



AGENDA MEMORANDUM

Ordinance for the City Council Meeting of August 29, 2023
Second Reading for the City Council Meeting of September 5, 2023

DATE: August 10, 2023
TO: Peter Zaroni, City Manager
FROM: Eddie Houlihan, Director of Management & Budget
EddieHo@cctexas.com
(361) 826-3792

Ratification of FY 2024 Property Tax Increase

CAPTION:

Ordinance ratifying the property tax increase reflected in the FY 2023-2024 Operating Budget that will require raising more revenue from property taxes than in the FY 2022-2023 Operating Budget in amount of \$13,499,855.

SUMMARY:

This item is to adopt the budget with the increase of \$13,499,855 in property tax revenues for the upcoming fiscal year as per charter requirement.

BACKGROUND AND FINDINGS:

City Charter requires City Council to review and act on the Operating Budget on a yearly basis. The City of Corpus Christi is proposing a budget with an increase of \$13,499,855 or 8.5% in property tax revenue from last year's operating budget. The \$13,499,855 breakdown is General Fund \$5,851,599, Debt Service Fund \$3,529,811, Residential Street Reconstruction Fund \$1,265,679, and Tax Increment Reinvestment Zones \$2,852,766, and of that amount an estimated \$3,526,259 is tax revenue to be raised from new property added to the tax roll this year.

Section 102.007(c) of the Texas Local Government Code provides that adoption of a budget that will require raising more revenue from property taxes than in the previous year does require a separate vote of the City Council to ratify the property tax increase reflected in the budget. A vote under 102.007(c) is in addition to and separate from the vote to adopt the budget or the vote to set the tax rate. Therefore, a separate vote from City Council is required after each vote to adopt the budget.

ALTERNATIVES:

Approval of the budget is required by the City Charter.

FISCAL IMPACT:

Total proposed revenues are \$1,115,607,544 which includes an increase of \$13,499,855 in property tax revenues over the prior year.

RECOMMENDATION:

To adopt budget with the increase of \$13,499,855 in property tax revenues for the upcoming fiscal year as per charter requirement.

LIST OF SUPPORTING DOCUMENTS:

FY 2023-2024 Ordinance to ratify property tax increase