



## **AGENDA MEMORANDUM**

Future Item for the City Council Meeting of July 23, 2013  
Action Item for the City Council Meeting of July 30, 2013

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**DATE:** July 23, 2013

**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
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### **CAPTION:**

- A. Motion setting September 10, 2013 as the date of the adoption of the ad valorem tax rate of \$0.588797 per \$100 valuation.
- B. Motion setting a public hearing on the ad valorem tax rate for August 20, 2013 and a second public hearing for August 27, 2013, 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 2013-2014 proposed operating budget has assumed a tax rate of \$0.588797 in the determination of ad valorem tax revenue for fiscal year 2013-2014. This rate is an increase of \$0.01824 from fiscal year's rate of \$0.570557 per \$100 valuation, and the increase was approved by the voters on November 6, 2012 to fund the Bond 2012 approved projects. 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 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. Since the property tax rate in the proposed fiscal year 2013-2014 budget is \$0.588797 per \$100 valuation 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 4, 2013. If the information is not received in time to publish on August 4<sup>th</sup>, then it will be published the following week on August 11<sup>th</sup>.

Two public hearings will then be held – one on August 20, 2013, and the second on August 27, 2013. Then the vote for the final adoption of the tax rate will be held at the next City Council meeting on September 10, 2013. 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:**

- Legal Department

**FINANCIAL IMPACT:**

☐ Operating Expense      ☒ Revenue      ☐ Capital      ☐ Not Applicable

FISCAL YEAR:	Project to Date Exp. (CIP Only)	Current Year	Future Years	TOTALS
Budget	-	-	\$ 83,345,697	\$ 83,345,697
Encumbered/Expended amount of (date)	-	-	-	-
This item	-		\$ 83,345,697	\$ 83,345,697
BALANCE	-	-	\$ -	\$ -
FUND(S): General Fund \$53,936,095 Debt Service Fund \$29,409,602				

**COMMENTS:** n/a

**RECOMMENDATION:**

Staff recommends approval of the motions as presented.

**LIST OF SUPPORTING DOCUMENTS:**

- None