# CITY OF McKINNEY, TEXAS

## Legislation Details (With Text)

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| **File #:** | 16-896 | **Name:** | FY17 Tax Rate - Second Public Hearing |
| **Type:** | Agenda Item | **Status:** | Approved |
| | | **In control:** | City Council Regular Meeting |
| **On agenda:** | 9/6/2016 | **Final action:** | |
| **Title:** | Conduct Second Public Hearing on Proposed Tax Rate for Fiscal Year 2016-17 | | |
| **Indexes:** | | | |
| **Attachments:** | 1. Presentation | | |

| Date | Ver. | Action By | Action | Result |
|---|---|---|---|---|
| 9/6/2016 | 1 | City Council Regular Meeting | Approved Closing Public Hearing | Pass |

Conduct Second Public Hearing on Proposed Tax Rate for Fiscal Year 2016-17

**COUNCIL GOAL:** Financially Sound Government

**MEETING DATE:** September 6, 2016

**DEPARTMENT:** Financial Services

**CONTACT:** Mark Holloway, Interim Chief Financial Officer

**RECOMMENDED CITY COUNCIL ACTION:**

- Conduct final public hearing on the FY2016-17 proposed tax rate.
- Announce Tax Rate Adoption Date: September 20, 2016, 6:00 p.m. at the Council Chambers

**ITEM SUMMARY:**

- The proposed tax rate is $0.57700 based on 100% market ratio on each $100 of all taxable property within the City. The proposed tax rate is 6/10ths of one cent lower than last year.
- The rate for Maintenance and Operations (M&O) is $0.405769 per $100 valuation.
- The rate for Interest and Sinking Funds (I&S) is $0.171231 per $100 valuation.
- The tax rate ratio is 70% for M&O and 30% for I&S.
- The proposed tax rate exceeds the effective tax rate of $0.534543.
- The proposed tax rate will raise more taxes for M&O than last year's tax rate.
- The amount of taxes imposed this year on the average home value of $299,986 would be $1,731.

**BACKGROUND INFORMATION:**

- State law requires an entity to hold two public hearings before adopting a tax rate. **The tax rate adoption must be a record vote.**
- On August 1, 2016, the City Council took a roll call vote on the tax rate.

- The two public hearings are on August 22, 2016 and September 6, 2016.
- The tax rate adoption date is September 20, 2016, which must be a record vote.

**FINANCIAL SUMMARY:**

- Estimated maintenance and operations tax revenues of $69,422,266 (100% collection rate) for FY 2016-17 are based on this tax rate.