



AGENDA MEMORANDUM

Future Item for the City Council Meeting of July 24, 2012
Action Item for the City Council Meeting of July 31, 2012

DATE: July 31, 2012

TO: Ronald L. Olson, City Manager

FROM: Constance P. Sanchez, Director of Financial Services
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Action Setting the City Council Meeting Date to Adopt the Property Tax Rate
and to Schedule Two Public Hearings

CAPTION:

- A. Motion setting August 28, 2012 as the date of the adoption of the ad valorem tax rate of \$0.570557 per \$100 valuation.
- B. Motion setting a public hearing on the ad valorem tax rate for August 14, 2012 and a second public hearing for August 21, 2012, during the regular City Council meeting beginning at 12:00 p.m. at City Hall, 1201 Leopard Street, Corpus Christi, Texas.

PURPOSE:

The fiscal year 2012-2013 proposed operating budget has assumed a tax rate of \$0.570557 in the determination of ad valorem tax revenue for fiscal year 2012-2013. Since this rate is anticipated to exceed the effective tax rate, the two motions noted above are needed for the City to be in compliance with "truth-in-taxation" as it relates to the Property Tax Code.

BACKGROUND AND FINDINGS:

If a proposed property tax rate exceeds the effective tax rate, the Property Tax Code requires that the governing body must vote to place a proposal to adopt the tax rate on the agenda of a future meeting as an action item. This vote must be recorded. If the motion passes, then the governing body must schedule two public hearings on the

proposal. Since the property tax rate in the proposed fiscal year 2012-2013 budget is \$0.570557 which is expected to exceed the effective tax rate, then State law requires the City Council to follow the steps outlined above. Additionally, the City will work with the Nueces County Tax Office to obtain the effective tax rate worksheet during the first week of August so that we can publish the required information in the Corpus Christi Caller-Times by August 5, 2012. If the information is not received in time to publish on August 5th, then it will be published the following week on August 12th.

Two public hearings will then be held – one on August 14, 2012, and the second on August 21, 2012. Then the vote for the final adoption of the tax rate will be held on August 28, 2012. The last step will be the approval of the tax levy in late September once the tax rate is adopted and the property tax bills are processed by the Nueces County Tax Office.

ALTERNATIVES: n/a

OTHER CONSIDERATIONS: n/a

FINANCIAL IMPACT:

Not Applicable Operating Expense Revenue CIP

FISCAL YEAR:	Project to Date Exp. (CIP Only)	Current Year	Future Years	TOTALS
Budget	-	-	\$ 77,518,178	\$ 77,518,178
Encumbered/Expended amount of (date)	-	-	-	-
This item	-		\$ 77,518,178	\$ 77,518,178
BALANCE	-	-	\$ -	\$ -
FUND(S): General Fund \$51,282,246				
Debt Service Fund \$26,235,932				

COMMENTS:

n/a

RECOMMENDATION:

Staff recommends approval of the motions as presented.

CONFORMITY TO CITY POLICY:

This item conforms to City policy.

EMERGENCY / NON-EMERGENCY:

- N/A

DEPARTMENTAL CLEARANCES:

- Legal Department

LIST OF SUPPORTING DOCUMENTS:

- None

cc: Lisa Aguilar, Assistant City Attorney
Eddie Houlihan, Assistant Director of Management and Budget
Margie C. Rose, Assistant City Manager