



AGENDA MEMORANDUM

Future item for the City Council Meeting of July 26, 2016
Action Item for the City Council Meeting of August 9, 2016

DATE: July 15, 2016

TO: Margie C. Rose, 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

CAPTION:

Motion setting September 13, 2016 as the date of the adoption of the ad valorem tax rate of \$0.606264 per \$100 valuation.

PURPOSE:

The fiscal year 2016-2017 proposed operating budget utilizes a tax rate of \$0.606264 per \$100 valuation in the determination of ad valorem tax revenue for fiscal year 2016-2017. This is the same property tax rate as was used in fiscal year 2015-2016. Final assessed values should be received from the Nueces County Appraisal District by July 25th at which time the effective tax rate and rollback rate will be computed. This agenda item is needed for the City to be in compliance with "truth-in-taxation" as it relates to the Tax Code in the event that the City's fiscal year 2016-2017 proposed tax rate exceeds the lower of the effective tax rate or the rollback rate.

BACKGROUND AND FINDINGS:

If a proposed property tax rate exceeds the effective tax rate or the rollback rate, whichever is lower, the 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 will be providing the City with the effective tax rate worksheet during the first week of August. In the event that the proposed fiscal year 2016-2017 tax rate of \$0.606264 per \$100 valuation exceeds the lower of the effective

tax rate or the rollback rate, the Tax Code requires the governing body to take a vote to place a proposal to adopt the tax rate on the agenda of a future meeting as an action item, and the vote must be recorded.

Two public hearings must also be held. If needed, we are planning on holding the first public hearing on August 23, 2016, and the second public hearing on August 30, 2016. Then the vote for the final adoption of the tax rate is scheduled to be held on September 13, 2016. Additionally, in compliance with the “truth-in-taxation” guidelines, the proposed property tax rate, effective tax rate, and rollback rate must be published at least seven (7) days before the public hearings. We are planning on publishing in the Corpus Christi Caller-Times on August 14, 2016.

The last step in the “truth-in-taxation process” will be the approval of the tax levy in October 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
City Attorney’s Office

FINANCIAL IMPACT:

☐ Operating ☐ Revenue ☐ Capital ☐ Not applicable

Fiscal Year: 2015-2016	Current Year	Future Years	TOTALS
Line Item Budget		\$108,400,000	\$108,400,000
Encumbered / Expended Amount			
This item		\$108,400,000	\$108,400,000
BALANCE			

Fund(s): General Fund \$67,400,000; Debt Service Fund \$41,000,000

COMMENTS: n/a

RECOMMENDATION:

Staff recommends approval of the motions as presented.

LIST OF SUPPORTING DOCUMENTS:

None