



Legislation Text

File #: Ord. 2018-25(b), **Version:** 1

AGENDA CAPTION:

Consider approval of Ordinance 2018-25, on the second of two readings, setting the Tax Rate for the 2018 Tax Year at 61.39 cents on each \$100 of taxable value of real 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, 2018, and ending September 30, 2019; providing a sinking fund for the retirement of the bonded debt of the city; including procedural provisions; and providing an effective date.

Meeting date: September 18, 2018

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 workshops on June 13, June 14 and August 2 to discuss the fiscal year 2019 budget and tax rate. 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 cents per \$100 valuation is higher than the effective tax rate of 58.38 cents per \$100 valuation, thus requiring two public hearings. Notice of the public hearings scheduled for August 21 and September 4 was published in the San Marcos Daily Record on August 5, 2018.

For fiscal year 2019, the debt to operations ratio is 36.9% debt to 63.1% operations meaning 63.1 cents of every tax dollar goes to operations and 36.9 cents pays for debt service. The rollback tax rate is 65.30 cents per \$100 of assessed valuation.