



AGENDA MEMORANDUM

First Public Hearing for the City Council Meeting of August 27, 2019
Second Public Hearing for the City Council Meeting of September 6, 2019

DATE: August 9, 2019

TO: Peter Zaroni, City Manager

THRU: Constance P. Sanchez, Chief Financial Officer

FROM: Alma Casas, Interim Director of Financial Services
AlmaC@cctexas.com
(361) 826-3610

First Public Hearing on Fiscal Year 2020 Ad Valorem Tax Rate

CAPTION:

First Public Hearing on Fiscal Year 2020 Ad Valorem Tax Rate

SUMMARY:

The State Property Tax Code requires that two public hearings be held when a taxing unit proposes a tax rate that exceeds either the rollback rate or the effective tax rate, whichever is lower.

BACKGROUND AND FINDINGS:

The City of Corpus Christi is proposing a tax rate of \$0.646264 per \$100 valuation for Fiscal Year (FY) 2019-2020. This tax rate includes an increase of two cents from the prior year's property tax rate to be used for residential streets as approved by the citizens on November 8, 2016. This is the second of three two-cent increases noted in the "2+2+2" charter amendment approved by the voters.

Since this rate exceeds the effective tax rate of \$0.606528 per \$100 valuation, the Property Tax Code requires that the governing body schedule two public hearings on the proposal. The first public hearing will be held on Tuesday, August 27, 2019, during the regular City Council meeting beginning at 11:30 am, and the second public hearing will be held on Friday, September 6, 2019 at a special City Council meeting beginning at 9:00 am. The vote for the final adoption of the tax rate will be held at the September 17, 2019 City Council meeting.

ALTERNATIVES:

The public hearings are required to be in compliance with Truth-in-Taxation as it relates to the adoption of the property tax rate.

FISCAL MPACT:

Adoption of the FY 2020 ad valorem tax rate is budgeted to generate \$130,194,718 of property tax revenue. Of this amount, \$77,924,963 will be recorded in the General Fund; \$44,211,456 in the Debt Service Fund; and \$8,058,299 in the Residential Street Fund.

RECOMMENDATION:

Staff recommends approval of the ad valorem tax rate of \$0.646264 per \$100 valuation on September 17, 2019.

LIST OF SUPPORTING DOCUMENTS:

None