



Legislation Text

File #: 21-1655, **Version:** 1

STRATEGIC PRIORITY: Government Performance and Financial Management
AGENDA DATE: September 22, 2021
COUNCIL DISTRICT(S): All
DEPARTMENT: Budget and Management Services
EXECUTIVE: Elizabeth Reich

SUBJECT

An ordinance setting the tax rate at \$0.7733 per \$100 assessed valuation, which includes \$0.5658 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 2021-22 - Estimated Levy: \$1,205,870,037 (see Fiscal Information)

BACKGROUND

The City Manager's recommended budget for FY 2021-22 set the property tax rate at \$0.7733 per \$100 assessed valuation, a \$0.0030 decrease from the FY 2020-21 property tax rate of \$0.7763 per \$100 assessed valuation.

The tax rate under consideration by the City Council is \$0.5658 for the General Fund and \$0.2075 for the Debt Service Fund, totaling \$0.7733 per \$100 assessed valuation. The rate of \$0.7733 per \$100 assessed valuation will fund the FY 2021-22 budget. Per Section 26.05 of the Texas Property Tax Code, the vote on the ordinance setting the tax rate must be a record vote and 60 percent of the governing body must vote in favor of the adoption of the tax rate. Specific language is required in the motion setting the tax rate, and must be made in the following form:

"I move that the property tax rate be increased by the adoption of a tax rate of 0.7733 per \$100 assessed valuation, which is effectively a 9.23 percent increase in the tax rate."

This year's levy to fund maintenance and operations expenditures exceeds last year's maintenance and operations tax levy. The ordinance setting this year's tax rate requires the statement about a "tax increase" as specified in 26.05(b) of the Property Tax Code even though the FY 2021-22 tax rate of \$0.7733 is less than the FY 2020-21 tax rate of \$0.7763. The statements must be in larger type than the type used in any other portion of the document.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

City Council was briefed on the proposed tax rate at a Budget Workshop on August 10, 2021.

On August 25, 2021, City Council authorized a public hearing to be held on September 22, 2021 and authorized a proposal to consider adoption of a tax rate of \$0.7733 per \$100 assessed valuation or a lower tax rate proposed by City Council on September 22, 2021, by Resolution No. 21-1354.

FISCAL INFORMATION

Estimated current year tax revenues are calculated using a tax rate of \$0.5658 for the General Fund and \$0.2075 for the Debt Service Fund, totaling \$0.7733 per \$100 assessed valuation (100 percent collection rate).

Estimated Revenue:

- General Fund - \$882,298,289
- Debt Service Fund - \$323,571,748