City of Round Rock

221 East Main Street
Round Rock, Texas 78664

Legislation Text

File #: 2020-0226, **Version:** 2

Consider an ordinance adopting the 2020 Property Tax Rate for the City of Round Rock. (Second Reading)

This ordinance sets the ad valorem tax rate for the tax year 2020. The rate is based on net taxable property value at January 1, 2020, to assess taxes for collection during fiscal year 2020/21. **The proposed tax rate for 2020 is $0.439000 per $100 valuation.** The proposed rate will yield the tax revenues required to fund the 2020/21 Annual Budget as proposed to Council on July 21, 2020 plus restoring of $1.5 million neighborhood street maintenance funds.

The 2020 proposed tax rate of $0.439000 exceeds the no new revenue tax rate of $0.425550. The increase in the proposed rate over the no new revenue rate is to provide additional funding for roads. Under this proposal, total City taxes on the median valued home with an appraised value of $256,347 will be $1,125.

STATE LAW REQUIRES THAT THE MOTION TO ADOPT THE ORDINANCE BE STATED AS FOLLOWS:

“I move that the property tax rate be increased by the adoption of a tax rate of $0.439000, which is effectively a 3.2 percent increase in the tax rate.”

Summary of Proposed Tax Rate:

Maintenance & Operations (M&O) portion	$0.296308
Debt Portion	$0.142692
Proposed 2020 Tax Rate	$0.439000
2019 Tax Rate	$0.439000
2020 No New Revenue Tax Rate	$0.425550
2020 Voter Approval Tax Rate	$0.460650

State law further requires that a tax rate above the no new revenue tax rate requires a 60% approval by the governing body. *For the City of Round Rock, that means five of seven council members must vote yes to approve this item.*

A public hearing and first reading of the tax rate are being held on August 27, 2020. The tax rate will have a second reading and final adoption on September 10, 2020.

Additional information on the budget and this proposed tax rate are available on the City's website.

There are new additional requirements in the Tax Code for this year resulting from SB2. Additional statements certifying the City’s compliance with these new requirements have been included in the tax rate ordinance. Attached is form 50-882 which is required by the Texas Property Tax Code to certify that the amount of additional sales and use tax revenue that will be used to pay debt service has been deducted from the total amount of debt in the tax rate calculations. Also attached is the FY 2021 tax rate calculation worksheet certified to be accurate by the Tax Assessor-Collector for Williamson County.