



## BRECKENRIDGE CITY COMMISSION AGENDA SUMMARY FORM

**Subject:** Discussion and any necessary action to schedule August 29 for Public Hearing on the proposed tax rate, discuss tax rate, NNR, and Voter Approval Rate, De Minimus Rate and take a record vote.

**Department:** Administration

**Staff Contact:** Cynthia Northrop

**Title:** City Manager

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### **BACKGROUND INFORMATION:**

The City Manager will review the proposed tax rate, no new revenue rate, voter approval tax rate, and De Minimus Tax Rate (Tax Code Sec. 26.04 (e)). To comply with state statutes, City Commissioners should consider setting a Public Hearing on August 29, 2023, on the proposed tax rate. Staff are proposing using the De Minimus Tax Rate rule which is an option allowed for cities under 30,000 in population. The proposed tax rate exceeds the No New Revenue Rate but doesn't exceed 8% over the Voter Approval rate, so a record vote will be required (Tax Code Sec. 26.06 (b-2)).

No New Revenue Rate – Rate that provides the same amount of revenue received last year (*used to be effective rate*).

Voter Approval Rate – Max rate allowed without voter approval, except for cities under 30,000 population; essentially 3.5% over the NNR Rate (*used to be the Rollback Rate; which was 8% over the effective rate*).

DeMinimus Rate – Must be lower than the DeMinimus Rate (\$1.16224) and doesn't exceed 8% over Voter Approval Rate. This is an option for cities with a population of 30,000 or less that is a rate equal to the sum of the NNR M&O rate; plus, rate that when applied will generate an amount of taxes equal to \$500,000; plus, the current debt rate.

### **FINANCIAL:**

NA

**STAFF RECOMMENDATION:**

Approve August 29 for Public Hearing on the proposed Tax Rate and take a record vote (on August 29)