

MEMORANDUM

TO: Mayor Rudy Durham
Mayor Pro Tem Brandon Jones
Deputy Mayor Pro Tem Bob Troyer
Councilman T J Gilmore
Councilman R Neil Ferguson
Councilman Brent Daniels

FROM: Donna Barron, City Manager

DATE: September 5, 2018

SUBJECT: Consideration of an Ordinance Adopting the FY 2018-2019 Tax Rate

This action adopts the City's annual ad valorem tax rate for all taxable property at \$0.436086 per \$100 of assessed valuation. The rate must be adopted in two parts:

Maintenance and Operation	\$0.313766
Principal and Interest on Debt	<u>\$0.122320</u>
Total Tax Rate	\$0.436086

The total tax rate for FY 2018-2019 will be the same as the current fiscal year tax rate of \$0.436086 but does exceed the effective tax rate, \$0.415706 by 4.9025 percent. The Maintenance and Operation (M&O) rate above exceeds the effective M&O rate (\$0.303869) by 3.257 percent. The proposed rate does not exceed the rollback rate of \$0.450498. Specific language is required in the ordinance and the motion when the tax rates to be adopted exceeds the rollback rate or the effective rate. Additionally, when the proposed rate exceeds the effective rate, the vote on the ordinance setting the tax rate must be a record vote and must be approved by at least 60 percent of the members of the governing body. For the City of Lewisville, this equals at least four voting members.

It is City staff's recommendation that the City Council approve the proposed ordinance adopting the FY 2018-2019 tax rate with the following motion: "I move that the property tax rate be increased by the adoption of a tax rate of \$0.436086, which is effectively a 4.9025 percent increase in the tax rate."