



CITY OF MCKINNEY, TEXAS

Legislation Text

File #: 16-858, **Version:** 1

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

COUNCIL GOAL: Financially Sound Government

MEETING DATE: August 22, 2016

DEPARTMENT: Financial Services

CONTACT: Mark Holloway, Interim Chief Financial Officer

RECOMMENDED CITY COUNCIL ACTION:

- Conduct the first public hearing on the FY2016-17 proposed tax rate.
- Announce:
 - Second Public Hearing: September 6, 2016, 6:00 p.m. at the Council Chambers
 - 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.
- 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 tax revenues of \$69,422,266 (100% collection rate) for FY 2016-17 are based on this tax rate.