



Legislation Details (With Text)

File #: 2018-5769
Type: Public Hearing
Status: Presented
File created: 8/3/2018
In control: City Council
On agenda: 8/23/2018
Final action:
Title: Consider public testimony regarding the 2018 Property Tax Rate for the City of Round Rock. (First Public Hearing)
Sponsors:
Indexes:
Code sections:
Attachments:

Date	Ver.	Action By	Action	Result
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Consider public testimony regarding the 2018 Property Tax Rate for the City of Round Rock. (First Public Hearing)

The Texas Tax Code requires the City Council to hold two public hearings on the proposed tax rate prior to adoption if the proposed rate exceeds the current effective tax rate.

The 2018 proposed tax rate of \$0.42000 exceeds the effective tax rate of \$0.40624. The increase in the proposed rate over the effective rate is to provide funding for additional neighborhood street maintenance, operating costs of voter-approved bond projects, and staff compensation and benefits.

The debt portion of the estimated proposed tax rate is fixed at \$0.12187, the amount necessary to meet the City's debt payment obligations. However, the M&O portion (General fund operational portion) of the rate can vary. The Council can adopt a final M&O tax rate that is lower than the proposed rate included in the published notices, but it cannot adopt a higher M&O rate without repeating the notice and hearing process and giving taxpayers the opportunity to hear and comment about the higher tax increase. The Rollback Rate for 2018 is \$0.43074.

Summary of Proposed Tax Rate:

Maintenance & Operations portion	\$0.29813
<u>Debt portion</u>	<u>\$0.12187</u>
Proposed 2018 Tax Rate	\$0.42000

2017 Tax Rate	\$0.43000
2018 Effective Tax Rate	\$0.40624
2018 Rollback Tax Rate	\$0.43074

Proposed 2018 Tax Rate	\$0.42000
<u>2018 Effective Tax Rate</u>	<u>\$0.40624</u>
Increase over Effective	1.4 cents

Allocation of Increase Above Effective Rate

Additional funding for street maintenance 1.0 cents

Operating costs for voter authorized bonds 0.3 cents

Operating costs to keep up with growth 0.1 cents

Total Proposed Increase 1.4 cents

This is the first public hearing of the proposed tax rate, fulfilling the requirements of the Texas Local Government Code, Section 102.006 providing for public comment. The first public hearing on the proposed tax rate and first reading of the Ordinance to adopt the proposed tax rate is scheduled for August 23, 2018, the second public hearing on the proposed tax rate is scheduled for August 30, 2018, and the final adoption is scheduled for September 13, 2018.

Staff will provide an overview presentation for both this hearing and the FY 2018/2019 Annual Budget.