



CITY OF McKINNEY, TEXAS

Legislation Text

File #: 20-0804, **Version:** 1

Conduct Public Hearing to Consider/Discuss/Act on an Ordinance Adopting a Tax Rate for Fiscal Year 2020-21 (Tax Year 2020)

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

MEETING DATE: September 15, 2020

DEPARTMENT: Financial Services

CONTACT: Mark Holloway, Chief Financial Officer

RECOMMENDED CITY COUNCIL ACTION:

- Conduct the public hearing on the FY2020-21 proposed tax rate.
- Conduct a record vote to adopt the tax rate.
- Approve the ordinance to adopt the tax rate.

ITEM SUMMARY:

- The proposed tax rate is \$0.508645 based on 100% market ratio on each \$100 of all taxable property within the City. The proposed tax rate is \$0.006955 cents lower than last year.
- The rate for Maintenance and Operations (M&O) is \$0.354711 per \$100 valuation.
- The rate for Interest and Sinking Funds (I&S) is \$0.153934 per \$100 valuation.
- The tax rate ratio is 70% for M&O and 30% for I&S.
- The proposed tax rate is equal to the no-new-revenue tax rate of \$0.508645.
- 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 \$349,000 would be \$1,775.

BACKGROUND INFORMATION:

- State law requires an entity to hold a public hearing before adopting a tax rate.
- On August 4, 2020, the City Council took a roll call vote on the tax rate and announced the public hearing and adoption date of September 15, 2020.
- Adoption 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 \$86,925,487 for FY 2020-21 are based on this tax rate.