

City Council Meeting

Agenda Item

Data Sheet

Meeting Date: September 16, 2024

Topic:

Approve the Proposed Tax Rate of \$0.336365/\$100 for Tax Year 2024 and Set the Dates to Vote on the Proposed Tax Rate for October 7, 2024 and October 21, 2024.

Background:

We have received our tax rate calculations from the Harris County Tax Assessor-Collector's Office and they are as follows:

No-New-Revenue Tax Rate: \$0.268303/\$100 – This rate represents no increase over last year. It does not factor in the 3.5% increase allowable by Senate Bill 2. It simply represents the rate that will generate the same property tax revenue as the previous year. In other words, if we received \$100 dollars last year, we will receive \$100 dollars this year, regardless of any changes in property valuations.

Voter-Approval Tax Rate: \$0.336365/\$100 – This calculation includes the 3.5% increase allowable by Senate Bill 2.

De Minimis Rate: \$0.329798/\$100 – This calculation provides smaller cities flexibility by providing \$500,000 in additional revenue.

Based on current legislation, City Council may adopt a tax rate of up to \$0.336365/\$100, without requiring an election. Therefore, the Voter-Approval tax rate of \$0.336365/\$100 is being proposed. This will result in an increase of \$0.043045/\$100 from our current rate of \$0.293320/\$100. Of that increase, \$0.03916 is due to an increase in the Interest and Sinking (I&S) or debt service portion of the tax rate to pay for current debt.

Notice of the meeting to vote on the tax rate will be published in the official newspaper following Council's action. The public hearing and first reading of the tax rate will be held at the Regular Council meeting on October 7, 2024 at 6:00 p.m. and the second reading will be held at the Regular Council meeting on October 21, 2024 at 6:00 p.m. The tax rate adoption process must be completed on or before Monday, October 28, 2024.

Origination: City Manager's Office

Recommendation:

Approve the proposed tax rate of \$0.336365/\$100.

Party(ies) responsible for placing this item on agenda: Jessica Rogers, Asst. City Manager

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____
If no, funds will be transferred from account # _____ To account # _____

Signed Jessica Rogers 9/6/2024 Approved by _____
Staff Member Date City Manager Date