



## Legislation Text

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File #: ORD-3526, Version: 1

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### **Consider adopting Ordinance No. 3526 to levy and adopt the tax rate for Fiscal Year 2018-19 and take appropriate action.**

#### BACKGROUND:

Property owners have the right to know about increases in their properties' appraised value and to be notified of the estimated taxes that could result from the new value. This is accomplished by following Truth-in-Taxation requirements to ensure the public is informed of any increases. Truth-in-Taxation is a concept embodied in the Texas Constitution and the Tax Code that requires local taxing units make taxpayers aware of tax rate proposals. The City of Farmers Branch has complied with all aspects of the Truth-in-Taxation process.

#### DISCUSSION:

On July 30, 2018, City Administration submitted the Proposed 2018-19 Fiscal Year Operating & Capital Budget to the City Council, which was developed with a reduction in the tax rate to \$0.599507.

City Administration worked diligently to develop and present the budget that was presented earlier this evening to not only reduce the tax rate, but also absorb a planned \$0.02 property tax rate increase for recently issued Quality of Life Bonds and new fire station debt.

Property Tax Code Section 26.05(b) and Texas Local Government Code, Chapters 102, 111 and 140, all have requirements, notices, and/or motions that must be followed related to the budget and tax rate process. These requirements, notices, and/or motions vary depending upon whether or not a proposed property tax rate exceeds the lower of the effective tax rate or the rollback tax rate and/or whether this year's tax levy to fund maintenance and operations expenditures exceeds last year's maintenance operations tax levy. The proposed tax rate of \$0.599507 is less than the calculated effective and rollback tax rates and this year's tax levy to fund maintenance and operations expenditures does not exceed last year's maintenance and operations tax levy.

The City has complied with all of the requirements governing the budget and tax rate process and a copy of the required tax notice is attached to this agenda item. The proposed tax rate of \$0.599507 will be distributed as follows: \$0.516722 for general fund maintenance and operations and \$0.082785 for debt service distribution, per \$100 assessed value.

State law requires that this ordinance be passed after the passage of the City's fiscal year budget. This ordinance supports the City's guiding principle for financial stewardship.

#### RECOMMENDATION:

Recommended motion by City Administration that the City Council adopt Ordinance No. 3526 to levy the tax rate for the 2018 tax year (2018-19 fiscal year) at \$0.599507 per \$100 of assessed value, which represents a reduction of \$0.00276 in the current tax rate.

#### POSSIBLE COUNCIL ACTION:

1. I move to approve Ordinance No. 3526 to levy and adopt the tax rate for 2018-19 as presented.

2. I move to approve Ordinance No. 3526, with modifications. (Note: Any alternate rate may not exceed \$0.599507.)
3. I move to table the issue for further study or take no action.

ATTACHMENTS:

1. Ordinance No. 3526