



City of San Marcos

FY 2023 Tax Rate Public Hearing

September 6, 2022



Tax Rate Definitions

- No New Revenue Rate (NNR): tax rate that would produce the same amount of tax revenue on properties taxed in both years
- Proposed Budget Rate: tax rate used to prepare the FY 2023 Proposed Budget
- Maximum Rate: tax rate ceiling set by City Council at the August 18, 2022, Budget Workshop
- Voter Approval Rate: maximum rate allowed by law without voter approval and is the sum of the NNR Operations rate plus 3.5%, the calculated I&S rate and any unused increment from the prior 3 years



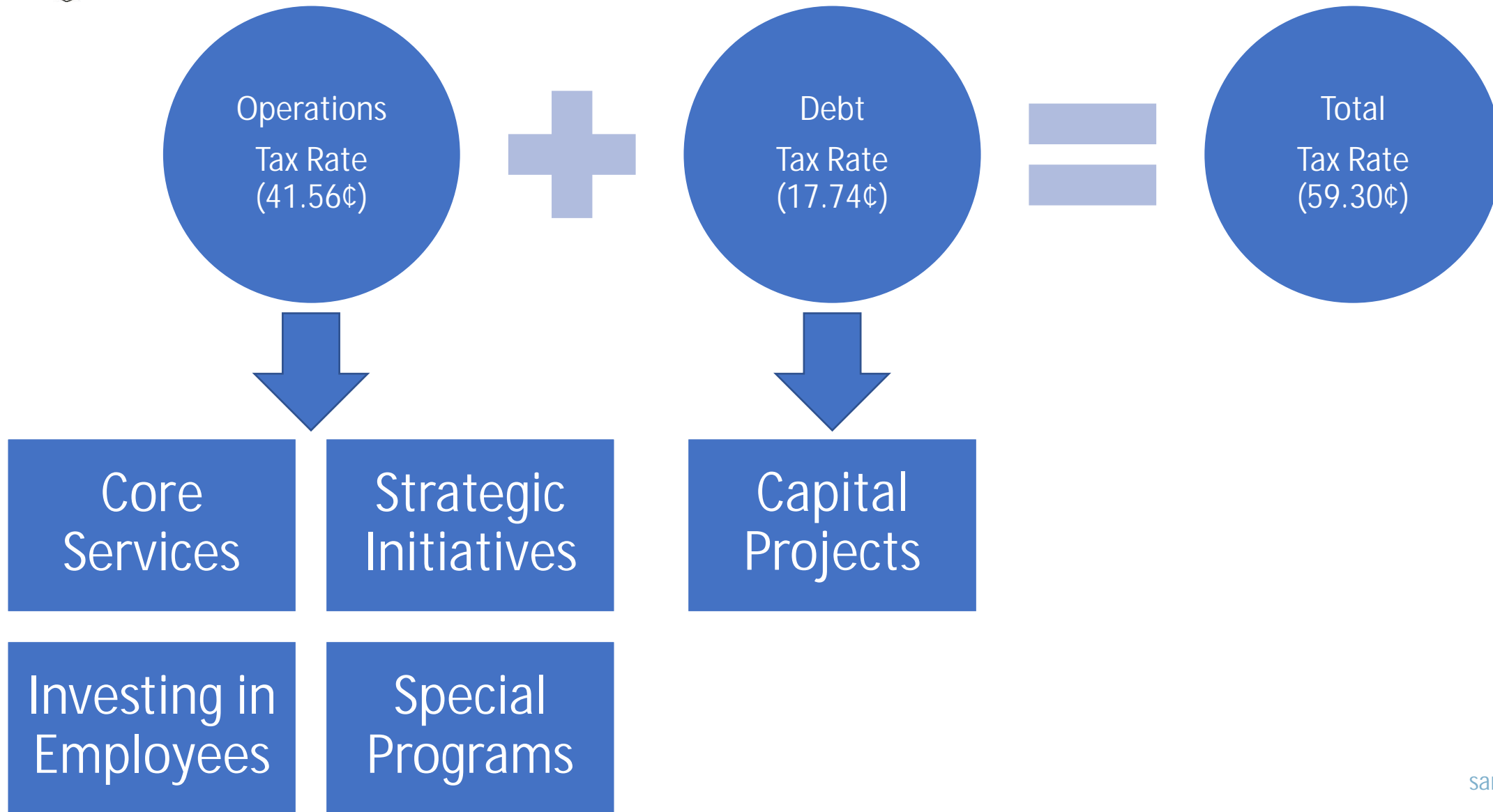
Tax Rate Alternatives

	Tax Rate	Property Tax Revenue	Difference from Budgeted Rate
No New Revenue Rate	54.59¢	\$ 38,424,623	\$ (3,315,259)
Proposed Budget Rate	59.30¢	\$ 41,739,882	\$ -
Maximum Rate	60.30¢	\$ 42,443,759	\$ 703,877
Voter Approval Rate	72.70¢	\$ 51,171,829	\$ 9,431,947

* 1¢ on the tax rate = approximately \$700K



Tax Rate Components





Average Taxable Homestead Value Comparison

	FY 2023 Maximum Rate	FY 2023 Proposed Rate	Maximum to Proposed Difference
Average Home Value	\$ 260,197	\$ 260,197	\$ -
Homestead Exemption	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
Taxable Value	\$ 245,197	\$ 245,197	\$ -
Tax Rate	60.30¢	59.30¢	1.00¢
Annual Tax Levy*	\$ 1,478.54	\$ 1,454.02	\$ 24.52
Monthly Cost	\$ 123.21	\$ 121.17	\$ 2.04

*Taxable Value / 100 x Tax Rate = City Taxes Paid



How the Property Tax Rate is Divided (FY 2023)

Total Property Tax Rate = \$2.0392; City of San Marcos = \$0.5930

City of San Marcos - 29¢

Hays County - 14¢



San Marcos ISD - 56¢

Special Road District - 1¢

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Tax Rate Decision Point - 59.30¢ vs 60.30¢

- Adopt tax rate of 59.30¢
 - No changes to FY23 Proposed Budget
 - Reduce taxes by \$10 annually for each \$100,000 in taxable home value
- Keep tax rate at 60.30¢
 - Increase revenue by approximately \$700,000 in FY23
 - Add Public Safety Personnel in FY23
 - (3) Police Officers
 - (3) Firefighters



Opportunity for Citizen Comment