



AGENDA MEMORANDUM

Action Item for the City Council Meeting of July 25, 2023

DATE: July 5, 2023

TO: Peter Zaroni, City Manager

FROM: Alma I. Casas, Interim Director of Finance and Procurement
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**Set the proposed Fiscal Year 2024 Tax Rate at \$0.620261 per \$100 valuation,
take record vote, and schedule a public hearing
for FY 2024 Budget and Tax Rate**

CAPTION:

Resolution to consider a proposed ad valorem tax rate of no more than \$0.620261 per \$100 valuation for Fiscal Year (FY) 2024, taking a record vote, and setting the date for the City of Corpus Christi's proposed FY 2024 budget and proposed FY 2024 ad valorem tax rate public hearings and first reading ordinances on August 29, 2023, with adoption of the FY 2024 budget and FY 2024 ad valorem tax rate on September 5, 2023.

SUMMARY:

The City of Corpus Christi is proposing a tax rate of no more than \$0.620261 per \$100 valuation for FY 2023. The Texas Tax Code requires that the City Council take a record vote when the proposed property tax rate is anticipated to be above the no new revenue tax rate and to approve a resolution to set the date for the public hearing on the proposed tax rate when the tax rate exceeds the lower of the no-new-revenue tax rate or the voter-approval tax rate.

BACKGROUND AND FINDINGS:

If a proposed property tax rate exceeds the no-new-revenue tax rate or the voter-approval tax rate, whichever is lower, the Tax Code requires that the governing body must take a record vote to place a proposal to adopt the tax rate on the agenda of a future meeting as an action item and hold a public hearing. The City is proposing a tax rate of no more than \$0.620261 per \$100 valuation which is anticipated to be above the no new revenue

rate but less than the voter approval rate. In the event that the proposed tax rate exceeds the voter approval rate, including any unused increment from prior years, the lesser of the two rates will be proposed for adoption by City Council.

The Nueces County Tax Office provides the City with the truth in taxation worksheet, which calculates the no-new-revenue tax rate and voter approval tax rate, during the first week of August. When the proposed FY 2024 tax rate exceeds the lower of the no-new-revenue tax rate or the voter-approval tax rate, the Tax Code requires the governing body to hold one public hearing. The public hearing for the FY 2024 budget and proposed tax rate will be held on August 29, 2023; as well as the first reading of the ordinance for adoption of the FY 2024 budget and the first reading of the ordinance for adoption of the FY 2024 tax rate. The vote for the final adoption of the budget and tax rate is scheduled to be held on September 5, 2023. Additionally, in compliance with the “truth-in-taxation” guidelines, the proposed property tax rate, the no-new-revenue tax rate, and the voter-approval tax rate will be published at least seven (7) days before the public hearing. The notice for the City’s proposed tax rate is anticipated to be published in the Corpus Christi Caller-Times on August 13, 2023.

Taxes will be levied in October, once the tax rate is adopted and the property tax bills are processed by the Nueces County Tax Office.

ALTERNATIVES:

N/A

FISCAL IMPACT:

The City proposes setting a tax rate of \$0.620261 per \$100 valuation which is anticipated to be in excess of the no new revenue tax rate.

FUNDING DETAIL:

N/A

RECOMMENDATION:

Staff recommends approval of the resolution as presented.

LIST OF SUPPORTING DOCUMENTS:

Resolution