



Legislation Text

File #: 20-1726, **Version:** 1

STRATEGIC PRIORITY: Government Performance and Financial Management
AGENDA DATE: September 23, 2020
COUNCIL DISTRICT(S): N/A
DEPARTMENT: Office of Budget
EXECUTIVE: Elizabeth Reich

SUBJECT

An ordinance setting the tax rate at \$0.7765 per \$100 assessed valuation which includes \$0.5690 for the General Fund and \$0.2075 for the Debt Service Fund, and levying ad valorem taxes for the City of Dallas, Texas for FY 2020-21 - Estimated Levy: \$1,144,898,917 (see Fiscal Information)

BACKGROUND

The City Manager's recommended budget for FY 2020-21 set the property tax rate to \$0.7766 per \$100 assessed valuation.

The tax rate option under consideration by the City Council is \$0.5690 for the general fund and \$0.2075 for debt service fund, totaling \$0.7765 per \$100 assessed valuation. The rate of \$0.7765 will fund the FY 2020-21 budget. Per Section 26.05 of Texas Property Tax Code, the vote on the ordinance setting of the tax rate must be a record vote and specific language is required in the motion setting the tax rate, as follows:

"I move that the property tax rate be lowered to a tax rate of \$0.7765 per \$100 assessed valuation."

This year's levy does not exceed the no-new-revenue tax rate. The motion to adopt the tax rate does not require the language about "tax increase" as stated in 26.05(b) of the Property Tax Code.

This year's levy to fund maintenance and operations expenditures does not exceed last year's maintenance and operations tax levy. The ordinance setting this year's tax rate does not require the statement about "tax increase" as specified in 26.05(b) of the Property Tax Code.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

City Council was briefed on the proposed tax rate at a Budget Workshop on August 11, 2020.

City Council recommended amendments to the FY 2020-21 budget and a tax rate of \$0.7762 per \$100 assessed valuation on September 2, 2020.

City Council recommended amendments to the FY 2020-21 budget and a tax rate of \$0.7764 per \$100 assessed valuation on September 9, 2020.

On September 9, 2020, City Council authorized a proposal to consider adoption of a tax rate of \$0.7765 per \$100 assessed valuation or a lower tax rate proposed by Resolution No. 20-1340.

FISCAL INFORMATION

Estimated current year tax revenues are calculated using a tax rate of \$0.5690 for the General Fund and \$0.2075 for Debt Service Fund, totaling \$0.7765 per \$100 assessed valuation (100 percent collection rate).

Estimated Revenue:

- General Fund - \$838,953,617
- Debt Service Fund - \$305,945,300