



## Recommendation for Action

**File #:** 20-2545, **Agenda Item #:** 70.

7/30/2020

### Posting Language

Approve a resolution adopting a maximum proposed property (ad valorem) tax rate that will include an increase of 3.5% for the operations and maintenance of the City, and an increase over that rate for Project Connect that the City Council will consider for Fiscal Year 2020-2021; and setting the date that the Council will hold the hearing and adopt the Fiscal Year 2020-2021 property (ad valorem) tax rate (Suggested date and time: August 12, 2020 at 10:00 a.m., Palmer Events Center, 900 Barton Springs Road, Austin TX and via electronic means as authorized by Governor Greg Abbott for participation in Open Meetings).

### Lead Department

Budget Office

### Fiscal Note

This is not the final action to set the tax rate.

### For More Information:

Ed Van Eenoo, Deputy Chief Financial Officer / 974-2638

### 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 no-new-revenue (formerly, effective) rate or the voter-approval (formerly, rollback) rate, the Council must adopt a maximum proposed tax rate that it will consider. The City Manager has recommended a budget with a maximum increase of 3.5% to cover the increased costs of the maintenance and operations of the City. This is the rate that is called the "voter-approval-rate" in the Texas Property Tax Code. Any increase above the voter-approval-rate will require an election to approve that increase. Council is considering a property tax increase for Project Connect. State law requires that the vote to adopt a proposed maximum rate must be a roll call vote, indicating any absences from the dais.

If Council votes to consider a maximum proposed rate that exceeds the no-new-revenue rate, it must schedule and conduct one public hearing on the tax rate before adopting that rate. To comply with state law, the public hearing will take place at 10:00 a.m. during the Council meeting of August 12, 2020. If the rate exceeds the voter-approval rate, Council must also order a Tax Rate Election to occur in November. The adoption of the tax rate will occur after adoption of the City Budget for Fiscal Year 2020-2021.

Since State law requires the hearing to be in a building open to the public, people can come and speak for or against the tax rate at the hearing at the Palmer Events Center at 900 Barton Springs Road, Austin, Texas. Due to the Disaster Declarations from both State and Local authorities, the public will also be able to participate electronically, as will Council. After this hearing, Council must adopt the Fiscal Year 2020-2021 property (ad valorem) tax rate. The hearing and the adoption of the tax rate is suggested for Wednesday, August 12, 2020. The hearing may continue to August 13, and 14th. The vote to adopt the property tax rate will also be viewable at the Palmer Events Center at 900 Barton Springs Road, Austin, Texas.

Although it may not adopt a tax rate that exceeds the maximum tax rate established by this resolution, the Council may, as a result of deliberations, adopt a tax rate at or below this maximum rate.

**Strategic Outcome(s):**

Government that Works for All.