



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 9/14/2022

ALL

Item Creation Date:

FIN Truth in Taxation 2022 #3

Agenda Item#: 1.

Summary:

RECOMMENDATION from Interim Director of Finance to place the proposed tax rate of \$0.533640 on each \$100 of taxable value, which is lower than last year's tax rate on the September 28 agenda and set a date for a public hearing. Publication of the proposed tax rate will be September 16, 2022.

HEARING DATE - 9:00 AM - WEDNESDAY, - SEPTEMBER 28, 2022

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 No. 2022-399 (8/2/2022)

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 2022 is \$0.524454 on each \$100 of taxable value and the Voter-Approval Tax Rate is \$0.546165 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 2022 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 2022 is lower than the adopted tax rate for Tax Year 2021.

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 16, 2022 but may not be later than October 28, 2022.

The proposed tax rate of \$0.533640 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 \$0.385127 on each \$100 of taxable value and the I&S rate is \$0.148513 on each \$100 of taxable value which, when combined, equals the total tax rate of \$0.533640 on each \$100 of taxable value.

It is therefore recommended that City Council adopt the recommendation of the Interim Director of the Finance Department that the No-New Revenue Tax Rate for Tax Year 2022 is \$0.524454 on each \$100 of taxable value and the Voter-Approval Tax Rate is \$0.546165 on each \$100 of taxable value, place the proposed tax rate of \$0.533640 on each \$100 of taxable value for Tax Year 2022 on the September 28, 2022 City Council Agenda, and schedule a public hearing on the proposed tax rate in City Council Chambers on September 28, 2022 at 9 AM.

DocuSigned by:

William Jones

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William Jones, Interim Chief Business Officer/Interim Director of Finance

Contact Information:

Alma Tamborello, Division Manager Phone: 832-393-9099
LaToya Stephenson, Staff Analyst Phone: 832-393-9028

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