

## Legislation Details (With Text)

**File #:** 19-598 **Name:**  
**Type:** Special Meeting Item **Status:** Individual Item Ready  
**File created:** 8/6/2019 **In control:** City Council - Special  
**On agenda:** 8/12/2019 **Final action:**  
**Title:** Discuss and consider approval of the Proposed 2019 Tax Rate.  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:**

Date	Ver.	Action By	Action	Result
8/12/2019	1	City Council - Special		

Presenter/Contact  
*Jared Werner, Chief Financial Officer*  
(830) 221-4385 - [jwerner@nbtexas.org](mailto:jwerner@nbtexas.org)

**SUBJECT:**

Discuss and consider approval of the Proposed 2019 Tax Rate.

**BACKGROUND / RATIONALE:**

In order for property owners in the State of Texas to be informed of any increases in their property values, truth-in-taxation requirements were embodied in the Texas Constitution and the Tax Code. Taxing units are required to calculate the effective tax rate and the rollback tax rate after receiving the certified appraisal roll from the chief appraiser.

The effective tax rate is the total tax rate needed to raise the same amount of property tax revenue from the same properties in both the 2018 tax year and 2019 tax year. The rollback tax rate is the highest tax rate the City may adopt before voters are entitled to petition for an election to limit the rate that may be approved to the rollback rate.

The proposed tax rate is equal to the current tax rate of 48.822 cents. While the total tax rate remains unchanged, the two components that make up the rate have been modified. The Interest & Sinking (I&S - debt service) portion of the rate totals 21.4498 cents while the Operations & Maintenance (O&M - General Fund) portion of the rate totals 27.3722 cents. The total rate of 48.822 cents is equal to the rollback rate for this year as well. As a result of the rollback calculation, the O&M (General Fund) portion of the rate decreases slightly. The I&S Rate increases to the level needed to support our debt service and maintain the current tax rate. By increasing the I&S rate to the point that our rollback rate and current rate are aligned, it allowed for us to increase our first issuance for the 2019 bond program to approximately \$18.5 million. As discussed during the debt issuance strategy presentation at the July 22<sup>nd</sup> City Council meeting, these additional funds will be added to the allocation for the Police Department and Veterans Memorial project. Following is a summary of the

tax rate calculations completed by the Comal County Tax Office.

<b>PROPOSED TAX RATE</b>	<b>\$0.48822 PER \$100</b>
<b>PRECEDING YEAR'S TAX RATE</b>	<b>\$0.48822 PER \$100</b>
<b>EFFECTIVE TAX RATE</b>	<b>\$0.45292 PER \$100</b>
<b>ROLLBACK TAX RATE</b>	<b>\$0.48822 PER \$100</b>

State law requires that two public hearings be held by the governing body before adopting the final tax rate. These hearings will be held on August 22 and September 3.

**ADDRESSES A NEED/ISSUE IN A CITY PLAN OR COUNCIL PRIORITY:**

<b>X</b>	Yes	<b>City Council Priority</b>	<b>Strategic Priorities:</b> 8-Maintain fiscal stability of City operations
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**FISCAL IMPACT:**

Property Tax is one of the primary sources of revenue supporting the General Fund and Debt Service Fund.

**COMMITTEE RECOMMENDATION:**

N/A

**STAFF RECOMMENDATION:**

Staff recommends City Council set the proposed tax rate with a record vote.