



# City of Mesquite, Texas

## Legislative File

**File Number: 17-2931**

**File ID:** 17-2931

**Type:** Agenda Item

**Status:** Public Hearing

**Version:** 1

**Org Code(s):**

**In Control:** City Council

**File Name:** Budget Public Hearing - 9/5/2017

**File Created:** 08/24/2017

**Final Action:**

**Title:** Conduct a public hearing to receive input from citizens regarding the proposed fiscal year 2017-18 budget.

**Agenda Date:** 09/05/2017

**Agenda Number:** 10

### Text of Legislative File 17-2931

#### Title

Conduct a public hearing to receive input from citizens regarding the proposed fiscal year 2017-18 budget.

#### Body

This is a State-law-mandated public hearing on the proposed fiscal year 2017-18 budget that must be held before the date that the tax rate is adopted, since a city must levy taxes only in accordance with its budget. The City Council held two previous public hearings on August 7, 2017, and on August 21, 2017, and no persons appeared to comment on the proposed budget at either hearing.

In accordance with State law, the City Council must take action on the budget at the conclusion of this public hearing, either to vote separately to adopt the budget and also vote to “ratify” the increase in property tax revenue, or vote to postpone adoption of the budget and vote to postpone ratification of the increase in property tax revenue until the September 18, 2017, City Council meeting.

State law requires a separate vote to ratify any increase in property tax revenue as reflected in the budget. Next year’s proposed budget estimates an increase of \$3,622,000 (8.17%) in property tax revenue and thus requires a separate vote to ratify the increase in property tax revenue. This vote to ratify the property tax revenue increase is separate and apart from any vote to adopt the budget or vote to adopt the tax rate. The vote to adopt the tax rate (tax levy) is scheduled for the September 18, 2017, City Council meeting.

The City Council is not obligated to adopt the budget or ratify the property tax revenue increase at this meeting. If the Council chooses to postpone these items, then there will be three separate votes required at the September 18, 2017 Council meeting. First to adopt the budget, second to ratify the increase in property tax revenue reflected in the budget and then third to adopt the tax rate.

Effective January 1, 2016, Senate Bill 1760, enacted by the 84th Texas Legislature, requires at least 60 percent of the members of the governing body of a city to vote in favor of an ordinance setting a property tax rate that exceeds the effective tax rate. The proposed tax rate of \$0.68700 per \$100 of assessed valuation exceeds the calculated effective tax rate of \$0.63222 and therefore will require at least 60 percent (5 or more) of the City Councilmembers to vote in favor of the proposed tax rate. If the required majority cannot be reached and the governing body fails to adopt the proposed tax rate, then by State law, the City's tax rate for fiscal year 2017-18 will be the effective rate of \$0.63222 since it is lower than the current rate of \$0.68700.

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