



CITY OF MCKINNEY, TEXAS

Legislation Details (With Text)

File #: 18-669 **Name:** FY19 Tax Rate (set tax rate ceiling)
Type: Agenda Item **Status:** Regular Agenda Item
In control: City Council Regular Meeting
On agenda: 8/6/2018 **Final action:**
Title: Consider/Discuss/Act on Fiscal Year 2018-19 Proposed Tax Rate, Take Record Vote and Set Public Hearing and Adoption Dates
Indexes:
Attachments: 1. Presentation

Date	Ver.	Action By	Action	Result
8/6/2018	1	City Council Regular Meeting	Close the public hearing	Pass

Consider/Discuss/Act on Fiscal Year 2018-19 Proposed Tax Rate, Take Record Vote and Set Public Hearing and Adoption Dates

COUNCIL GOAL: Financially Sound Government
(4A: Provide Funding and Organizational Framework to Ensure Continual Economic Improvements)

MEETING DATE: August 6, 2018

DEPARTMENT: Financial Services

CONTACT: Mark Holloway, Chief Financial Officer

RECOMMENDED CITY COUNCIL ACTION:

- Discuss FY2018-19 proposed tax rate.
- Provide a motion to propose the tax rate, schedule the public hearings and announce the adoption date by stating the following:

“I move that the City of McKinney propose to adopt a Fiscal Year 2019 Total Tax Rate of \$0.540199, which is higher than the Fiscal Year 2019 Effective Tax Rate of \$0.506288, and call for two public hearings; the first public hearing to be held on August 21, 2018 at 6:00 p.m. and the second public hearing to be held on September 4, 2018 at 6:00 p.m. Further, a Record Vote on the tax rate adoption will be held on September 17, 2018 at a Special City Council Meeting at 5:30 p.m. All meetings will be held in the McKinney City Hall Council Chambers at 222 North Tennessee Street, McKinney, TX 75069.”

- Take record vote on proposed tax rate.

ITEM SUMMARY:

- The proposed tax rate ceiling is \$0.540199 based on 100% market ratio on each \$100 of all taxable property within the City.
- The rate for Maintenance and Operations (M&O) is \$0.377418 per \$100 valuation.
- The rate for Interest and Sinking Funds (I&S) is \$0.162781 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 \$0.506288.
- The effective tax rate is the relationship between taxes for the preceding year and for the current year.
- City Manager's recommended tax rate will be significantly lower. The tax rate recommended in the budget will be \$0.525170.

BACKGROUND INFORMATION:

- State law requires an entity that will propose a tax rate that exceeds the lower of the rollback or effective tax rate, the entity must vote to place a proposal to adopt the rate on the agenda of a future meeting as an action item. **This must be a record vote.**
- The effective tax rate is \$0.506288 per \$100 valuation and the rollback tax rate is \$0.542983 per \$100 valuation.
- Once the record vote has passed, State law requires an entity must schedule and hold two public hearings before adopting a tax rate.

FINANCIAL SUMMARY:

- Estimated tax revenues will be determined by the adopted tax rate.