



**CITY OF HOUSTON - CITY COUNCIL**

Meeting Date: 9/26/2023

ALL

Item Creation Date:

FIN Truth in Taxation 2023 #4

Agenda Item#: 50.

**Summary:**

ORDINANCE providing for the assessment, levying and collection of ad valorem taxes for the City of Houston, Texas for the year 2023.

**Background:**

The proposed tax rate of \$0.519190 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 \$0.388878 on each \$100 of taxable value and the I&S rate is \$0.130312 on each \$100 of taxable value which, when combined, equals the total tax rate of \$0.519190 on each \$100 of taxable value.

Therefore, it is recommended that City Council adopt a Tax Year 2023 tax rate for Maintenance and Operations of \$0.388878 on each \$100 of taxable value and a tax rate for the Debt Service of \$0.130312 on each \$100 of taxable value.

The 2023 proposed tax rate (\$0.519190) is lower than Tax Year 2022's adopted tax rate (\$0.533640) by about 2.71% or 1.4 cents. Pursuant to the Tax Code, because the proposed tax rate exceeds the No-New Revenue tax rate, the motion to adopt the ordinance setting the tax rate must be made in conformance with Section 26.05(b) of the Tax Code.

The proposed rate is expected to increase the City's ad valorem tax revenue for the current fiscal year in an amount greater than five percent more than the ad valorem property tax revenues collected during the immediately preceding fiscal year. Thus, pursuant to Section 44.25 of the City's Code of Ordinances, the ordinance to adopt the tax rate must be approved by two-thirds of the full City Council. Further, pursuant to Section 44-27 of the Code, before the passage of such ordinance, the City must publish in the major Houston newspaper an analysis of the anticipated increased revenues in a form required by state law and hold a public hearing not earlier than seven days before the date of passage. The public hearing may be combined with any hearing required by state law.

DocuSigned by:

*William Jones*

William Jones, Chief Business Officer/Director of Finance

**Amount and Source of Funding:**

Motion No. 2023-606 (9/13/2023)

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