

RESOLUTION NO.

WHEREAS, adopting a property tax rate and budget are critical functions and responsibilities of the City Council; and

WHEREAS, the tax rate and resulting budget provide funding for City of Austin services; and

WHEREAS, the property tax rate combined with changes in property values can result in higher tax bills for Austin residents from one year to the next; and

WHEREAS, the Texas Truth-in-Taxation Constitutional Provisions require taxing entities to disclose property tax rate proposals prior to adopting a final property tax rate for the year; and

WHEREAS, it is often difficult to clearly understand how a proposed tax rate, combined with changes in property tax values and other city fees, will affect the total tax financial impact in dollars on Austin residents; and

WHEREAS, in light of the rising property values in Austin, a decrease in the tax rate from the previous fiscal year does not guarantee a reduction in taxes, which leads to confusion for taxpayers; and

WHEREAS, for clarity, the City of Austin could disclose both proposed tax rates and the impact of the proposals expressed in dollar amounts for homes with different values as set out in the Taxpayer Impact Statement; and

WHEREAS, in a city struggling with affordability, it would be helpful for the City of Austin to provide this information not only as a commitment to full transparency, but also to help Austin residents accurately budget for future expenses; and

WHEREAS, all Austin residents have the opportunity to be involved in the budget process and would benefit from clear information regarding proposed changes to their city property tax bills in order to provide the best feedback; and

WHEREAS, the total taxes assessed and collected by the City of Austin to deliver city services are a significant cost to Austin residents, and it is the City of Austin's goal to provide the most complete, accurate, and easily understood information about any changes in those taxes or fees; **NOW, THEREFORE,**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The City Manager is directed to create a Taxpayer Impact Statement that shall include definitions of both the effective and rollback tax rates in simple terms. The Taxpayer Impact Statement shall also include charts with yearly totals (see attached framework to serve as a guide).

1. The first chart shall include a comparison of the tax bill, in dollars, for both the current fiscal year and the upcoming fiscal year. This shall include the estimated proposed, effective, and rollback tax rates, and shall include a projected appreciation in the taxable value of the property.
2. The second chart shall compare fees, utility bills, and property taxes projected on a median-valued home with typical household usage in the proposed budget to those from the current fiscal year.

BE IT FURTHER RESOLVED:

The City Manager shall post the Taxpayer Impact Statement on the City of Austin website, in the Proposed and Approved budget documents, financial forecasts, and other public documents regarding the City of Austin's budget. The Taxpayer Impact Statement shall also be published in local newspapers two weeks prior to any public hearing on the budget. If circumstances, such as a protest of property tax appraisal values, prevents this publication date, the Taxpayer Impact Statement shall be published on a date as close as reasonably possible to the two weeks prior to the public hearing on the budget.

ADOPTED: _____, 2015

ATTEST: _____

Jannette S. Goodall
City Clerk