



CITY OF MCKINNEY, TEXAS

Legislation Text

File #: 19-0711, **Version:** 1

Conduct First Public Hearing on Proposed Tax Rate for Fiscal Year 2019-20 (Tax Year 2019)

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

MEETING DATE: August 20, 2019

DEPARTMENT: Financial Services

CONTACT: Mark Holloway, Chief Financial Officer

RECOMMENDED CITY COUNCIL ACTION:

- Conduct the first public hearing on the FY2019-20 proposed tax rate.
- Announce:
 - Second Public Hearing: September 3, 2019, 6:00 p.m. at the Council Chambers.
 - Tax Rate Adoption: September 17, 2019, 6:00 p.m. at the Council Chambers.

ITEM SUMMARY:

- The proposed tax rate is \$0.515600 based on 100% market ratio on each \$100 of all taxable property within the City. The proposed tax rate is 0.009570 cents lower than last year.
- The rate for Maintenance and Operations (M&O) is \$0.355393 per \$100 valuation.
- The rate for Interest and Sinking Funds (I&S) is \$0.160207 per \$100 valuation.
- The tax rate ratio is 69% for M&O and 31% for I&S.
- The proposed tax rate exceeds the effective tax rate of \$0.508664.
- 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 \$349,567 would be \$1,802.

BACKGROUND INFORMATION:

- State law requires an entity to hold two public hearings before adopting a tax rate.
- On August 5, 2019, the City Council took a roll call vote on the tax rate.
- The two public hearings are on August 20, 2019 and September 3, 2019.
- The tax rate adoption date is September 17, 2019, 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 maintenance and operations tax revenues of \$83,207,732 (100% collection rate) for FY 2019-20 are based on this tax rate.