

City of Mesquite, Texas

Legislation Text

File #: 18-3576, **Version:** 1

Consider and act on a proposed ad valorem tax rate for Fiscal Year 2018-2019 and call public hearings for August 20, 2018, and September 4, 2018, on the proposed Fiscal Year 2018-19 ad valorem tax rate.

State law requires publishing special notices and conducting two public hearings before adoption of a tax rate, if the tax rate exceeds the effective tax rate. The effective tax rate is defined as the tax rate that would produce the same amount of property tax revenue as last year based on the value of the same properties listed on the tax rolls. The City's calculated effective tax rate is \$0.64134 per \$100 of assessed valuation. The proposed tax rate is \$0.734 per \$100 of assessed valuation.

State law also requires at least 60 percent of the members of the governing body to vote in favor of an ordinance setting a property tax rate that exceeds the effective rate. Therefore, at least five members (60 percent) of the City Council will need to vote in favor of the proposed tax rate. If the required 60 percent majority vote in favor of the proposed tax rate cannot be reached, then by State law, the City's tax rate for fiscal year 2018-19 will become the effective rate of \$0.64134 and this action would require a \$7.2 million reduction in the proposed budget for the General Fund.

In order to adopt the tax rate at the September 17, 2018, City Council meeting, staff recommends the following proposed calendar of action items.

PROPOSED CALENDAR FOR TAX RATE ADOPTION

8/6/18	Set Proposed Tax Rate and Dates for Public Hearings on the Tax Rate
8/9/18	Publish Effective Tax Rate Publish Notice of Public Hearings on Tax Increase
8/20/18	Hold First Public Hearing to Discuss Tax Rate
9/4/18	Hold Second Public Hearing to Discuss Tax Rate
9/6/18	Publish Notice of Vote on Tax Rate
9/17/18	Adopt Tax Rate

Recommended/Desired Action

Staff recommends the City Council act on a proposed ad valorem tax rate for Fiscal Year 2018-2019 and call public hearings for August 20, 2018 and September 4, 2018 on the proposed Fiscal Year 2018-19 ad valorem tax rate.

A motion must be read at the August 6, 2018, City Council meeting as follows; "I move that, upon proper notice and final adoption after all public hearings are held, property taxes be increased by the adoption of a tax

rate for Fiscal Year 2018-2019 of \$0.734 cents per \$100 of valuation. The public hearings to consider this rate will be held on August 20, 2018, at 7:00 p.m., and September 4, 2018, at 7:00 p.m. Both public hearings will be held in the City Council Chamber at Mesquite City Hall, 757 N. Galloway, Mesquite, Texas.”

Drafter

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