



## Legislation Text

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**File #:** TMP-0721, **Version:** 1

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Consider public testimony regarding the 2019 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 2019 proposed tax rate of \$0.439000 exceeds the effective tax rate of \$0.401615. The increase in the proposed rate over the effective rate is to provide funding for rising operating costs for public safety and city services, public safety equipment, and new debt payments for the road expansion program.

The debt portion of the proposed tax rate is fixed at \$0.125491, 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 2019 is \$0.441338.

### Summary of Propose Tax Rate:

Maintenance & Operations portion	\$0.313509
<u>Debt portion</u>	<u>\$0.125491</u>
Proposed 2019 Tax Rate	\$0.439000
2018 Tax Rate	\$0.420000
2019 Effective Tax Rate	\$0.401615
2019 Rollback Tax Rate	\$0.441338

Proposed 2019 Tax Rate	\$0.439000
<u>2019 Effective Tax Rate</u>	<u>\$0.401615</u>
Increase over Effective	3.7 cents

**Allocation of Increase Above Effective Rate**

Rising operating costs- Public Safety & City Services	1.7 cents
Public Safety Equipment	0.5 cents
<u>New debt payments for Road Expansion Program</u>	<u>1.5 cents</u>
Total Proposed Increase	3.7 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 September 12, 2019, the second public hearing on the proposed tax rate is scheduled for September 19, 2019, and the final adoption is scheduled for September 26, 2019.