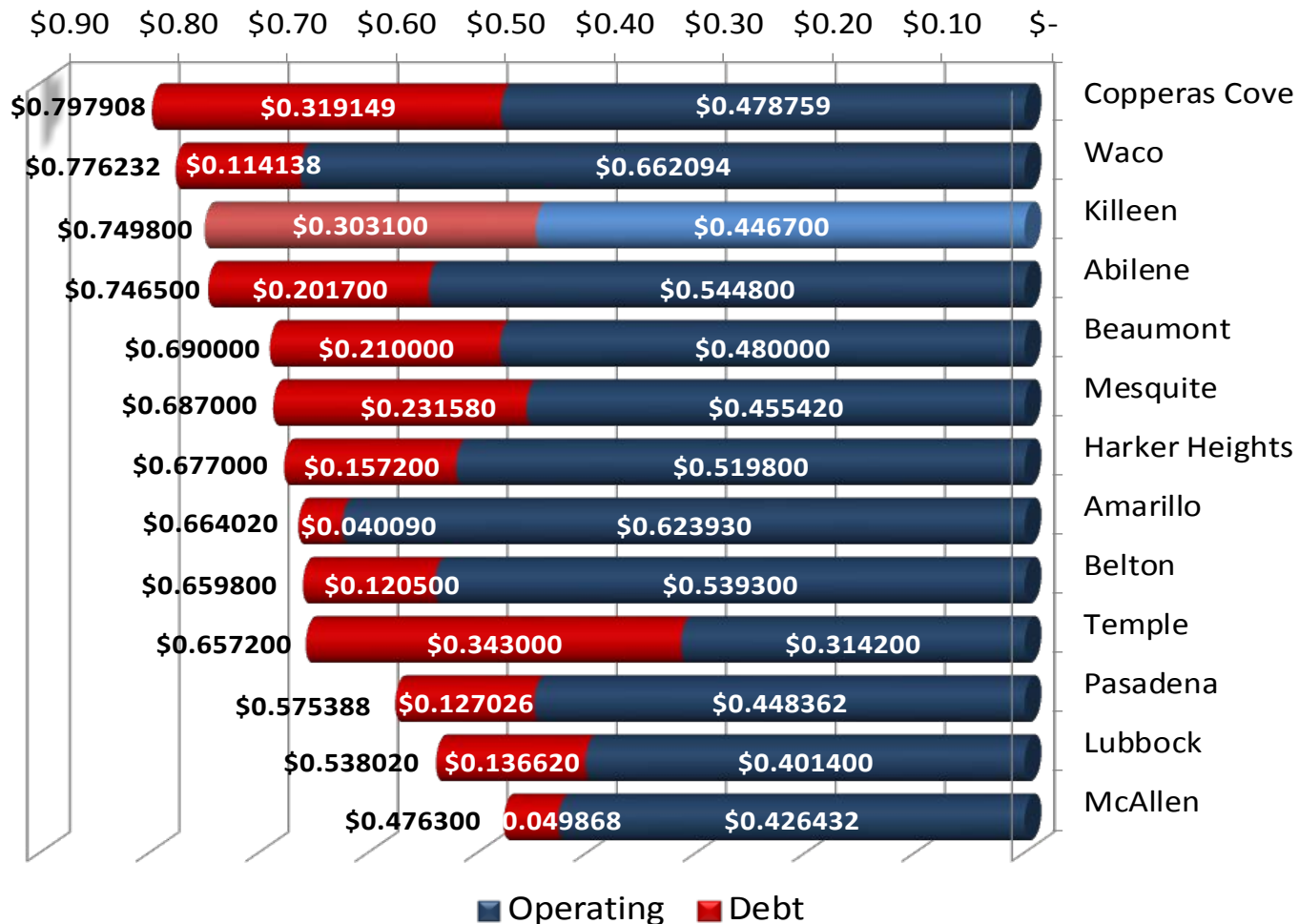
<sup>1</sup> - Proposed tax rate for FY 2018

# Property Tax Comparison to Other Cities

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## FY 2017 Tax Rate Comparison



# Property Tax

## Rate Description

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- Current Rate – the tax rate levied for the current fiscal year.
  - ▣ FY 2017 - \$0.7498
- Proposed Rate – the tax rate used to prepare the FY 2018 Proposed Budget.
  - ▣ FY 2018 - \$0.7498
- Effective Rate – the tax rate that will generate the same amount of tax revenue as the previous fiscal year on properties taxed in both fiscal years.
  - ▣ FY 2018 - \$0.7027
- Rollback Rate – the tax rate that is calculated by increasing the maintenance and operation component of the Effective Rate by 8%.
  - ▣ FY 2018 - \$0.7223
  - ▣ Citizens can petition to hold an election if exceeded

# Property Tax Levy Comparison

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	Tax Rate	Total Levy	Difference from Current Rate
Current Rate	\$0.7498	\$ 42,948,763	\$ -
Proposed Rate	0.7498	42,948,763	-
Effective Rate	0.7027	40,368,523	(2,580,240)
Rollback Rate	0.7223	41,442,253	(1,506,509)

# Property Tax

## Tax Rate Components

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	<u>FY 2017 Amount</u>	<u>FY 2017 Tax Levy</u>	<u>FY 2018 Amount</u>	<u>FY 2018 Tax Levy</u>
Operations	\$ 0.4467	\$ 24,502,101	\$0.4658	\$ 26,753,776
Debt	0.3031	15,448,555	0.2565	14,688,478
Capital	-	-	0.0275	1,506,509
Total	<u>\$ 0.7498</u>	<u>\$ 39,950,656</u>	<u>\$0.7498</u>	<u>\$ 42,948,763</u>





# Property Tax

## Average Taxable Homestead Value Comparison

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	Proposed FY 2018	Current FY 2017	Difference
Taxable Value	\$ 124,462	\$ 116,656	\$ 7,806
Tax Rate	0.7498	0.7498	-
Annual Tax Levy*	\$ 933.22	\$ 874.69	\$ 58.53
Monthly Cost	\$ 77.77	\$ 72.89	\$ 4.88

\*Taxable Value/100 x Tax Rate (\$0.7498) = City Taxes Paid





# Property Tax

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## Tax Equivalent of Exemptions

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<b>Fiscal Year</b>	<b>Total Tax Rate</b>	<b>Freeze Adjusted Taxable Value</b>	<b>Exemption Value</b>	<b>Exemptions % of Value</b>	<b>Value of Exemption</b>
2007	\$0.69500	\$ 3,504,499,234	\$ 350,942,363	10%	\$ 2,439,049
2008	0.69500	3,972,782,440	370,590,698	9%	2,575,605
2009	0.69500	4,400,933,543	389,272,462	9%	2,705,444
2010	0.69500	4,393,080,749	481,935,337	11%	3,349,451
2011	0.74280	4,395,993,060	535,751,159	12%	3,979,560
2012	0.74280	4,520,459,969	553,300,701	12%	4,109,918
2013	0.74280	4,599,097,718	606,059,551	13%	4,501,810
2014	0.74280	4,795,024,710	662,109,123	14%	4,918,147
2015	0.74980	4,811,164,418	755,476,941	16%	5,664,566
2016	0.74980	4,943,248,641	840,029,405	17%	6,298,540
2017	0.74980	5,105,756,819	943,288,983	18%	7,072,781
2018	0.74980	5,495,220,469	1,110,668,560	20%	8,327,793

In FY 2018, exemption value lost equates to 15¢ per \$100 valuation

\$ 0.15

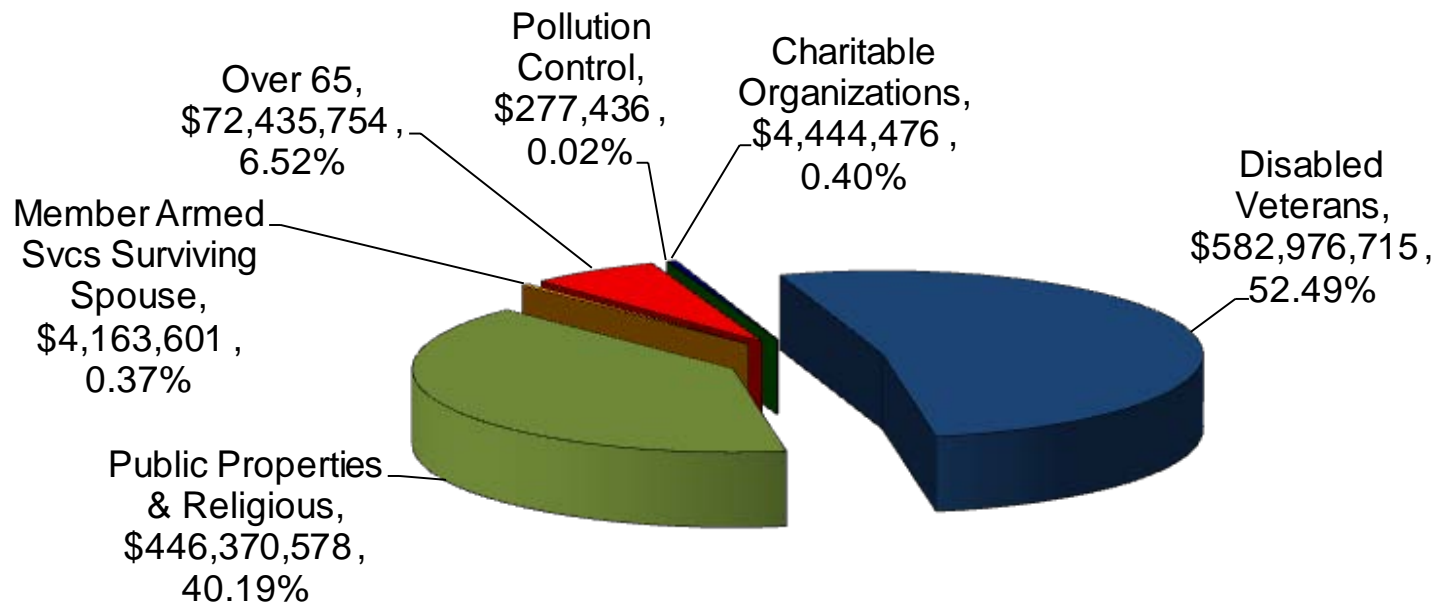
[Note: 1¢ = \$572,803 in revenue]

# Property Tax Killeen Exemptions

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## City of Killeen 2017 Exemptions <sup>(1)</sup>



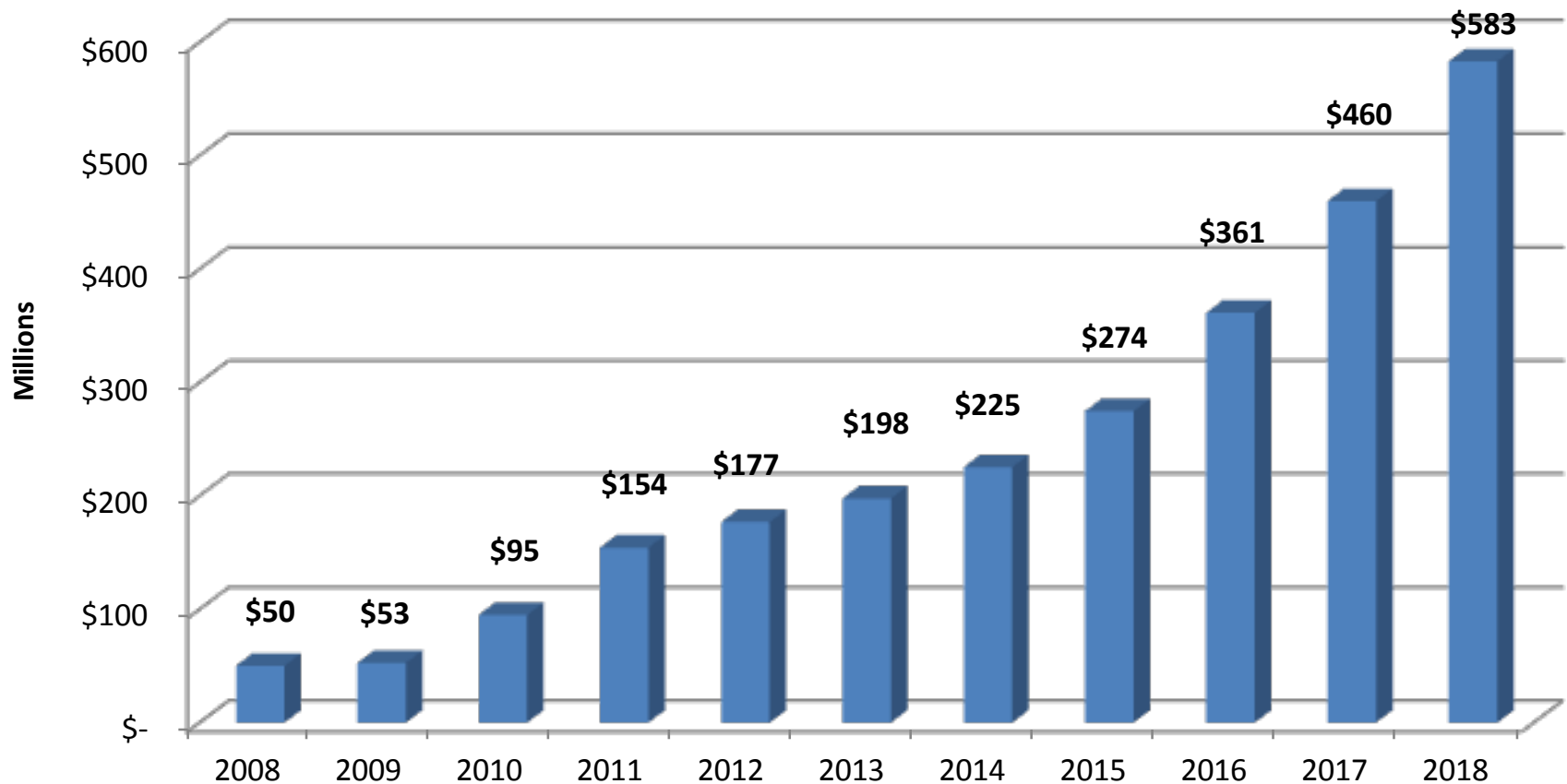
<sup>(1)</sup> Source Document: Tax Appraisal District of Bell County - July 17, 2017 Certified Tax Roll

**Total Exemptions: \$1,110,668,560**

## Disabled Veteran's Exemptions

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### Disabled Veteran's Exemptions



# Property Tax

## Next Steps

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- ❑ Set the preliminary tax rate
  - ▣ Proposed rate - \$0.7498
- ❑ Required to take a record vote
- ❑ Announce the dates of the tax rate public hearings
  - ▣ First hearing on September 5, 2017
  - ▣ Second hearing on September 12, 2017