

LOUIS RIGBY
Mayor
BRANDON LUNSFORD
Councilmember at Large A
STEVE GILLETT
Councilmember at Large B
DANNY EARP
Councilmember District 1



CHUCK ENGELKEN
Councilmember District 2
BILL BENTLEY
Mayor Pro-Tem
Councilmember District 3
THOMAS GARZA
Councilmember District 4
JAY MARTIN
Councilmember District 5
NANCY OJEDA
Councilmember District 6

CITY COUNCIL MEETING SPECIAL AGENDA

Notice is hereby given of a Special Meeting of the La Porte City Council to be held September 30, 2019, beginning at 6:00 pm, in the City Hall Council Chambers, 604 West Fairmont Parkway, La Porte, Texas, for the purpose of considering the following agenda items. All agenda items are subject to action.

1. **CALL TO ORDER**
2. **INVOCATION** – The invocation will be given by Assistant City Attorney Clark Askins.
PLEDGES – Will be led by Assistant City Attorney Clark Askins.
U.S. Flag
Texas Flag: Honor the Texas Flag. I pledge allegiance to thee, Texas, one state, under God, one, and indivisible.
3. **STATUTORY AGENDA** The purpose of this meeting is to discuss and formulate City Council and staff plans, operations, policies, and/or future projects, including the following:
 - (a) Presentation, discussion, and possible action to adopt Ordinance 2019-3757, setting the City's tax rate for the 2019-20 Fiscal Year. [Michael Dolby, Finance Director]
 - (b) Presentation, discussion, and possible action to ratify property tax revenue increase reflected in the City of La Porte 2019-2020 Fiscal Year Budget, in accordance with Texas Local Government Code, Sec. 102.007(c). [Michael Dolby, Finance Director]
4. **COUNCIL COMMENTS** - *Hear announcements concerning matters appearing on the agenda; items of community interest; and/or inquiries of staff regarding specific factual information or existing policy from the Mayor, Councilmembers, and City staff, for which no formal action will be discussed or taken.*
5. **ADJOURNMENT**

If, during the course of the meeting and discussion of any items covered by this notice, City Council determines that a Closed or Executive Session of the Council is required, then such closed meeting will be held as authorized by Texas Government Code, Chapter 551, Section 551.071 - consultation with counsel on legal matters; Section 551.072 - deliberation regarding purchase, exchange, lease or value of real property; Section 551.073 - deliberation regarding a prospective gift; Section 551.074 - personnel matters regarding the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; Section 551.076 - implementation of security personnel or devices; Section 551.087 - deliberation regarding economic development negotiation; Section 551.089 - deliberation regarding security devices or security audits, and/or other matters as authorized under the Texas Government Code. If a Closed or Executive Session is held in accordance with the Texas Government Code as set out above, the City Council will reconvene in Open Session in order to take action, if necessary, on the items addressed during Executive Session.

Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services are requested to contact the City Secretary's office (281-470-5019), two working days prior to the meeting for appropriate arrangements.

CERTIFICATE

I, Lee Woodward, City Secretary, do hereby certify that a copy of the September 30, 2019, City Council agenda was posted on the City Hall bulletin board, a place convenient and readily accessible to the general public at all times, and to the City's website, www.LaPorteTX.gov, in compliance with Chapter 551, Texas Government Code.

DATE OF
POSTING
TIME OF
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TAKEN
DOWN

Lee Woodward, City Secretary



REQUEST FOR CITY COUNCIL AGENDA ITEM

Agenda Date Requested: <u>September 30, 2019</u>
Requested By: <u>Michael G. Dolby, CPA</u>
Department: <u>Finance</u>
<input type="radio"/> Report <input type="radio"/> Resolution <input checked="" type="radio"/> Ordinance

Appropriation	
Source of Funds:	_____
Account Number:	_____
Amount Budgeted:	_____
Amount Requested:	_____
Budgeted Item:	<input type="radio"/> Yes <input type="radio"/> No

Exhibits: Notice of public hearing
Ordinance
Effective tax rate calculation

SUMMARY

The Texas Tax Code Sec. 26.05(b) reads that "For a taxing unit other than a school district, the vote on the ordinance, resolution, or order setting a tax rate that exceeds the effective tax rate must be a record vote, and at least 60 percent of the members of the governing body must vote in favor of the ordinance, resolution, or order." and that "A motion to adopt an ordinance, resolution, or order setting a tax rate that exceeds the effective tax rate must be made in the following form: *I move that the property tax rate be increased by the adoption of a tax rate of \$0.71, which is effectively a 3.65 percent increase in the tax rate.*"

The Fiscal Year 2019-20 Budget was built around a tax rate of .71 cents per hundred dollar valuation.

A breakdown of the tax rate is as follows:

General Fund = .605 cents per hundred dollar valuation
Debt Service = .105 cents per hundred dollar valuation

The tax rate of .71 cents is the same rate that has been adopted for the last thirty-one years.

The Effective Tax Rate = 0.685 cents per hundred dollar valuation.

The effective tax rate is the total tax rate needed to raise the same amount of property tax revenue for City of La Porte from the same properties in both the 2018 tax year and the 2019 tax year.

RECOMMENDED MOTION

Required form of motion per the Texas Tax Code Sec. 26.05(b):

I move that the property tax rate be increased by the adoption of a tax rate of \$0.71 cents, which is effectively a 3.65 percent increase in the tax rate and adopt Ordinance 2019-3757 in support of same.

Approved for the City Council meeting agenda

Corby D. Alexander, City Manager

Date

ORDINANCE NO. 2019-3757

AN ORDINANCE LEVYING TAXES UPON TAXABLE PROPERTY LOCATED WITHIN AND SUBJECT TO TAXATION IN THE CITY OF LA PORTE, TEXAS; MAKING APPROPRIATIONS FOR SUPPORT, MAINTENANCE, AND IMPROVEMENT OF THE CITY GOVERNMENT OF SAID CITY OF LA PORTE; FINDING THAT ALL REQUIRED NOTICES HAVE BEEN PUBLISHED AND ALL REQUIRED HEARINGS HELD; CONTAINING A REPEALING CLAUSE; CONTAINING A SEVERABILITY CLAUSE; FINDING COMPLIANCE WITH THE OPEN MEETINGS LAW; AND PROVIDING AN EFFECTIVE DATE HEREOF.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LA PORTE

Section 1. That there is hereby levied for the fiscal year beginning October 1, 2019, and ending September 30, 2020, on all real property situated and all personal property owned within the taxable limits of the said City of La Porte, on the first day of January 2019, except so much as may be exempt under the constitution and laws of the United States, this State, and the City of La Porte, the following taxes:

- (1) An Ad Valorem Tax of and at the rate of sixty and five tenths cents (\$.605) on the one hundred dollars (\$100.00) cash value thereof, estimated in lawful currency of the United States for the current expenses for the support, maintenance, and improvement of the City Government of said City of La Porte; and
- (2) An Ad Valorem Tax of and at the rate of ten and five tenths cents (\$.105) on the one hundred dollars (\$100.00) cash value thereof, estimated in lawful currency of the United States, to pay current interest on and provide one year's sinking fund and to pay all of the Principal and Interest accruing on all outstanding general obligation bonds and certificates of obligation lawfully issued by the City of La Porte.

That this provides the sum of total Ad Valorem tax at the rate of seventy-one cents (\$.71) on the one hundred dollars (\$100.00) cash value thereof, estimated in lawful currency of the United States.

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

THIS TAX RATE WILL EFFECTIVELY BE RAISED 4.85 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$0.00.

Section 2. All property upon which a rate of taxation is hereinabove levied shall be assessed on a ratio of one hundred percent (100%) of the estimated market value thereof.

Section 3. That the sums hereinafter accruing and collected from the hereinabove taxes so levied be and the same are hereby appropriated for the support, maintenance, and improvement of the City Government of the City of La Porte.

Section 4. The City Council officially finds, determines, recites and declares that all notices required by law have been published, and that a public hearing as required by law was duly called and held, and that all matters prerequisite to the establishment and levy of an ad valorem tax have been accomplished, all as required by the laws of the State of Texas, and the Home Rule Charter of the City of La Porte.

Section 5. If any section, sentence, phrase, clause, or any part of any section, sentence, phrase, or clause, of this Ordinance shall, for any reason, be held invalid, such invalidity shall not affect the remaining portions of this Ordinance, and it is hereby declared to be the intention of this City Council to have passed each section, sentence, phrase, or clause, or part thereof, irrespective of the fact that any other section, sentence, phrase, or clause, or part thereof, may be declared invalid.

Section 6. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict only.

Section 7. The City Council officially finds, determines, recites and declares that a sufficient written notice of the date, hour, place, and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code; and that this meeting has been open to the public as required.

Section 8. This ordinance shall be in effect from and after its passage and approval.

PASSED AND APPROVED this, the 30th day of September, 2019.

CITY OF LA PORTE, TEXAS

Louis R. Rigby, Mayor

ATTEST:

APPROVED AS TO FORM:

Lee Woodward, City Secretary

Clark T. Askins, Assistant City Attorney

NOTICE OF 2019 TAX YEAR PROPOSED PROPERTY TAX RATE FOR CITY OF LA PORTE

A tax rate of \$0.7100 per \$100 valuation has been proposed for adoption by the governing body of City of La Porte. This rate exceeds the lower of the effective or rollback tax rate, and state law requires that two public hearings be held by the governing body before adopting the proposed tax rate.

The governing body of City of La Porte proposes to use revenue attributable to the tax rate increase for the purpose of To maintain the services and maintenance for the City taxpayers..

PROPOSED TAX RATE	\$0.710 per \$100
PRECEDING YEAR'S TAX RATE	\$0.710 per \$100
EFFECTIVE TAX RATE	\$0.685 per \$100
ROLLBACK TAX RATE	\$0.728 per \$100

The effective tax rate is the total tax rate needed to raise the same amount of property tax revenue for City of La Porte from the same properties in both the 2018 tax year and the 2019 tax year.

The rollback tax rate is the highest tax rate that City of La Porte may adopt before voters are entitled to petition for an election to limit the rate that may be approved to the rollback rate.

YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS
FOLLOWS:

$$\text{property tax amount} = (\text{rate}) \times (\text{taxable value of your property}) / 100$$

For assistance or detailed information about tax calculations, please contact:

Charlene Piggott, RTA, CSTA
City of La Porte Tax Assessor-Collector
4544 I-10 East Frwy., Baytown, Texas 77521
281-707-3701
scpiggot@gccisd.net
www.ci.la-porte.tx.us

You are urged to attend and express your views at the following public hearings on the proposed tax rate:

First Hearing: September 19, 2019 at 5:30 pm at 604 W. Fairmont Parkway, City Hall Council

Chambers, La Porte, Texas 77571.

Second Hearing: September 23, 2019 at 6:00 pm at 604 W. Fairmont Parkway, City Hall Council
Chambers, La Porte, Texas 77571.

2019 Tax Rate Calculation Worksheet

Date: 09/09/2019 10:32 AM

Taxing Units Other Than School Districts or Water Districts

City of La Porte

281-471-5020

Taxing Unit Name

Phone (area code and number)

604 W. Fairmont Pkwy., La Porte, Texas 77571

ci.la-porte.tx.us

Taxing Unit's Address, City, State, ZIP Code

Taxing Unit's Website Address

GENERAL INFORMATION: Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the effective tax rate and rollback tax rate for the taxing unit. These tax rates are expressed in dollars per \$100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll and the estimated values of properties under protest.

School districts do not use this form, but instead use Comptroller Form 50-859 Tax Rate Calculation Worksheet for School Districts.

Water districts as defined under Water Code Section 49.001(1) do not use this form, but instead use Comptroller Form 50-858 Water District Rollback Tax Rate Worksheet.

This worksheet is provided to assist taxing units in determining tax rates. The information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

SECTION 1: Effective Tax Rate (No New Taxes)	
The effective tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the effective tax rate should decrease.	
The effective tax rate for a county is the sum of the effective tax rates calculated for each type of tax the county levies.	
Effective Tax Rate Activity	Amount/Rate
1. 2018 total taxable value. Enter the amount of 2018 taxable value on the 2018 tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-third over-appraisal corrections from these adjustments. This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (will deduct taxes in Line 14). ¹	\$3,430,773,776
2. 2018 tax ceilings. Counties, cities and junior college districts. Enter 2018 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in 2018 or a prior year for homeowners age 65 or older or disabled, use this step. ²	\$280,609,401
3. Preliminary 2018 adjusted taxable value. Subtract Line 2 from Line 1.	\$3,150,164,375
4. 2018 total adopted tax rate.	\$0.7100/\$100
5. 2018 taxable value lost because court appeals of ARB decisions reduced 2018 appraised value.	
A. Original 2018 ARB Values.	\$195,994,008
B. 2018 values resulting from final court decisions.	\$170,865,240
C. 2018 value loss. Subtract B from A. ³	\$25,128,768
6. 2018 taxable value, adjusted for court-ordered reductions. Add Line 3 and Line 5C.	\$3,175,293,143
7. 2018 taxable value of property in territory the taxing unit deannexed after Jan. 1, 2018. Enter the 2018 value of property in deannexed territory. ⁴	\$0
8. 2018 taxable value lost because property first qualified for an exemption in 2019.	

Note that lowering the amount or percentage of an existing exemption does not create a new exemption or reduce taxable value. If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost to freeport or goods-in-transit exemptions.	
A. Absolute exemptions. Use 2018 market value:	\$387,376
B. Partial exemptions. 2019 exemption amount or 2019 percentage exemption times 2018 value:	\$12,333,615
C. Value loss. Add A and B. ⁵	\$12,720,991
9. 2018 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2019. Use only properties that qualified in 2019 for the first time; do not use properties that qualified in 2018.	
A. 2018 market value:	\$0
B. 2019 productivity or special appraised value:	\$0
C. Value loss. Subtract B from A. ⁶	\$0
10. Total adjustments for lost value. Add lines 7, 8C and 9C.	\$12,720,991
11. 2018 adjusted taxable value. Subtract Line 10 from Line 6.	\$3,162,572,152
12. Adjusted 2018 taxes. Multiply Line 4 by Line 11 and divide by \$100.	\$22,454,262
13. Taxes refunded for years preceding tax year 2018. Enter the amount of taxes refunded by the taxing unit for tax years preceding tax year 2018. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2018. This line applies only to tax years preceding tax year 2018. ⁷	\$299,329
14. Taxes in tax increment financing (TIF) for tax year 2018. Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2019 captured appraised value in Line 16D, enter 0. ⁸	\$1,417,801
15. Adjusted 2018 taxes with refunds and TIF adjustment. Add Lines 12 and 13, subtract Line 14. ⁹	\$21,335,790
16. Total 2019 taxable value on the 2019 certified appraisal roll today. This value includes only certified values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 18). These homesteads include homeowners age 65 or older or disabled. ¹⁰	
A. Certified values:	\$3,150,924,309
B. Counties: Include railroad rolling stock values certified by the Comptroller's office:	\$0
C. Pollution control and energy storage system exemption : Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property:	\$0
D. Tax increment financing: Deduct the 2019 captured appraised value of property taxable	\$318,843,760

by a taxing unit in a tax increment financing zone for which the 2019 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 21 below. ¹¹	
E. Total 2019 value. Add A and B, then subtract C and D.	\$2,832,080,549
17. Total value of properties under protest or not included on certified appraisal roll. ¹²	
A. 2019 taxable value of properties under protest. The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value. ¹³	\$348,575,346
B. 2019 value of properties not under protest or included on certified appraisal roll. The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about, but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value. ¹⁴	\$359,167,445
C. Total value under protest or not certified: Add A and B.	\$707,742,791
18. 2019 tax ceilings. Counties, cities and junior colleges enter 2019 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing units adopted the tax ceiling provision in 2018 or a prior year for homeowners age 65 or older or disabled, use this step. ¹⁵	\$310,496,942
19. 2019 total taxable value. Add Lines 16E and 17C. Subtract Line 18.	\$3,229,326,398
20. Total 2019 taxable value of properties in territory annexed after Jan. 1, 2018. Include both real and personal property. Enter the 2019 value of property in territory annexed. ¹⁶	\$9,590,863
21. Total 2019 taxable value of new improvements and new personal property located in new improvements. New means the item was not on the appraisal roll in 2018. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, 2018, and be located in a new improvement. New improvements do include property on which a tax abatement agreement has expired for 2019. ¹⁷	\$105,733,178
22. Total adjustments to the 2019 taxable value. Add Lines 20 and 21.	\$115,324,041
23. 2019 adjusted taxable value. Subtract Line 22 from Line 19.	\$3,114,002,357
24. 2019 effective tax rate. Divide Line 15 by Line 23 and multiply by \$100. ¹⁸	\$0.6851/\$100
25. COUNTIES ONLY. Add together the effective tax rates for each type of tax the county levies. The total is the 2019 county effective tax rate. ¹⁹	

¹Tex. Tax Code Section 26.012(14)

²Tex. Tax Code Section 26.012(14)

³Tex. Tax Code Section 26.012(13)

⁴Tex. Tax Code Section 26.012(15)

⁹Tex. Tax Code Section 26.012(13)

¹⁰Tex. Tax Code Section 26.012

¹¹Tex. Tax Code Section 26.03(c)

¹²Tex. Tax Code Section 26.01(c) and (d)

SECTION 2: Rollback Tax Rate

The rollback tax rate is split into two separate rates:

1. **Maintenance and Operations (M&O):** The M&O portion is the tax rate that is needed to raise the same amount of taxes that the taxing unit levied in the prior year plus eight percent. This rate accounts for such things as salaries, utilities and day-to-day operations.
2. **Debt:** The debt tax rate includes the debt service necessary to pay the taxing unit's debt payments in the coming year. This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

The rollback tax rate for a county is the sum of the rollback tax rates calculated for each type of tax the county levies. In most cases the rollback tax rate exceeds the effective tax rate, but occasionally decreases in a taxing unit's debt service will cause the effective tax rate to be higher than the rollback tax rate.

Rollback Tax Rate Activity	Amount/Rate
26. 2018 maintenance and operations (M&O) tax rate.	\$0.6050/\$100
27. 2018 adjusted taxable value. Enter the amount from Line 11.	\$3,162,572,152
28. 2018 M&O taxes.	
A. Multiply Line 26 by Line 27 and divide by \$100.	\$19,133,561
B. Cities, counties and hospital districts with additional sales tax: Amount of additional sales tax collected and spent on M&O expenses in 2018. Enter amount from full year's sales tax revenue spent for M&O in 2018 fiscal year, if any. Other taxing units enter 0. Counties exclude any amount that was spent for economic development grants from the amount of sales tax spent.	\$0
C. Counties: Enter the amount for the state criminal justice mandate. If second or later year, the amount is for increased cost above last year's amount. Other taxing units enter 0.	\$0
D. Transferring function: If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in H below. The taxing unit receiving the function will add this amount in H below. Other taxing units enter 0.	\$0
E. Taxes refunded for years preceding tax year 2018: Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2018. This line applies only to tax years preceding tax year 2018.	\$255,063
F. Enhanced indigent health care expenditures: Enter the increased amount for the current year's enhanced indigent health care expenditures above the preceding tax year's enhanced indigent health care expenditures, less any state assistance.	\$0
G. Taxes in TIF: Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2019 captured appraised value in Line 16D, enter 0.	\$1,417,801
H. Adjusted M&O Taxes. Add A, B, C, E and F. For taxing unit with D, subtract if discontinuing function and add if receiving function. Subtract G.	\$17,970,823

29. 2019 adjusted taxable value. Enter Line 23 from the Effective Tax Rate Worksheet.	\$3,114,002,357
30. 2019 effective maintenance and operations rate. Divide Line 28H by Line 29 and multiply by \$100.	\$0.5771/\$100
31. 2019 rollback maintenance and operation rate. Multiply Line 30 by 1.08.	\$0.6232/\$100
<p>32. Total 2019 debt to be paid with property taxes and additional sales tax revenue. Debt means the interest and principal that will be paid on debts that:</p> <ul style="list-style-type: none"> (1) are paid by property taxes, (2) are secured by property taxes, (3) are scheduled for payment over a period longer than one year and (4) are not classified in the taxing unit's budget as M&O expenses. <p>A. Debt also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. Enter debt amount.</p> <p>B. Subtract unencumbered fund amount used to reduce total debt.</p> <p>C. Subtract amount paid from other resources.</p> <p>D. Adjusted debt. Subtract B and C from A.</p>	<p>\$4,657,119</p> <p>\$0</p> <p>\$1,266,326</p> <p>\$3,390,793</p>
33. Certified 2018 excess debt collections. Enter the amount certified by the collector.	\$0
34. Adjusted 2019 debt. Subtract Line 33 from Line 32D.	\$3,390,793
35. Certified 2019 anticipated collection rate. Enter the rate certified by the collector. If the rate is 100 percent or greater, enter 100 percent.	100.00%
36. 2019 debt adjusted for collections. Divide Line 34 by Line 35	\$3,390,793
37. 2019 total taxable value. Enter the amount on Line 19.	\$3,229,326,398
38. 2019 debt tax rate. Divide Line 36 by Line 37 and multiply by \$100.	\$0.1050/\$100
39. 2019 rollback tax rate. Add Lines 31 and 38.	\$0.7282/\$100
40. COUNTIES ONLY. Add together the rollback tax rates for each type of tax the county levies. The total is the 2019 county rollback tax rate.	

SECTION 3: Additional Sales Tax to Reduce Property Taxes

Cities, counties and hospital districts may levy a sales tax specifically to reduce property taxes. Local voters by election must approve imposing or abolishing the additional sales tax. If approved, the taxing unit must reduce its effective and rollback tax rates to offset the expected sales tax revenue.

This section should only be completed by a county, city or hospital district that is required to adjust its effective tax rate and/or rollback tax rate because it adopted the additional sales tax.

Activity	Amount/Rate
<p>41. Taxable Sales. For taxing units that adopted the sales tax in November 2018 or May 2019, enter the Comptroller's estimate of taxable sales for the previous four quarters.²⁰ Estimates of taxable sales may be obtained through the Comptroller's Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November 2018, skip this line.</p>	\$0
<p>42. Estimated sales tax revenue. Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue.²¹</p> <p>Taxing units that adopted the sales tax in November 2018 or in May 2019. Multiply the amount on Line 41 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95.²²</p> <p>- or -</p> <p>Taxing units that adopted the sales tax before November 2018. Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.</p>	\$0
<p>43. 2019 total taxable value. Enter the amount from Line 37 of the Rollback Tax Rate Worksheet.</p>	\$3,229,326,398
<p>44. Sales tax adjustment rate. Divide Line 42 by Line 43 and multiply by \$100.</p>	\$0.0000/\$100
<p>45. 2019 effective tax rate, unadjusted for sales tax.²³ Enter the rate from Line 24 or 25, as applicable, on the Effective Tax Rate Worksheet.</p>	\$0.6851/\$100
<p>46. 2019 effective tax rate, adjusted for sales tax. Taxing units that adopted the sales tax in November 2018 or in May 2019. Subtract Line 44 from Line 45. Skip to Line 47 if you adopted the additional sales tax before November 2018.</p>	\$0.6851/\$100
<p>47. 2019 rollback tax rate, unadjusted for sales tax.²⁴ Enter the rate from Line 39 or 40, as applicable, of the Rollback Tax Rate Worksheet.</p>	\$0.7282/\$100
<p>48. 2019 rollback tax rate, adjusted for sales tax. Subtract Line 44 from Line 47.</p>	\$0.7282/\$100

¹⁷Tex. Tax Code Section 26.012(17)

¹⁸Tex. Tax Code Section 26.04(c)

¹⁹Tex. Tax Code Section 26.04(d)

²⁰Tex. Tax Code Section 26.041(d)

²¹Tex. Tax Code Section 26.041(i)

²²Tex. Tax Code Section 26.041(d)

²³Tex. Tax Code Section 26.04(c)

²⁴Tex. Tax Code Section 26.04(c)

SECTION 4: Additional Rollback Protection for Pollution Control

A taxing unit may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The taxing unit's expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The taxing unit must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a taxing unit that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

Additional Rollback Protection for Pollution Control Activity	Amount/Rate
49. Certified expenses from the Texas Commission on Environmental Quality (TCEQ). Enter the amount certified in the determination letter from TCEQ. ²⁵ The taxing unit shall provide its tax assessor-collector with a copy of the letter. ²⁶	\$0
50. 2019 total taxable value. Enter the amount from Line 37 of the Rollback Tax Rate Worksheet.	\$3,229,326,398
51. Additional rate for pollution control. Divide Line 49 by Line 50 and multiply by \$100.	\$0.0000/\$100
52. 2019 rollback tax rate, adjusted for pollution control. Add Line 51 to one of the following lines (as applicable): Line 39, Line 40 (counties) or Line 48 (taxing units with the additional sales tax).	\$0.7282/\$100

SECTION 5: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

Effective tax rate (Line 24; line 25 for counties; or line 46 if adjusted for sales tax)	\$0.6851
Rollback tax rate (Line 39; line 40 for counties; or line 48 if adjusted for sales tax)	\$0.7282
Rollback tax rate adjusted for pollution control (Line 52)	\$0.7282

SECTION 6: Taxing Unit Representative Name and Signature

Enter the name of the person preparing the tax rate as authorized by the taxing unit.

print here Charlene Piggott

Printed Name of Taxing Unit Representative

sign here _____

Taxing Unit Representative

_____ Date

²⁵Tex. Tax Code Section 26.045(d)

²⁶Tex. Tax Code Section 26.045(i)



REQUEST FOR CITY COUNCIL AGENDA ITEM

Agenda Date Requested: <u>September 30, 2019</u>
Requested By: <u>Michael G. Dolby, CPA</u>
Department: <u>Finance</u>
<input checked="" type="radio"/> Report <input type="radio"/> Resolution <input type="radio"/> Ordinance

Exhibits: None

Appropriation	
Source of Funds:	_____
Account Number:	_____
Amount Budgeted:	_____
Amount Requested:	_____
Budgeted Item:	<input type="radio"/> Yes <input type="radio"/> No

SUMMARY

House Bill 3195, passed by the Texas Legislature in 2007, amended Section 102.007 of the Texas Local Government Code to require that the City Council must take a separate vote to ratify increased property tax revenues that are reflected in the budget. The FY 2019-20 budget is projected to raise more property tax revenues than in FY 2018-19; therefore, the City Council is required to take a separate vote to ratify the property tax revenue increase. The projected increase in revenues from property taxes is reflected in the budget as presented.

The budget will raise more revenue from property taxes than last year's budget by an amount of \$ 84,307, which is a 0.37 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year \$818,801.

RECOMMENDED MOTION

I move that the Council ratify the property tax revenue increase.

Approved for the City Council meeting agenda

Corby D. Alexander, City Manager

Date