



Legislation Text

File #: 2017-4742, **Version:** 1

Consider public testimony regarding the 2017 Property Tax Rate for the City of Round Rock. (Second 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 2017 proposed tax rate of \$0.43000 exceeds the effective tax rate of \$0.40317. The increase in the proposed rate over the effective rate is to provide funding for debt payments & operations for voter-approved bond projects and rising costs.

The debt portion of the estimated proposed tax rate is fixed at \$0.14214, 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 2017 is \$0.43494.

Summary of Proposed Tax Rate:

Maintenance & Operations portion	\$0.28786
<u>Debt portion</u>	<u>\$0.14214</u>
Proposed 2017 Tax Rate	\$0.43000

2016 Tax Rate	\$0.42500
2017 Effective Tax Rate	\$0.40317
2017 Rollback Tax Rate	\$0.43494

Proposed 2017 Tax Rate	\$0.43000
<u>2017 Effective Tax Rate</u>	<u>\$0.40317</u>
Increase over Effective	2.7 cents

Allocation of Increase Above Effective Rate

Debt payments for voter authorized bonds	1.2 cents
Operating costs for voter authorized bonds	0.9 cents
<u>Operating costs to keep up with growth</u>	<u>0.6 cents</u>
Total Proposed Increase	2.7 cents

This is the second 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 took place on August 24, 2017, and the final adoption of the ordinance is scheduled for September 14, 2017.