

MEMORANDUM

TO: Mayor TJ Gilmore
Mayor Pro Tem William J. Meridith
Deputy Mayor Pro Tem Patrick Kelly
Councilmember Bob Troyer
Councilwoman Ronni Cade
Councilmember Brandon Jones
Councilwoman Kristin Green

FROM: Claire Powell, City Manager

DATE: September 18, 2023

SUBJECT: Public Hearing: Consideration of the Proposed Tax Rate for the 2023 Tax Year.

BACKGROUND

In accordance with state law, a public hearing is being held on the proposed tax rate for the 2023 tax year. Council has proposed reducing the tax rate by \$0.024222 to \$0.419079.

ANALYSIS

Section 26.05(d) of the Texas Property Tax Code requires a governing body to hold a public hearing to adopt a tax rate for the current tax year if the proposed rate exceeds the lower of the voter-approval or no-new-revenue rate.

The total tax rate proposed for FY 2023-24 of \$0.419079 exceeds the no-new-revenue rate of \$0.392761 by 6.7 percent. The Maintenance and Operations (M&O) rate is \$0.296759 and exceeds the no-new-revenue M&O rate of \$0.286104 by 3.72 percent. The Interest & Sinking (I&S) rate does not change from the current fiscal year rate and is \$0.122320. The proposed total tax rate does not exceed the voter-approval rate of \$0.419079.

CITY STAFF'S RECOMMENDATION

That City Council hold the public hearing as set forth in the caption above.