

AGENDA



Recommendation for Council Action

Austin City Council Budget Work Session	Item ID	73313	Agenda Number	3.
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Meeting Date:	8/9/2017	Department:	Budget Office
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Subject

Approve a resolution adopting a maximum proposed property (ad valorem) tax rate of 46.51 cents per \$100 taxable value that the City Council will consider for Fiscal Year 2017-2018; and setting the date that the Council will adopt the Fiscal Year 2017-2018 property (ad valorem) tax rate (Suggested date and time: September 11, 2017 at 9:30 a.m. Austin City Hall, 301 West Second Street, Austin TX). (Public comment will be allowed on this item.)

Amount and Source of Funding

Fiscal Note

No fiscal note is needed. This is not the final action to set the tax rate.

Purchasing Language:	
Prior Council Action:	
For More Information:	Greg Canally, Interim Chief Financial Officer / 974-1380; Ed Van Eenoo, Deputy Chief Financial Officer / 974-2638
Council Committee, Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

State law requires that all taxing jurisdictions participate in the process of Truth-In-Taxation. When a proposed tax rate exceeds the lower of 100 percent of the effective rate or the rollback rate, the Council must adopt a maximum proposed tax rate that it will consider. State law requires that the vote to adopt a proposed maximum rate must be a roll call vote, indicating any absences from the dais.

The maximum proposed property tax rate of 46.51 cents per \$100 of taxable value is 2 cents higher than the rollback rate of 44.51 cents per \$100 of taxable value. Staff recommends Council adopt this as the maximum tax rate to consider for Fiscal Year 2017-2018 if Council wishes to consider a potential interlocal agreement with AISD for the City to provide funding for services that serve a municipal purpose, with the goal of reducing the community's overall tax burden while maintaining the delivery of those services. Council approval of this resolution does not require the adoption of a tax rate at 46.51 per \$100 of taxable value or in excess of the rollback rate. It merely sets the ceiling of what Council can consider after adopting the Fiscal Year 2017-2018 budget beginning September 11, 2017 at 9:30 a.m.

If Council votes to consider a maximum proposed rate that exceeds the effective rate of 41.07 cents per \$100 of taxable value, it must schedule and conduct two public hearings on the proposed tax rate. The second action item on

Council's agenda is for Council to set these hearings. Staff recommends the first public hearing take place at 4:00 p.m. during the regular scheduled Council meeting of August 17, 2017. Staff recommends the second public hearing take place at 4:00 p.m. during the regular scheduled Council meeting of August 31, 2017. Both public hearings will be carried out in City Hall Council Chambers at 301 West Second Street, Austin, Texas. After these hearings, Council must adopt the Fiscal Year 2017-2018 property (ad valorem) tax rate. Adoption of the tax rate has been set for Monday, September 11, 2017. The vote to adopt the property tax rate will also be conducted in City Hall Council Chambers at 301 West Second Street, Austin, Texas.

Even though the Council votes to consider a proposed tax rate above the effective rate, the Council may, as a result of deliberations, adopt a tax rate at or below the rate stated in the published notices.