



PROPERTY TAX RATE PUBLIC HEARING

1 OF 2

PH-18-025

September 4, 2018

Property Tax

Overview

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- Property Tax = Ad Valorem Tax
- Ad Valorem Tax = Tax on the Value of Property
- Property Tax Levy at Budgeted Tax Rate

Operations	\$30,985,735
Debt	<u>12,426,563</u>
Total	<u><u>\$43,412,298</u></u>

Property Tax

Tax Rate Components

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	FY 2018 Amount	FY 2018 Tax Levy	FY 2019 Amount	FY 2019 Tax Levy
Operations	\$ 0.4658	\$ 26,753,776	\$ 0.5430	\$ 31,431,050
Debt	0.2565	14,688,478	0.2145	12,407,872
Capital	0.0275	1,506,509	-	-
Total	<u>\$ 0.7498</u>	<u>\$ 42,948,763</u>	<u>\$ 0.7575</u>	<u>\$ 43,838,922</u>

Property Tax

City of Killeen, TX Rate Description

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- Current Rate – the tax rate levied for the current fiscal year.
 - ▣ FY 2018 - \$0.7498
- Budgeted Rate – the tax rate used to prepare the FY 2019 Proposed Budget.
 - ▣ FY 2019 - \$0.7498
- Proposed Rate – the tax rate proposed by City Council.
 - ▣ FY 2019 - \$0.7575
- 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 2019 - \$0.7449
- Rollback Rate – the tax rate that is calculated by increasing the maintenance and operation component of the Effective Rate by 8%.
 - ▣ FY 2019 - \$0.7575
 - ▣ Citizens can petition to hold an election if exceeded.

Property Tax

Proposed Tax Rate

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Proposed Tax Rate

\$0.7575

Property Tax Levy Comparison

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	Tax Rate	Total Levy	Difference from Current Rate
Current Rate	\$ 0.7498	\$ 43,412,298	\$ -
Budgeted Rate	\$ 0.7498	\$ 43,412,298	\$ -
Proposed Rate	\$ 0.7575	\$ 43,838,922	\$ 426,624
Effective Rate	\$ 0.7449	\$ 43,140,811	\$ (271,487)
Rollback Rate	\$ 0.7575	\$ 43,838,922	\$ 426,624

Property Tax for Individual

Formula for Calculating Property Tax

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- $\text{Taxable Value} / 100 \times \text{Tax Rate} = \text{Amount of Tax Paid}$
- For an individual:

	Budgeted Rate	Proposed Rate	Increase/ (Decrease)
Average Taxable Value	\$127,079	\$127,079	\$0
Tax Rate	\$0.7498	\$0.7575	\$0.0077
Annual Tax	\$952.84	\$962.62	\$9.78
Monthly Tax	\$79.40	\$80.22	\$0.82

Property Tax for City

Formula for Calculating Property Tax

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- Taxable Value / 100 x Tax Rate = Amount of Tax Paid
- For the City:

	Budgeted Rate	Proposed Rate	Increase/ (Decrease)
Adjusted Taxable Value	\$5,540,563,126	\$5,540,563,126	\$0
Tax Rate	\$0.7498	\$0.7575	\$0.0077
Annual Tax	\$41,543,142	\$41,969,766	\$426,624
Frozen Levy	<u>1,869,156</u>	<u>1,869,156</u>	<u>0</u>
Total Levy	\$43,412,298	\$43,838,922	\$426,624

How the Property Tax Rate is Divided (FY 2019)

Total Property Tax Rate = \$2.65073 per \$100 Valuation

Killeen Property Tax Rate = \$0.7575 per \$100 Valuation

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*Not all properties are taxed by Bell County WCID #6, based on last FY's tax rate

** Based on proposed tax rate

Property Tax

Next Steps

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- Second tax rate public hearing on September 11, 2018
- Vote on tax rate will be September 18, 2018
 - ▣ Utility Collections Conference Room at 210 West Avenue C
- Required language
 - ▣ State law requires the date, time, and place of the meeting to vote on the tax rate be announced following the public hearing.