



AGENDA MEMORANDUM

Public Hearing and First Reading Ordinance for the City Council Meeting of August 29, 2023
Second Reading Ordinance for the City Council Meeting of September 5, 2023

DATE: August 17, 2023

TO: Peter Zaroni, City Manager

FROM: Alma I. Casas, Interim Director of Finance and Procurement
almac@cctexas.com
(361) 826-3610

Public Hearing and First Reading to Set the
Fiscal Year 2023-2024 Ad Valorem Tax Rate

CAPTION:

Public Hearing and First Reading Ordinance to set the Fiscal Year 2023-2024 Ad Valorem Tax Rate of \$0.599774 per \$100 valuation which is effectively an 8.3% increase over the no-new-revenue tax rate.

SUMMARY:

The State Property Tax Code requires that one public hearing be held when a taxing unit proposes a tax rate that exceeds either the no-new-revenue tax rate or the voter-approval tax rate, whichever is lower.

BACKGROUND AND FINDINGS:

The City of Corpus Christi is proposing a tax rate of \$0.599774 per \$100 valuation for Fiscal Year (FY) 2023-2024. This tax rate is the same as the Voter-Approval Tax Rate. This is a reduction from our current tax rate of \$0.620261, which is \$0.020487 cents.

As this rate exceeds either the no-new-revenue tax rate of \$0.553858 per \$100 valuation, or the voter-approval tax rate of \$0.599774 per \$100 valuation, the Property Tax Code requires that the governing body schedule one public hearing on the proposal. The public hearing for the FY2023-2024 proposed tax rate and the first reading of the ordinance for adoption of the FY2023-2024 tax rate will be held on August 29, 2023, during the regular City Council meeting beginning at 11:30 am. The vote for the final adoption of the budget and tax rate will be held at the September 5, 2023, City Council meeting.

ALTERNATIVES:

The public hearing is required to be in compliance with the Truth-in-Taxation guidelines as it relates to the adoption of the budget and the property tax rate.

FISCAL IMPACT:

We anticipate generating tax revenues of \$184,131,130 for the City. The amount needed for debt service or (I&S) is \$67,831,531 and the difference of \$116,299,598 is for the general fund or (M&O). Of this amount, \$13,210,590 will be transferred to the Streets Fund for Residential Streets. Additionally, \$6,870,584 of the \$184,131,130 in tax revenues will be collected for the Tax Increment Reinvestment Zones.

RECOMMENDATION:

Staff recommends approval of the FY 2023-2024 Budget and Ad Valorem Tax Rate of \$0.599774 per \$100 valuation.

LIST OF SUPPORTING DOCUMENTS:

Ordinance