
DEPARTMENT MEMO

DEPARTMENT: Finance

FROM: Martin Avila, Finance Director

MEETING: August 7, 2023

SUBJECT:

Receive a report, hold a discussion, give staff direction on the FY2023-2024 (tax year 2023) property tax rate, and provide any additional information from City Council regarding the annual budget for FY 2023-2024. (*Staff Presenter: Martin Avila, Director of Finance*)

SUMMARY:

Senate Bill 2 went into effect in 2020. One key focus in this bill was placing a 3.5% cap in the Maintenance and Operations No New Revenue Rate (M&O NNRR) without having to go to the voters. On the July 24, 2023 Regular City Council meeting, Council provided staff direction to capture the 3.5% increase. In June 26, 2023, Johnson County Tax Assessor's Office submitted the City of Burleson's 2023 Tax Rate Calculation Worksheet (Comptrollers Form 50-859) and reviewed by Finance department. This worksheet determines the following:

- No New Revenue Rate (NNRR) - \$0.5936 - total tax rate that would generate the same tax revenue from previous year
- M&O NNRR -\$0.4254 - M&O tax rate that would generate the same tax revenue from previous year - General Fund
- M&O Voter Approval Rate - \$0.4402 - 3.5% of M&O NNRR
- Debt rate - \$0.1923
- Voter Approval Rate (M&O Voter Approval Rate plus Debt Rate) - \$0.6325

This presentation will cover the various rates as calculated by Johnson County Tax Assessor's Office, and the recommended tax rate.

OPTIONS:

Approve or deny using proposed M&O tax rate of \$0.4402 and Debt Rate of \$0.1923 for a total tax rate of \$0.6325

RECOMMENDATION:

Staff recommends approval of proposed tax rates

FISCAL IMPACT:

Included as part of the proposed FY2023-2024 proposed budget

PRIOR ACTION/INPUT (Council, Boards, Citizens):

July 24.2023, Council provided staff direction to capture 3.5% of base growth.

STAFF CONTACT:

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