



## CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 9/8/2021

ALL

Item Creation Date:

FIN Truth in Taxation 2021 #3

Agenda Item#: 1.

### **Summary:**

#### **NOT A REAL CAPTION**

RECOMMENDATION from Director of Finance to place the proposed 2021 tax rate of \$0.550830 on each \$100 of taxable value, on the September 22, 2021 City Council Agenda and set a date for a public hearing.

**HEARING DATE - 9:00 A.M. - WEDNESDAY - SEPTEMBER 22, 2021**

### **Background:**

State law sets forth detailed requirements for the process of setting ad valorem tax rates, including public hearings, newspaper publications, and actions of the governing body. These requirements include minimum and maximum time periods for each step in the process.

### **Prior Council Action:**

Motion 2021-0462 (8/4/2021)

### **Amount and Source of Funding:**

#### No-New Revenue Tax Rate and Voter-Approval Tax Rate

Section 26.04 (e) of the Tax Code requires that the No-New Revenue Tax Rate and the Voter-Approval Tax Rate be reported to the governing body of each taxing unit. The No-New Revenue Tax Rate for Tax Year 2021 is \$0.535192 on each \$100 of taxable value and the Voter-Approval Tax Rate is \$0.566495 on each \$100 of taxable value. These numbers are based on Certified Initial Roll information from the Harris County Appraisal District, Fort Bend County Appraisal District, and the Montgomery County Appraisal District.

#### Public Hearing

Section 26.05(d) of the Tax Code provides that a taxing unit may not adopt a tax rate that exceeds the lower of the No-New-Revenue Tax Rate and the Voter-Approval Tax Rate until the governing body has held a public hearing. The proposed tax rate for Tax Year 2021 will exceed the lower of the No-New-Revenue Tax Rate and Voter-Approval Tax Rate. Please note that the proposed tax rate for Tax Year 2021 is lower than the adopted tax rate for Tax Year 2020.

City Council must pass a motion to place a specific proposed tax rate on a future City Council Agenda. The City Council meeting to adopt the proposed tax rate may occur following the publication of notice on September 10, 2021 but may not be later than October 15, 2021.

The proposed tax rate of \$0.550830 on each \$100 of taxable value must be apportioned between Maintenance and Operations (M&O) and Interest and Sinking Fund (I&S). The M&O rate is \$0.402471 on each \$100 of taxable value and the I&S rate is \$0.148359 on each \$100 of taxable value which, when combined, equals the total tax rate of \$0.550830 on each \$100 of taxable value.

It is therefore recommended that City Council adopt the recommendation of the Director of the Finance Department that the No-New Revenue Tax Rate for Tax Year 2021 is \$0.535192 on each \$100 of taxable value and the Voter-Approval Tax Rate is \$0.566495 on each \$100 of taxable value, place the proposed tax rate of \$0.550830 on each \$100 of taxable value for Tax Year 2021 on the September 22, 2021 City Council Agenda, and schedule a public hearing on the proposed tax rate on September 22, 2021 at 9 AM.

DocuSigned by:

*Tantri Emo*

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Tantri Emo, Chief Business Officer/Finance Director

### **Contact Information:**

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