



BRECKENRIDGE CITY COMMISSION AGENDA SUMMARY FORM

Subject: Discussion and any necessary action to schedule August 27, 2024, 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

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 27, 2024, on the proposed tax rate. The notice of the Public Hearing on the Tax Increase will be published by August 14, 2024. Staff are proposing a rate of \$1.04471, which is lower than the Voter Approval Rate of \$1.08110. The proposed tax rate exceeds the No New Revenue Rate but is lower than the Voter Approval rate.

No New Revenue Rate (\$1.00536) – Rate that provides the same amount of revenue received last year (*used to be effective rate*).

Voter Approval Rate (\$1.08110) – 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 (\$1.25059) – Must be lower than the DeMinimus Rate and doesn't exceed 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 IMPACT:

NA

STAFF RECOMMENDATION:

Approve August 27, 2024, for Public Hearing on the proposed Tax Rate