



City of Keller

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Legislation Text

File #: 18-244, **Version:** 1

To: Mark R. Hafner, City Manager

From: Aaron Rector, Director of Administrative Services

Subject:

Consider an ordinance levying taxes to be assessed on all taxable properties within the city limits of the City of Keller, Texas for the Tax Year 2018 (Fiscal Year 2018-19).

Action Requested:

Approve the ordinance levying taxes to be assessed on all taxable properties within the city limits of the City of Keller for Fiscal Year 2018-19.

Background:

The tax rate proposed in the fiscal year 2018-19 budget is \$0.413250/\$100 of taxable valuation, a reduction of \$0.014250 from the current year and is the fifth rate reduction in a row.

The proposed tax rate distribution is summarized (allocated) as follows:

Purpose	Rate	Percent
Maintenance and operations (M&O)	\$0.332943	82.8%
Debt service (I&S)	0.080307	17.2%
Total	\$0.413250	100.0%

The proposed 2018-19 budget tax rate is lower than the effective rate of \$0.413279 so there is no state required motion language or record vote required.

However, the proposed M&O rate exceeds the effective M&O rate. Therefore, Section 3 of the accompanying ordinance is required by State law and must use a larger font than is used throughout the ordinance to read: "This tax rate will raise more taxes for maintenance and operations than last year's rate. The maintenance and operations tax rate will effectively be raised by 7.98 percent over the effective maintenance and operations rate and will raise taxes for maintenance and operations on a \$100,000 home by approximately \$24.61."

At the August 21, 2018, Regular City Council meeting, City Council approved Resolution No. 4028 which set a maximum tax rate under both the effective and rollback rate. Therefore, the City was not required to hold two (2) public hearings on a proposal to consider the adoption of a tax rate.

Financial Impact:

The adoption of the tax rate determines the tax levy that is necessary to support the annual budget for the City of Keller. Adopting the effective rate would increase the levy by approximately \$1,474 and adopting the rollback rate would increase the levy by approximately \$2,643.

A comparison of average residential levy based on the 2018 average residential taxable value of \$346,378 is provided below:

Current tax rate of \$0.42750 = \$1,481

Proposed budget tax rate of \$0.41325 = \$1,431

Effective tax rate of \$0.413279 = \$1,432

Citizen Input/Board Review:

Not applicable.

Legal Review:

Not applicable.

Alternatives:

City Council has the following alternatives:

- Approve as submitted
- Approve with changes
- Denial