



Legislation Text

File #: Ord. 2017-49, **Version:** 1

AGENDA CAPTION:

7:00PM Receive a Staff presentation and hold a Public Hearing to receive comments for or against Ordinance 2017-49, setting the Property Tax Rate for the 2017 Tax Year at 61.39 cents on each \$100 of taxable value of property that is not exempt from taxation; levying taxes for the use and support of the Municipal Government of the City for the Fiscal Year beginning October 1, 2017 and ending September 30, 2018; the 8.37 cent increase was approved by voters during the May 2017 Bond Election for debt retirement of and operational expenses for public safety and library projects; providing a Sinking Fund for the retirement of the bonded debt of the City; and consider approval of Ordinance 2017-49, on the first of two readings.

Meeting date: September 5, 2017

Department: Finance Department, Heather Hurlbert, Finance Director

Funds Required: N/A

Account Number: N/A

Funds Available: N/A

Account Name: N/A

CITY COUNCIL GOAL: Maintain Fiscal Responsibility

BACKGROUND:

City Council held budget and tax rate workshops on July 24 and July 26. State law requires that the City hold two public hearings before the adoption of the tax rate when the proposed tax rate is more than the effective tax rate. The proposed tax rate of 61.39 is higher than the effective tax rate of 52.52 requiring the two public hearings. Notice of the public hearings scheduled for September 5 and 19 was published in the San Marcos Daily Record on August 20, 2017.

Voters approved the City's property tax rate increase of 8.37 cents in May 2017 for the payment of debt service for public safety and library projects and the recurring operational expenses resulting from these projects. The tax rate has remained the same since 2008 and the City's appraised property values have increased steadily during this time, which has produced more revenue for the City with the same tax rate. For fiscal year 2018, the debt to operations ratio is 41.6% debt to 58.4% operations meaning 58.4 cents of every tax dollar goes to operations and 41.6 cents pays for debt service.

The rollback tax rate would be: \$0.6228 per \$100 of assessed valuation.