



SETTING THE PRELIMINARY TAX RATE

RS-19-078

August 20, 2019

Property Tax History

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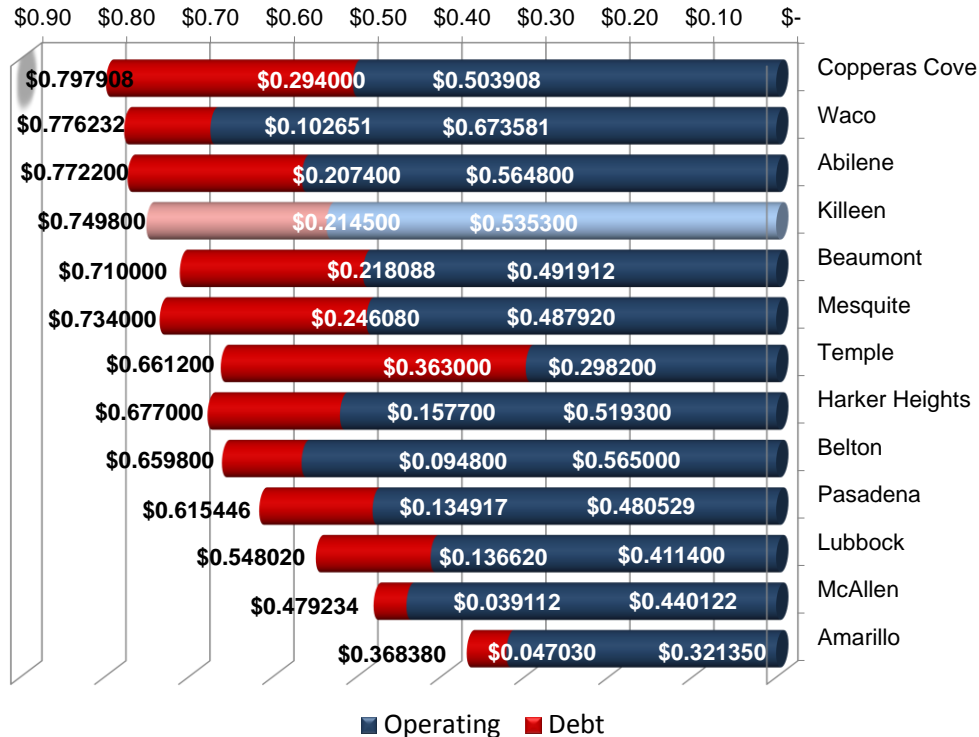
Fiscal Year	Tax Rate	Freeze Adjusted Taxable Value	Exemption Value	Tax Levy
2009	\$0.6950	\$ 4,400,933,543	\$ 389,272,462	\$ 30,586,488
2010	0.6950	4,393,080,749	481,935,337	31,931,424
2011	0.7428	4,395,993,060	535,751,159	34,075,719
2012	0.7428	4,520,459,969	553,300,701	35,040,072
2013	0.7428	4,599,097,718	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	0.7498	5,495,220,469	1,110,668,560	42,948,762
2019	0.7498	5,558,236,084	1,319,944,348	43,412,298
2020 ¹	0.7498	6,146,321,192	1,495,394,748	47,920,111

¹ - Proposed tax rate for FY 2020

Property Tax Comparison to other Cities

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FY 2019 Tax Rate Comparison



Property Tax Rate Description

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- ❑ Current Rate – the tax rate levied for the current fiscal year.
 - ▣ FY 2019 - \$0.7498
- ❑ Budgeted Rate – the tax rate used to prepare the FY 2020 Proposed Budget.
 - ▣ FY 2020 - \$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 2020 - \$0.6788
- ❑ Rollback Rate – the tax rate that is calculated by increasing the maintenance and operation component of the Effective Rate by 8%.
 - ▣ FY 2020 - \$0.7588
 - ▣ Citizens can petition to hold an election if exceeded

Property Tax Levy Comparison

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	<u>Tax Rate</u>	<u>Total Levy</u>	<u>Difference from Current Rate</u>
Current Rate	\$ 0.7498	\$ 47,920,111	\$ -
Budgeted Rate	\$ 0.7498	\$ 47,920,111	\$ -
Effective Rate	\$ 0.6788	\$ 43,574,751	\$(4,345,360)
Rollback Rate	\$ 0.7588	\$ 48,470,931	\$ 550,820

Property Tax – Tax Rate Components

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	<u>FY 2019 Amount</u>	<u>FY 2019 Tax Levy</u>	<u>FY 2020 Amount</u>	<u>FY 2020 Tax Levy</u>
Operations	\$ 0.5353	\$ 30,985,735	\$ 0.5281	\$ 33,742,373
Debt	0.2145	12,426,563	0.2217	14,177,738
Total	<u>\$ 0.7498</u>	<u>\$ 43,412,298</u>	<u>\$ 0.7498</u>	<u>\$ 47,920,111</u>



How the Property Tax Rate is Divided (FY 2020)

Total Property Tax Rate = \$2.53407 per \$100 Valuation

Killeen Property Tax Rate = \$0.7498 per \$100 Valuation

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*Not all properties are taxed by Bell County WCID #6

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Property Tax -Average Taxable Homestead Value Comparison

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	Proposed FY 2020	Current FY 2019	Difference
Taxable Value	\$ 134,462	\$ 127,079	\$ 7,383
Tax Rate	0.7498	0.7498	-
Annual Tax Levy*	\$ 1,008.20	\$ 952.84	\$ 55.36
Monthly Cost	\$ 84.02	\$ 79.40	\$ 4.61



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

Property Tax -Tax Equivalent of Exemptions

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Fiscal Year	Total Tax Rate	Freeze Adjusted Taxable Value	Exemption Value	Exemptions % of Value	Value of Exemption
2009	\$ 0.6950	\$ 4,400,933,543	\$ 389,272,462	9%	\$ 2,705,444
2010	0.6950	4,393,080,749	481,935,337	11%	3,349,451
2011	0.7428	4,395,993,060	535,751,159	12%	3,979,560
2012	0.7428	4,520,459,969	553,300,701	12%	4,109,918
2013	0.7428	4,599,097,718	606,059,551	13%	4,501,810
2014	0.7428	4,795,024,710	662,109,123	14%	4,918,147
2015	0.7498	4,811,164,418	755,476,941	16%	5,664,566
2016	0.7498	4,943,248,641	840,029,405	17%	6,298,540
2017	0.7498	5,105,756,819	943,288,983	18%	7,072,781
2018	0.7498	5,495,220,469	1,110,668,560	20%	8,327,793
2019	0.7498	5,558,236,084	1,319,944,348	24%	9,896,943
2020	0.7498	6,146,321,192	1,495,394,748	24%	11,212,470

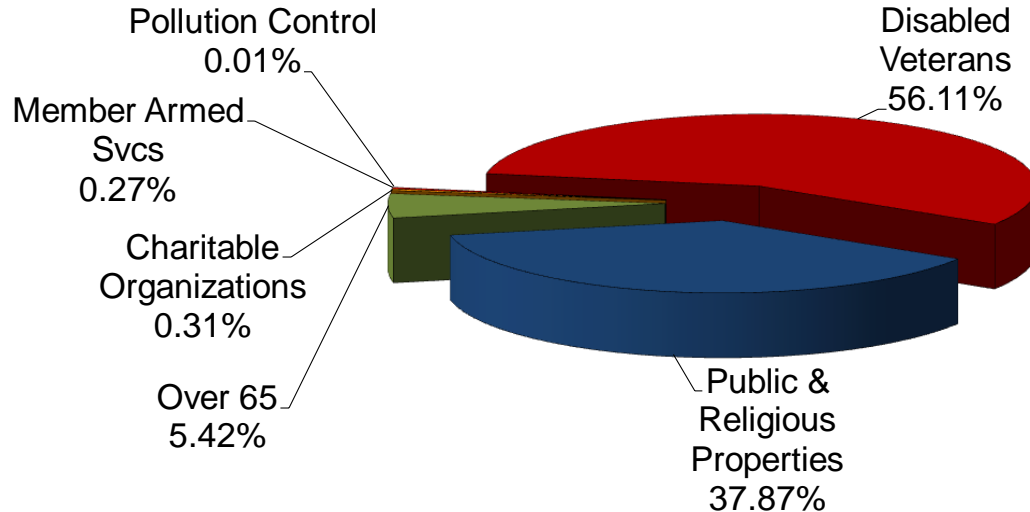
In FY 2020, preliminary exemption value lost equates to 18¢ per \$100 valuation

[Note: 1¢ = \$626,323 in revenue]

Property Tax - Killeen Exemptions

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City of Killeen FY 2020 Exemptions ⁽¹⁾

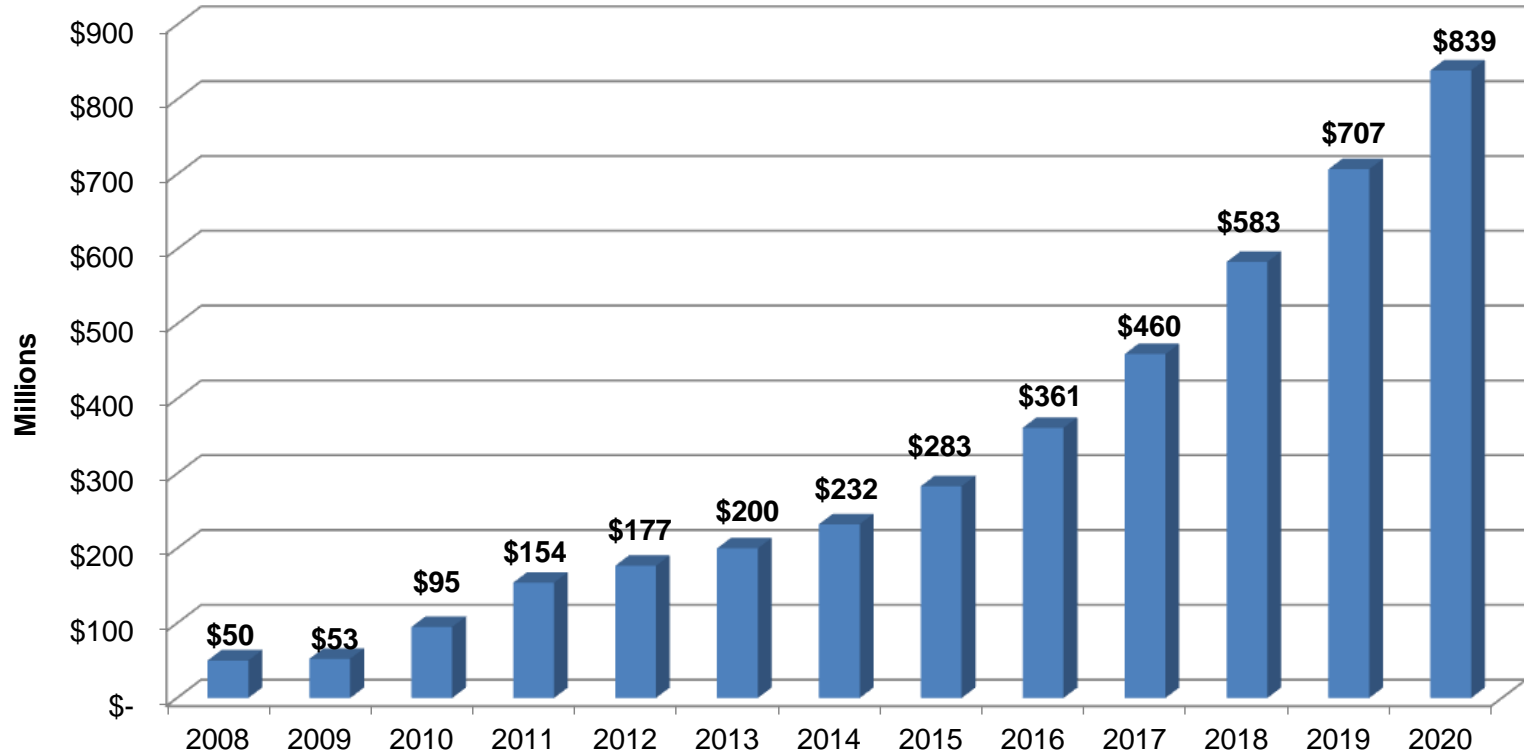


⁽¹⁾ Source Document: Tax Appraisal District of Bell County - July 16, 2019 Certified Tax Roll

Total Exemptions: \$1,495,394,748

Property Tax - Disabled Veteran's Exemptions

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Summary of Tax Rate Process

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- ❑ City Council sets a preliminary tax rate.
 - ▣ This establishes a “ceiling” for the tax rate.
 - ▣ Adopted tax rate cannot exceed preliminary tax rate.
- ❑ Tax Rate Public Hearings
 - ▣ September 3rd
 - ▣ September 10th
- ❑ Set the tax rate (may be lower than preliminary tax rate)
 - ▣ September 17th

Alternatives

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	Difference from Current Rate		
	<u>Tax Rate</u>	<u>Total Levy</u>	
Current Rate	\$ 0.7498	\$ 47,920,111	\$ -
Budgeted Rate	\$ 0.7498	\$ 47,920,111	\$ -
Effective Rate	\$ 0.6788	\$ 43,574,751	\$(4,345,360)
Rollback Rate	\$ 0.7588	\$ 48,470,931	\$ 550,820

Recommendation

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Staff recommends that City Council set the preliminary tax rate at the current and budgeted tax rate of \$0.7498.

Property Tax - Next Steps

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- ❑ Set the preliminary tax rate
- ❑ Required to take a record vote
- ❑ Announce the date, time, and place of the tax rate public hearings and vote to set the tax rate:
 - ▣ First hearing on September 3, 2019
 - ▣ Second hearing on September 10, 2019
 - ▣ Vote to set tax rate on September 17, 2019