



Legislation Text

File #: 2018-5770, **Version:** 2

Consider an ordinance adopting the 2018 Property Tax Rate for the City of Round Rock (Second Reading)

This ordinance sets the ad valorem tax rate for the tax year 2018. The rate is based on net taxable property value at January 1, 2018, to assess taxes for collection during fiscal year 2018/19. **The proposed tax rate for 2018 is \$0.42000 per \$100 valuation.**

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. Under this proposal, total City taxes on the median valued home with an appraised value of \$241,538 will be \$1,014.

The proposed tax rate provides adequate funding for the proposed FY 2018/2019 City Manager's Budget.

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 the tax rate of \$0.42000, which is effectively a 3.4 percent increase in the tax rate."

Summary of Proposed Tax Rate:

Maintenance & Operations (M&O) 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

If the ordinance sets a tax rate that will impose an amount of taxes to fund M&O expenditures of the taxing unit that exceeds the amount of taxes imposed for that purpose in the preceding year, the taxing unit must include specific wording in the tax rate ordinance and on the website of the taxing unit.

The effective M&O rate for fiscal year 2018/19 is \$0.27540 and the proposed M&O tax rate is \$0.29813. Based on the proposed tax rate, the following statements must be included in the ordinance adopting the tax rate. These statements and calculations are required, but the net impact to a tax payer is only a 3.4 percent total increase.

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 8.25 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$22.73.

A first public hearing and first reading regarding the tax rate are being held tonight. The tax rate will be presented for a second public hearing on August 30, 2018 and a second reading and final adoption on September 13, 2018.