



Agenda Item Report

Legislative Board: City Council
Date: September 17, 2024
Contact: Natassa Robbins
Agenda Item ID / Number: 2024-784- / I.9

ITEM TITLE: Deliberation and possible action ratifying the property tax increase as reflected in the Fiscal Year 2025 Budget in accordance with Local Government Code 102.007(c) (Finance Director Bianca Redmon) [PUBLIC TESTIMONY]

1. EXECUTIVE SUMMARY

In accordance with the Local Government Code, the City Council must ratify the property tax increase reflected in the budget when the budget requires raising more revenue from property taxes than the previous year.

2. BACKGROUND/HISTORY

This year's property tax levy will raise more revenue from property taxes than in the preceding year. Section 102.007(c) of the Local Government Code requires the governing body to hold a separate vote to ratify the property tax increase reflected in the budget. This vote must be in addition to and separate from the vote to adopt the budget or the vote to set the tax rate.

3. ANALYSIS

This year's property tax levy will raise more revenue from property taxes than in the preceding year. Section 102.007(c) of the Local Government Code requires the governing body to hold a separate vote to ratify the property tax increase reflected in the budget. This vote must be in addition to and separate from the vote to adopt the budget or the vote to set the tax rate.

4. FINANCIAL IMPACT

The FY 2025 Budget will raise more total property taxes than last year's budget by an amount of \$651,105 or 6.36 percent, and of that amount, \$367,798 is the tax revenue to be raised from new property added to the tax roll this year. The previous year tax rate for the FY 2024 Budget was \$0.3379. The additional revenues to be received will largely be for the Interest and Sinking (I&S) portion of the rate in support of both Certificate of Obligation Bonds, Series 2024 in the amount of \$7,566,667 and General Obligation bonds, Series 2024 in the amount of \$9,245,000 for a total of \$16,811,667.

5. STRATEGIC PLAN/GOALS

EXCEPTIONAL CITY SERVICES WITH A LOW TAX RATE

6. STRATEGIC PLAN OBJECTIVES

Maintain a low City property tax rate

7. PROS AND CONS

N/A

8. ALTERNATIVES

N/A

9. REQUESTED ACTION / SUGGESTED MOTION / RECOMMENDATION

To ensure compliance with the Local Government Code 102.007(c), staff recommends action to ratify the Property Tax increase reflected in the FY 2025 Budget. A record vote is NOT required. The motion must be made precisely as follows: “I move to ratify the property tax increase reflected in the City’s fiscal year 2024-2025 Budget, as presented.”

Attachments:

[2024 Tax Rate Calculation Worksheet_Final.pdf](#)

[BUDA - Notice of Public Hearing on Tax Increase - August 2024](#)