



CITY COUNCIL COMMUNICATION

DATE: August 7, 2023

FROM: Clayton Gray, Finance Director

AGENDA ITEM: Consideration and possible action on Resolution No.2023-13 to take a record vote adopting the proposed tax rate contained in the City's proposed 2023 budget as the City's proposed 2023 tax rate to be considered for adoption at a public hearing held for that purpose; establishing the date, time, and place for public hearings on the proposed 2023-24 budget and tax rate; and providing for the publication as provided by the Texas Property Tax Code.

SUMMARY:

- The Denton County Tax Assessor / Collector's office has prepared tax rate calculations
 - The no-new-revenue rate (\$0.534529 / \$100) evaluates the relationship between current year taxes and proposed taxes for next year if applied to the same properties in both years.
 - The voter-approval tax rate (\$0.669136 / \$100) provides the same amount of tax revenue as last year plus a 3.5% increase for maintenance and operations.
 - The de minimis tax rate (\$0.689747 / \$100) allows some relief to entities with a population less than 30,000 from the 3.5% voter-approval rate. It adds an amount that would equal \$500,000 in tax revenue to the voter-approval rate.
- The City's proposed 2023-2024 budget has been prepared using the de minimis tax rate
- Public hearings on the 2023-2024 budget and property tax rate will be scheduled for August 14, 2023, at 6:00 pm.
- Adoption of the 2023-2024 budget and property tax rate will be scheduled for August 21, 2023, at 7:00 pm.

FISCAL INFORMATION:

Budgeted: N/A

Amount: N/A

GL Account: N/A

RECOMMENDED MOTION OR ACTION:

- Staff recommends the City set the tax rate at \$0.689747 / \$100, which is the de minimis rate.
- If making a motion according to staff's recommendation, please use the following:

"I move to conduct the public hearings for the FY 2023-2024 budget and tax rate on August 14, 2023, at 6:00 p.m. I further place a proposal to adopt the FY 2023-2024 budget and tax rate of \$0.689747 per \$100 of valuation on the August 21, 2023, City Council agenda."
- A record vote of the Council is required for this item.

ATTACHMENTS:

- Resolution 2023-13
- Tax Rate Calculation