



CITY COUNCIL COMMUNICATION

DATE: August 19, 2024

FROM: Clayton Gray, Chief Financial Officer

AGENDA ITEM: Consideration and possible action on Ordinance 08-14-24 ratifying the property tax increase reflected in the fiscal year 2024-2025 budget.

SUMMARY:

- The proposed tax rate of \$0.689747 per \$100 valuation is unchanged from the current tax rate of \$0.689747 per \$100 valuation.
- The increase in the tax roll since last year will result in the City receiving more revenues in property tax.
- Section 102.007(c) of the Local Government Code requires a governing body that adopts a budget that raises more revenue from property taxes than in the previous year to ratify, by a separate vote, the property tax increase reflected in the budget. A vote under this subsection is in addition to and separate from the vote to adopt the budget or a vote to set the tax rate required by Chapter 26, Tax Code, or other law. The proposed 2024-2025 budget will raise more revenue from property taxes than in the previous year, and therefore requires a separate vote of the City Council to ratify the property tax increase reflected in the budget.
- The calculation of the increased revenues is based on the adjusted tax rolls, resulting in an increase in property tax revenue of \$782,103. This additional revenue represents a 9.00% increase from last year's adjusted levy and includes \$468,968 in revenues generated from new properties added to the tax roll.

FISCAL INFORMATION:

- N/A

RECOMMENDED MOTION OR ACTION:

- Staff recommends approval of Ordinance 08-14-24.

ATTACHMENTS:

- Ordinance 08-14-24 Ratifying a Property Tax Increase