



## **CITY COUNCIL COMMUNICATION**

September 13, 2016

**SUBJECT:** Ad Valorem Tax Rate 2016  
**SUBMITTED BY:** Janina Jewell, Director of Finance  
**REFERENCE NO:** Ordinance No. 2131

---

### **ACTION REQUESTED:**

Consider First and Final Reading of Ordinance No.2131 adopting a tax rate for the City of Euless for tax year 2016.

### **REQUIRED MOTION:**

State law requires that a motion to adopt this tax rate state: "I move that the property tax rate be increased by the adoption of a tax rate of 46.25¢ per \$100 of assessed value, which is effectively a 6.57% increase in the tax rate", by adoption of Ordinance Number 2131.

### **ALTERNATIVES:**

- Do not adopt rate but must adopt a rate by September 30, 2016 or by default the rate will revert to the effective tax rate or last year's rate, whichever is lower.
- Adopt a lesser rate and balance budget by reducing expenditures or identifying other revenue sources

### **SUMMARY OF SUBJECT:**

The proposed tax rate is a reduction from last year's tax rate of 46.75¢ per \$100 of assessed value to 46.25¢ per \$100 of assessed value. The increase of 6.57% required in the motion is the percentage by which the total property tax rate exceeds the effective tax rate. The Ordinance describes the two required components of the tax rate: Maintenance and Operations (M&O) and Interest and Sinking (I&S).

State law further requires statements within the Ordinance indicating the percentage by which the tax rate exceeds the effective maintenance and operations rate. This increase is 8.75% which is based on the increase in the M&O portion of the tax rate compared to the Effective M&O tax rate as calculated in the rollback calculation.

State law further requires a statement regarding the amount by which taxes for maintenance and operations on a \$100,000 home will be raised. Based on the proposed tax rate, the maintenance and operations portion of the rate will be reduced to 36.3053¢ per \$100 of assessed value compared to last year's maintenance and

operation rate of 36.6571¢ per \$100 of assessed value resulting in a decrease of \$3.52. The verbiage contained within the Ordinance is in strict compliance with requirements of Section 26.05(b)(1)(B) of the Texas Tax Code.

**FINANCIAL CONSIDERATIONS:**

Revenue Sources:

Expenditure Accounts:

Budgeted Fiscal Year(s):           FY2016-2017

Budgeted Expenditure:

Estimated Expenditure:

Over/Under Projection By:

Other Comments:

**SUPPORTING DOCUMENTS:**

- Ordinance No. 2131

**APPROVED BY:**

\_\_\_\_\_ **LG** \_\_\_\_\_

City Manager's Office

\_\_\_\_\_ **KS** \_\_\_\_\_

City Secretary's Office