



Legislation Text

File #: ORD-3654, Version: 1

Consider adopting Ordinance No. 3654 to levy and adopt the tax rate for Fiscal Year 2020-21 (Tax Year 2020) 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 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 31, 2020, City Administration submitted a Proposed 2020-21 Fiscal Year Operating & Capital Budget to the City Council, which was based on reducing the current tax rate from \$0.599507 to \$0.589. The City Council also passed a motion on August 24, 2020 to consider the proposed rate of \$0.589 as a maximum rate for discussion purposes.

Property Tax Code Section 26.05 and Texas Local Government Code, Chapters 102 and 111, 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 no-new-revenue tax rate or the voter-approval 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 \$0.589 does not exceed the calculated no-new-revenue or voter-approval rate. This tax rate will be distributed as follows: \$0.506203 for general fund maintenance and operations and \$0.082797 for debt service distribution, per \$100 assessed value.

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.

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.

FISCAL IMPACT:

1. Financial Impact - Supports the City's Proposed Fiscal Year 2020-21 Budget

RECOMMENDATION:

Recommended motion by City Administration that the City Council adopt Ordinance No. 3654 to levy the tax rate for the 2020 Tax Year (2020-21 Fiscal Year) at \$0.589 per \$100 of assessed value.

POSSIBLE COUNCIL ACTION:

1. Reduce the Current Tax Rate of \$0.599507 to \$0.589: I move that the property tax rate be decreased by the

adoption of a tax rate of \$0.589, which is approximately a 1.75% decrease in the tax rate.

2. I move to approve Ordinance No. 3654, with modifications. (**Note:** Any alternate rate may not exceed the published proposed maximum rate of \$0.589.)

ATTACHMENT(S):

1. Certified *Estimate* of Value Tax Roll
2. Revised Certified Estimate Value of Tax Roll
3. Notice of Tax Rate - Ad
4. Ordinance No. 3654