



# City of San Marcos

## Setting the Maximum Proposed Tax Rate for Fiscal Year 2025

August 20, 2024



# Property Tax Rate Definitions

- No-New-Revenue Rate (NNR) = 59.96¢: tax rate that will produce the same amount of revenue as the previous fiscal year on properties taxed in both years
- Proposed Budget Rate = 60.30¢: tax rate used to prepare the FY 2025 Proposed Budget
- Current Rate = 60.30¢: tax rate used for current fiscal year
- Voter-Approval Rate = 70.36¢: tax rate that increases the operation component of the NNR by 3.5%, plus the debt rate, plus any unused increment from the prior 3 years
  - Exceeding this rate triggers an automatic election

# Property Tax Rate Comparison



	<u>Tax Rate</u>	<u>Property Tax Revenue*</u>	<u>Difference from Budgeted Rate</u>
No-New-Revenue Rate	59.96¢	\$ 51,781,207	\$ (293,623)
<b>Proposed Budget &amp; Recommended Maximum Rate</b>	<b>60.30¢</b>	<b>\$ 52,074,830</b>	<b>\$ -</b>
Current Rate	60.30¢	\$ 52,074,830	\$ -
Voter-Approval Rate	70.36¢	\$ 60,762,604	\$ 8,687,774

[sanmarcostx.gov](http://sanmarcostx.gov)

\*Does not include tax increment financing zones

# Property Tax Rate Components



Core Services

Strategic Goals

Capital Projects

Investing in Employees

Special Programs

# Taxable Value Trend



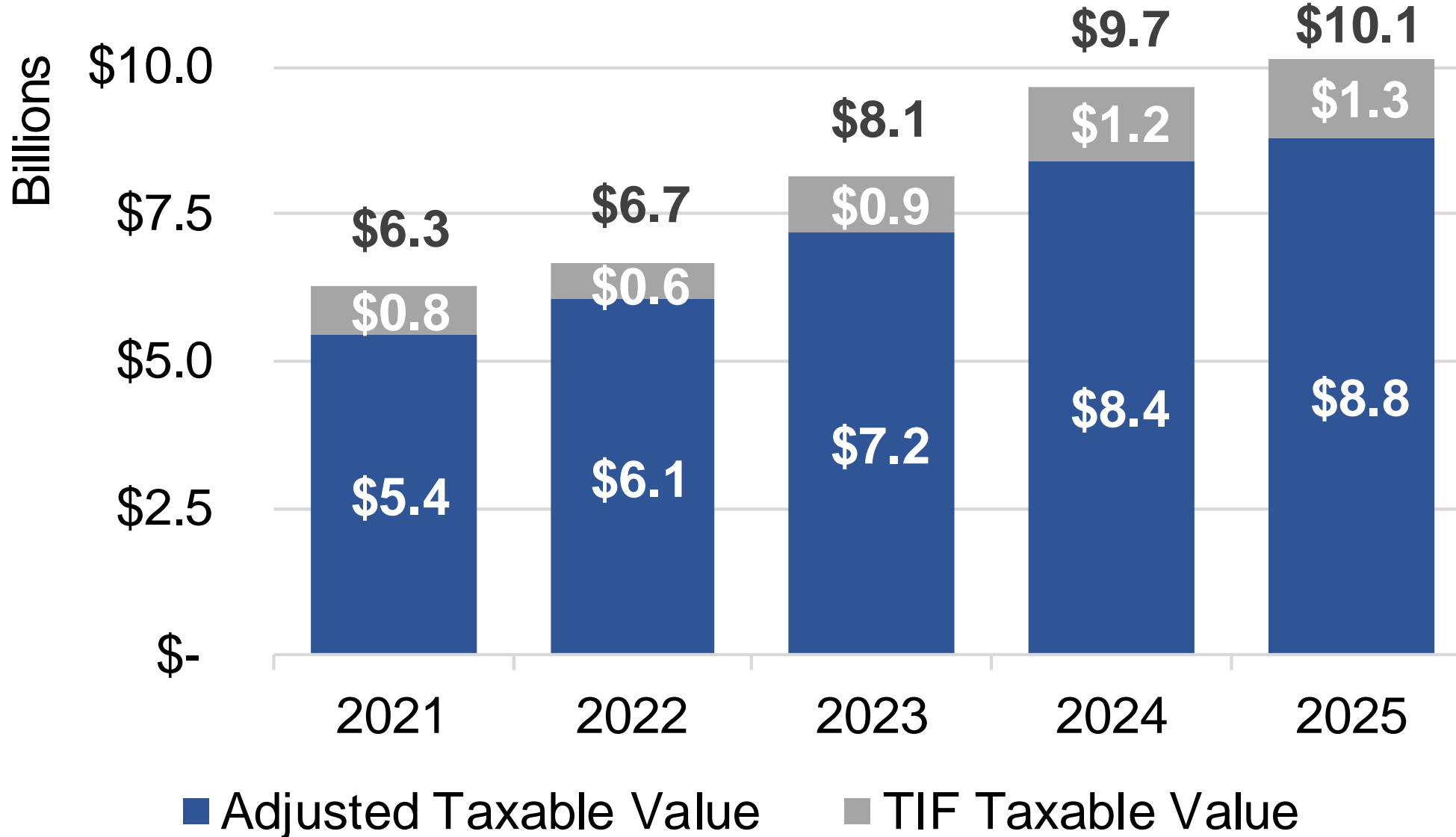
Fiscal Year*	Tax Rate ¢	Net Taxable Value	Percent Change	TIF Taxable Value	Percent Change	Remaining Net Taxable Value	Percent Change
2018	61.39	\$ 4,541,868,065	11.6%	\$ 350,550,602	42.8%	\$ 4,191,317,463	9.6%
2019	61.39	4,986,623,791	9.8%	455,921,514	30.1%	4,530,702,277	8.1%
2020	61.39	5,699,438,272	14.3%	746,624,190	63.8%	4,952,814,082	9.3%
2021	59.30	6,273,273,068	10.1%	831,475,410	11.4%	5,441,797,658	9.9%
2022	60.30	6,683,498,400	6.5%	629,346,424	-24.3%	6,054,151,976	11.3%
2023	60.30	8,133,292,822	21.7%	949,267,851	50.8%	7,184,024,971	18.7%
2024	60.30	9,663,403,949	18.8%	1,230,710,040	29.6%	8,432,693,909	17.4%
2025*	60.30	10,127,338,788	4.8%	1,315,136,185	6.9%	8,812,202,603	4.5%

\*Certified Tax Roll

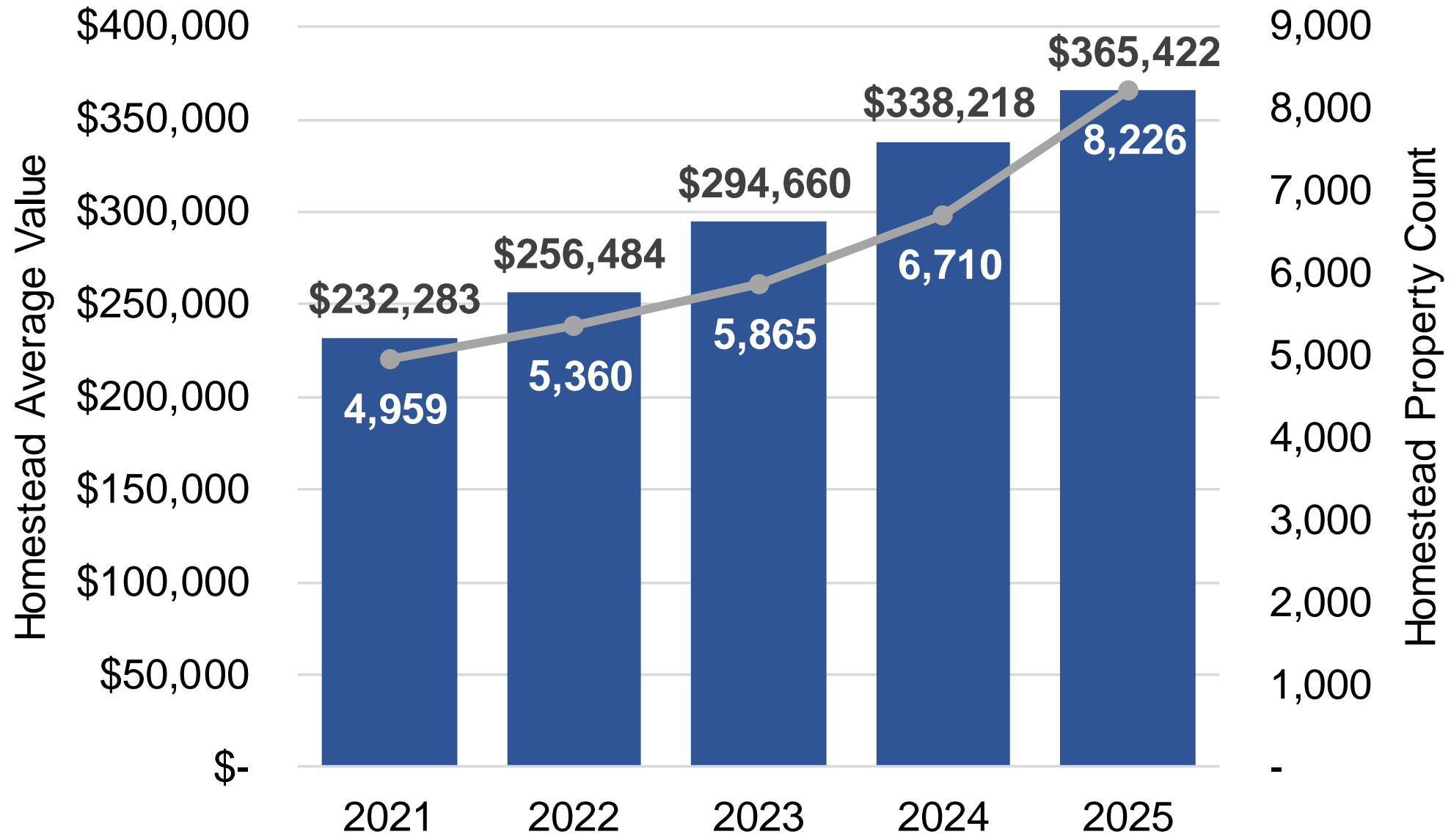
Three-year average growth:	15.1%	29.1%	13.5%
Five-year average growth:	12.4%	14.9%	12.3%
Ten-year average growth:	11.7%	28.5%	10.5%



# Taxable Value Trend



# Homestead Average Value and Count





# Homestead Annual Tax Levy Comparison

	<u>FY 2024</u>	<u>FY 2025</u>	<u>Difference</u>
Average Home Value	\$ 338,218	\$ 365,422	\$ 27,204
Homestead Exemption	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
Taxable Value	\$ 323,218	\$ 350,422	\$ 27,204
Tax Rate	60.30¢	60.30¢	0.00¢
Annual Tax Levy*	\$ 1,949	\$ 2,113	\$ 164
Monthly Cost	\$ 162	\$ 176	\$ 14

Annual Savings:

Homestead Exemption	\$ 90	\$ 90	\$ -
---------------------	-------	-------	------

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



# Sales Tax for Property Tax Relief



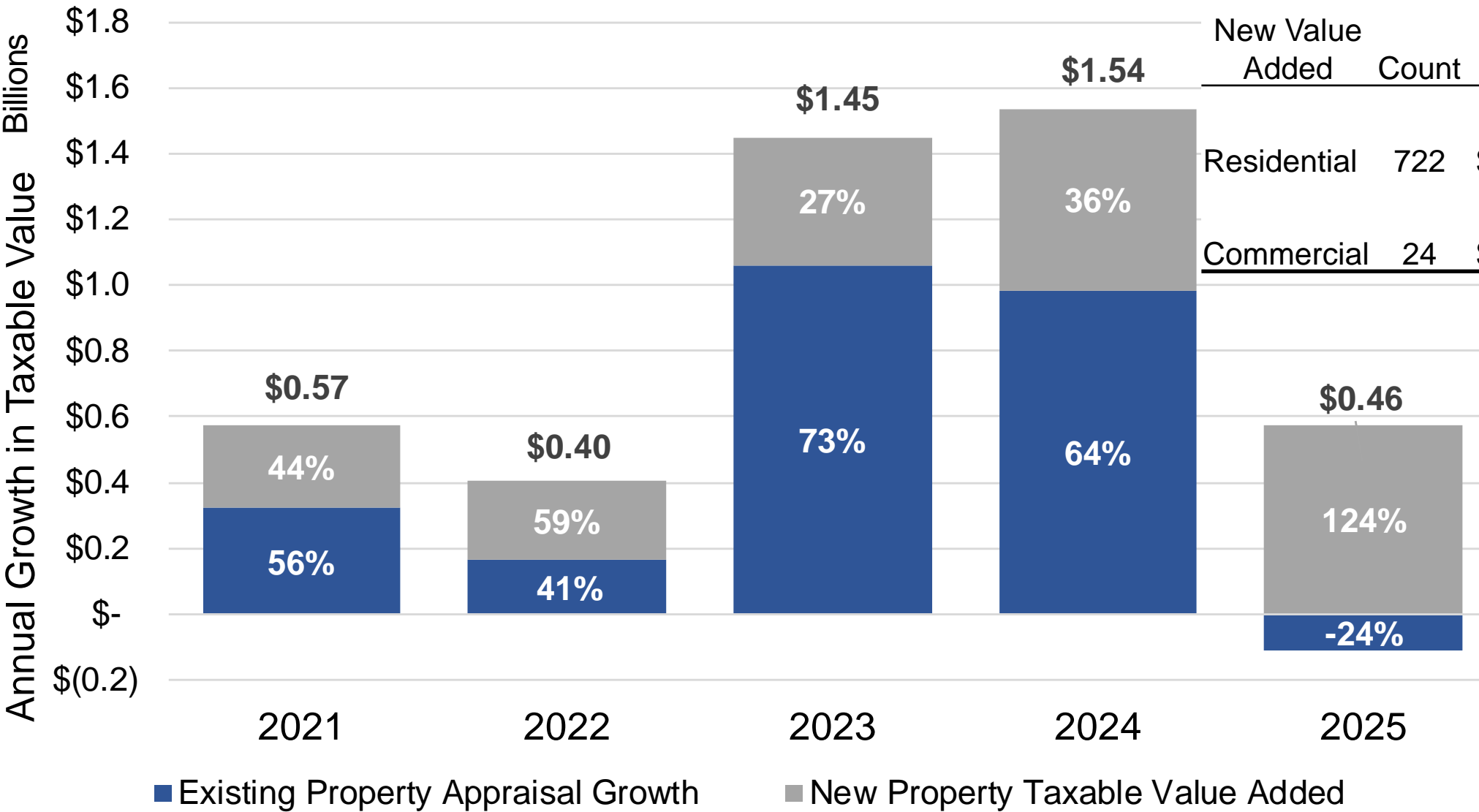
	Current - With Sales Tax	Without Sales Tax	Difference
Homestead Average Value	\$ 365,422	\$ 365,422	\$ -
Homestead Exemption	<u>(15,000)</u>	<u>(15,000)</u>	<u>\$ -</u>
Taxable Value	\$ 350,422	\$ 350,422	\$ -
Tax Rate	60.30¢	74.75¢	14.45¢
Annual Tax Levy for City*	\$ 2,113	\$ 2,619	\$ 506
Monthly Cost	\$ 176	\$ 218	\$ 42



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



# Existing Property Taxable Value Growth vs New Property Taxable Value Growth



	New Value Added	Count	Taxable Value	Avg. Value Added
Residential		722	\$201,286,840	\$278,791
Commercial		24	\$199,310,732	\$8,304,614

Source: Hays Central Appraisal District - Certified Roll

# Setting the Property Tax Rate Process



- City Council set the maximum proposed tax rate
  - August 20, 2024
  - Establishes a ceiling for next fiscal year's tax rate
- Tax Rate Public Hearings
  - September 3, 2024
  - September 17, 2024
- City Council sets the FY 2025 tax rate
  - September 17, 2024
  - May be equal to or lower than the maximum proposed tax rate



# Recommendation

- Staff recommends no increase to the current tax rate
- City Council set the maximum proposed tax rate to the current tax rate at 60.30¢
- Schedule the dates of September 3<sup>rd</sup> and September 17<sup>th</sup> to hold public hearings on the tax rate