

REQUEST FOR COUNCIL ACTION

TO: Mayor via City Secretary

RCA #

SUBJECT: Ordinance providing for the assessment, levying and collection of ad valorem taxes for the City of Houston, Texas for the Tax Year 2017, with the adoption of an overall Property Tax Rate of \$0.586420 on each \$100 of Taxable Value.

Category #

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Agenda Item#

FROM: (Department or other point of origin):

Tantri Emo, Interim Finance Director
Finance Department

Origination Date

October 3, 2017

Agenda Date

October 18, 2017

DIRECTOR'S SIGNATURE:


Council Districts affected:

All

For additional information contact:

Melissa Dubowski, Assistant Director Phone: 832-393-9101
Alma Tamborello, Staff Analyst Phone: 832-393-9099

Date and identification of prior authorizing Council Action:

September 21, 2016 Ordinance No. 2016-715

RECOMMENDATION: (Summary) That City Council adopt an overall tax rate, based on the FY2018 Budget approved by City Council. It is recommended that City Council adopt a tax rate for Maintenance and Operations of \$0.422437 on each \$100 of taxable value and a tax rate for the Interest and Sinking Fund of \$0.163983 on each \$100 of taxable value.

Amount of Funding:

Not Applicable

Finance Budget:

SOURCE OF FUNDING:

☐ General Fund ☐ Grant Fund ☐ Enterprise Fund

☐ Other (Specify)

SPECIFIC EXPLANATION:

With additional funding identified to assist with covering the local share of expenditures related to Hurricane Harvey, the Administration will propose a lower tax rate than originally anticipated on September 13, 2017 when City Council established three hearing dates. The proposed lower tax rate is not expected to increase the City of Houston's ad valorem tax revenues 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. Accordingly, a third hearing is no longer necessary.

The proposed overall Tax Rate of \$0.586420 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 \$0.422437 on each \$100 of taxable value and the I&S Rate is \$0.163983 on each \$100 of taxable value which, when combined, equal the total Tax Rate of \$0.586420 on each \$100 of taxable value.

Therefore, it is recommended that City Council adopt a Tax Year 2017 tax rate for Maintenance and Operations of \$0.422437 on each \$100 of taxable value and a tax rate for the Interest and Sinking Fund of \$0.163983 on each \$100 of taxable value.

cc: Ronald Lewis, City Attorney
Sameera Mahendru, Senior Assistant City Attorney
Marta Crinejo, Agenda Director

REQUIRED AUTHORIZATION

Other Authorization:

Other Authorization:

Other Authorization: