

Legislation Details (With Text)

File #:	4506	Version:	1	Name:	FY2019-20 Tax Rate Ordinance
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Title:	Consider An Ordinance Establishing The Tax Rate And Tax Levy For The City Of Carrollton For The Tax Year 2019 Upon The Taxable Property In The City Of Carrollton In Conformity With The Laws Of The State Of Texas And The City.				

Sponsors:**Indexes:****Code sections:****Attachments:** 1. Tax Rate Ord

Date	Ver.	Action By	Action	Result
9/17/2019	1	City Council		

CC MEETING: September 17, 2019**DATE:** September 11, 2019**TO:** Erin Rinehart, City Manager**FROM:** Bob Scott, Assistant City Manager

Consider An **Ordinance Establishing The Tax Rate And Tax Levy For The City Of Carrollton For The Tax Year 2019 Upon The Taxable Property In The City Of Carrollton In Conformity With The Laws Of The State Of Texas And The City.**

BACKGROUND:

Section 26.05 of the Texas Property Tax Code requires a governing body to adopt a tax rate for the current tax year. The tax rate must be adopted as two separate components: (1) maintenance and operation and (2) debt service.

The vote on the ordinance setting a tax rate that exceeds the effective tax rate must be a record vote. The motion to adopt an ordinance setting a tax rate that exceeds the effective tax rate must be made in a specific form. The effective tax rate for Tax Year 2019 (Fiscal Year 2020) is \$0.563016 and the proposed tax rate is \$0.589970. Based on this proposed tax rate, the motion needs to be made as follows:

“I move that the property tax rate be increased by the adoption of a tax rate of 58.997 cents per \$100 of valuation, which is effectively a 4.78 percent increase in the tax rate.”

If the ordinance sets a tax rate that will impose an amount of taxes to fund maintenance and operation (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 2020 is \$0.406362 and the proposed M&O tax rate is \$0.438870. Based on the proposed tax rate, the following statements must be included in the ordinance adopting the tax rate.

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 4.78 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$33.

Additionally, the following must be included on the home page of the City's website.

THE CITY OF CARROLLTON ADOPTED A TAX RATE THAT WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 4.78 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$33.

FINANCIAL IMPLICATIONS:

The ad valorem tax revenue is part of the funding for the Fiscal Year 2020 Budget.

STAFF RECOMMENDATION/ACTION DESIRED:

City Council is requested to approve the Ordinance setting the tax rate for the 2019 tax year at \$0.58997 on each \$100 valuation of property. This ordinance includes the above wording required by section 26.05 of the Texas Property Tax Code.