



Legislation Text

File #: 23-1977, Version: 1

STRATEGIC PRIORITY: Government Performance & Financial Management

AGENDA DATE: August 23, 2023

COUNCIL DISTRICT(S):

DEPARTMENT: Budget and Management Services

EXECUTIVE: Jack Ireland

SUBJECT

Authorize **(1)** a public hearing to be held on Wednesday, September 20, 2023 to receive comments on a proposed tax rate; and **(2)** a proposal to consider adoption of a \$0.7393 per \$100 valuation tax rate, or a lower rate as may be proposed by City Council for the 2023-24 fiscal year on Wednesday, September 20, 2023 - Financing: No cost consideration to the City

BACKGROUND

The City Manager's recommended FY 2023-24 budget as discussed on August 8, 2023 includes a tax rate of \$0.7393/\$100. The proposed rate reflects a reduction of \$0.0065/\$100 and reduces revenue to the City by \$12.7 million.

A public hearing is required this year since the proposed tax rate is lower than the voter-approval tax rate but higher than the no-new-revenue tax rate calculated by the Dallas County Tax Office. The notice of the public hearing provides information about the no-new-revenue and voter-approval tax rates reflected below.

Notice of Tax Rates

Proposed tax rate: \$0.7393/\$100

No-New-Revenue tax rate: \$0.6813/\$100

Voter-Approval tax rate: \$0.7028/\$100

Unused Increment rate: \$0.0454/\$100

Voter-Approval tax rate adjusted for unused increment rate: \$0.7482/\$100

The Voter-Approval tax rate reflects an adjustment for unused increment rate. The unused increment rate is the rate equal to the difference between the adopted tax rate and the voter-approval rate in tax year 2021 (FY 2021-22). A taxing unit may adjust the voter-approval tax rate higher with the unused increment rate without triggering an election. If a taxing unit uses any portion of the unused increment

rate in a year, the contribution to the unused increment would be zero for that year. The City Manager's recommended FY 2023-24 budget uses unused increment.

To set a tax rate above the FY 2023-24 calculated No-New-Revenue tax rate of \$0.6813 per \$100 valuation, State law requires the following:

- Specify a proposed tax rate; take a record vote, and schedule a public hearing (August 23, 2023);
- Publish "Notice of 2023 Tax Year Proposed Tax Rate" at least seven days before the public hearing (September 9, 2023);
- Publish the notice in the newspaper and prominently on the City's internet website;
- Hold a public hearing; and the meeting to adopt the tax rate (September 20, 2023).

City Council may vote on the proposed tax rate at the public hearing.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

City Council was briefed on the City Manager's Proposed Budget on August 8, 2023.

FISCAL INFORMATION

No cost consideration to the City.