Legislation Text

File #: Ord. 2020-72, **Version:** 1

AGENDA CAPTION:..Title

Consider approval of Ordinance 2020-72, on the first of two readings, setting the tax rate for the 2020 Tax Year at 59.30 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, 2020, and ending September 30, 2021; 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 1, 2020

Department: Melissa Neel, Assistant Director of Finance

Amount & Source of Funding

Funds Required: Click or tap here to enter text.
Account Number: Click or tap here to enter text.
Funds Available: Click or tap here to enter text.
Account Name: Click or tap here to enter text.

Fiscal Note:

Prior Council Action: City Council adopted the budget policy on March 17 and has held budget workshops on May 26, June 30, and August 13.

City Council Strategic Initiative: [Please select from the dropdown menu below]

N/A

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

☐ Economic Development - Choose an item.

☐ Environment & Resource Protection - Choose an item.

☐ Land Use - Choose an item.

☐ Neighborhoods & Housing - Choose an item.

☐ Parks, Public Spaces & Facilities - Choose an item.

☐ Transportation - Choose an item.

☒ Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

City Council held workshops on May 26, June 30 and August 13 to discuss the fiscal year 2021 budget and tax rate. State law requires that the City hold a public hearing before the adoption of the tax rate when the proposed tax rate is more than the no new revenue tax rate. The proposed tax rate of 59.30 cents per $100 valuation is higher than the no new revenue tax rate of 56.50 cents per $100 valuation, thus requiring a public hearing. Notice of the public hearing scheduled for September 15 was published in the San Marcos Daily Record on August 23, 2020.

The tax rate of 59.30 cents per $100 valuation will generate more property taxes than last year by $2,714,724 or 7.9% and of that amount $1,494,301 is tax revenue raised from new property and improvements added to the roll this year. For fiscal year 2021, the debt to operations ratio is 29.27% debt to 70.73% operations meaning 70.73 cents of every tax dollar goes to operations and 29.37 cents pays for debt service. The voter approval tax rate is 61.22 cents per $100 of assessed valuation.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Staff recommends passing the tax rate ordinance to provide property tax revenue in support of General Fund operations.