



# CITY OF MCKINNEY, TEXAS

## Legislation Details (With Text)

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