

STAFF REPORT



SUBJECT: Set the Maximum Proposed Tax Rate for 2021

DEPARTMENT: Finance

STAFF CONTACT: Monica Harris

RECOMMENDATION:

Staff recommends setting the Maximum Proposed Tax Rate for 2021 at the Voter-Approval tax rate with unused increment of \$0.4420/\$100 in order to discuss all options available in the upcoming budget work sessions.

BACKGROUND:

Jennifer Carey, Erath County Tax Assessor, provided the 2021 Tax Rate Calculation Worksheet, which calculates the tax rates as follows:

No-New-Revenue tax rate	\$0.4339/\$100
Voter-Approval tax rate without unused increment	\$0.4396/\$100
Voter-Approval tax rate with unused increment	\$0.4420/\$100
De minimis rate (must have filed budget by 7/16)	\$0.4684/\$100

FISCAL IMPACT SUMMARY:

Below are the additional tax levies over tax year 2020 for each rate:

No-New-Revenue tax rate	\$ 27,591
Voter-Approval tax rate without unused increment	\$114,981
Voter-Approval tax rate with unused increment	\$151,778
De minimis rate	\$556,535

ALTERNATIVES

Choose any rate above, except the De minimis rate, or less. However, the tax rate adopted in September cannot exceed the maximum proposed tax rate passed at this meeting.