



## AGENDA MEMORANDUM

Action Item for the City Council Meeting of August 12, 2014

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**DATE:** August 12, 2014

**TO:** Ronald L. Olson, City Manager

**FROM:** Constance P. Sanchez, Director of Financial Services  
ConstanceP@cctexas.com  
(361) 826-3227

Action Setting the City Council Meeting Date to Adopt the Property Tax Rate

### **CAPTION:**

- A. Motion setting September 16, 2014 as the date of the adoption of the ad valorem tax rate of \$0.585264 per \$100 valuation.
- B. Motion setting a public hearing on the ad valorem tax rate for August 26, 2014 and a second public hearing for September 9, 2014 during the regular City Council meeting beginning at 11:30 a.m. at City Hall, 1201 Leopard Street, Corpus Christi, Texas.

### **PURPOSE:**

The fiscal year 2014-2015 proposed operating budget utilizes a tax rate of \$0.585264 per \$100 valuation in the determination of ad valorem tax revenue for fiscal year 2014-2015. This is the same property tax rate as from the prior year. Since this rate exceeds 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 or the rollback rate, whichever is lower, 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.

The Nueces County Tax Office provided the City with the effective tax rate worksheet on July 29, 2014. The fiscal year 2014-2015 effective tax rate is \$0.543343 per \$100 valuation, and the rollback rate is \$0.585672 per \$100 valuation. Since the property tax rate in the proposed fiscal year 2014-2015 budget of \$0.585264 per \$100 valuation exceeds the effective tax rate, then State law requires the City Council to follow the steps outlined above. In compliance with the “truth-in-taxation” guidelines, these rates will be published in the Corpus Christi Caller-Times on August 17, 2014.

Two public hearings will also be held – one on August 26, 2014, and the second on September 9, 2014. Then the vote for the final adoption of the tax rate will be held at the next City Council meeting on September 16, 2014. 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

**CONFORMITY TO CITY POLICY:**

This item conforms to City policy.

**EMERGENCY / NON-EMERGENCY:** n/a

**DEPARTMENTAL CLEARANCES:**

- Office of Management and Budget
- Legal Department

**FINANCIAL IMPACT:**

Operating Expense       Revenue       Capital       Not Applicable

<b>FISCAL YEAR:</b>	<b>Project to Date Exp. (CIP Only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Budget	-	-	\$ 92,787,000	\$ 92,787,000
Encumbered/Expended amount of (date)	-	-	-	-
This item	-		\$ 92,787,000	\$ 92,787,000
<b>BALANCE</b>	-	-	\$ -	\$ -
FUND(S): General Fund \$59,737,000 Debt Service Fund \$33,050,000				

**COMMENTS:** n/a

**RECOMMENDATION:**

Staff recommends approval of the motions as presented.

**LIST OF SUPPORTING DOCUMENTS:**

- None