CITY OF McKINNEY, TEXAS

Legislation Details (With Text)

File #:	22-0825	**Name:**	FY23 Tax Rate Public Hearing & Adoption
Type:	Ordinance	**Status:**	Approved
		In control:	City Council Regular Meeting
On agenda:	9/6/2022	**Final action:**	9/6/2022
Title:	Conduct Public Hearing to Consider/Discuss/Act on an Ordinance Adopting a Tax Rate for Fiscal Year 2022-23 (Tax Year 2022)		
Indexes:			
Attachments:	1. Ordinance, 2. Presentation		

Date	Ver.	Action By	Action	Result
9/6/2022	1	City Council Regular Meeting	Close the public hearing	Pass
9/6/2022	1	City Council Regular Meeting	Approved	Pass

Conduct Public Hearing to Consider/Discuss/Act on an Ordinance Adopting a Tax Rate for Fiscal Year 2022-23 (Tax Year 2022)

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

MEETING DATE: September 6, 2022

DEPARTMENT: Financial Services

CONTACT: Mark Holloway, Chief Financial Officer

RECOMMENDED CITY COUNCIL ACTION:

- Conduct the public hearing on the FY2022-23 proposed tax rate.
- Conduct a record vote to adopt the tax rate.
- Approve the ordinance to adopt the tax rate.
- A motion to adopt the tax rate ordinance must be made in the following form:

"I move that the property tax rate be increased by the adoption of a tax rate of 0.457485, which is effectively a 5.58% percent increase in the tax rate."

ITEM SUMMARY:

- The proposed tax rate is $0.457485 based on 100% market ratio on each $100 of all taxable property within the City. The proposed tax rate is $0.04017 cents lower than last year.
- The rate for Maintenance and Operations (M&O) is $0.311797 per $100 valuation.
- The rate for Interest and Sinking Funds (I&S) is $0.145688 per $100 valuation.

- The tax rate ratio is 68% for M&O and 32% for I&S.
- The proposed tax rate exceeds the no-new-revenue tax rate of $0.433324.
- 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 $496,438 would be $2,271.

BACKGROUND INFORMATION:

- State law requires an entity to hold a public hearing before adopting a tax rate.
- On August 2, 2022, the City Council took a roll call vote on the tax rate and announced the public hearing and adoption date of September 6, 2022.
- The vote on the ordinance setting a tax rate that exceeds the no-new-revenue tax rate 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 $97,284,232 for FY 2022-23 are based on this tax rate.