



CITY OF MCKINNEY, TEXAS

Legislation Text

File #: 17-826, **Version:** 1

Conduct First Public Hearing on Proposed Tax Rate for Fiscal Year 2017-18 (Tax Year 2017)

COUNCIL GOAL: Financially Sound Government

MEETING DATE: August 15, 2017

DEPARTMENT: Financial Services

CONTACT: Mark Holloway, Chief Financial Officer

RECOMMENDED CITY COUNCIL ACTION:

- Conduct the first public hearing on the FY2017-18 proposed tax rate.
- Announce:
 - Second Public Hearing: September 5, 2017, 6:00 p.m. at the Jack Hatchell Collin County Administration Building, 4th Floor-Commissioners Court, 2300 Bloomdale Rd.
 - Tax Rate Adoption Date: September 19, 2017, 6:00 p.m. at the Jack Hatchell Collin County Administration Building, 4th Floor-Commissioners Court, 2300 Bloomdale Rd.

ITEM SUMMARY:

- The proposed tax rate is \$0.540199 based on 100% market ratio on each \$100 of all taxable property within the City. The proposed tax rate is 0.032801 cents lower than last year.
- The rate for Maintenance and Operations (M&O) is \$0.375611 per \$100 valuation.
- The rate for Interest and Sinking Funds (I&S) is \$0.164588 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 \$0.526703.
- 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 \$324,636 would be \$1,754.

BACKGROUND INFORMATION:

- State law requires an entity to hold two public hearings before adopting a tax rate.
- On July 31, 2017, the City Council took a roll call vote on the tax rate.
- The two public hearings are on August 15, 2017 and September 5, 2017.
- The tax rate adoption date is September 19, 2017, which must be a record vote, and at least 60 percent of the members of the governing body must vote in favor of the Ordinance.

FINANCIAL SUMMARY:

- Estimated tax revenues of \$72,467,604 (100% collection rate) for FY 2017-18 are based on this tax rate.