



MEMORANDUM

To: Mayor and City Council

From: Jennifer Miller, Director of Finance

Date: September 13, 2016

Reference: Consider approval of an Ordinance to levy an ad valorem tax for the year 2016 at \$0.57950

2030: Sustainable City Government

Introduction:

This item is being presented for approval to adopt the FY 2016-17 ad valorem tax rate of \$0.57950 per \$100 of assessed valuation. The property tax rate is divided into two parts, with \$0.44333 or 76.50% being used for operations, and the remaining \$0.13617 or 23.50% of the tax rate for the annual debt service requirements. This tax rate is a 0.0045 cent reduction from last year's property tax rate. Over the last four (5) years, the tax rate has been reduced by a total of 11.096 cents. This tax rate, if adopted, will result in the lowest tax rate since the City's \$0.5600 tax rate during the time period of 1986 to 1990.

Analysis:

The Property Tax Code's Truth-in-Taxation legal requirements for setting a property tax rate have been satisfied and the approval of this Ordinance is required to fund the City of Coppel's FY 2016-17 Annual Budget. **Since the property tax rate exceeds the effective tax rate, the motion to adopt the 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 \$.57950, which is effectively a 4.13% increase in the tax rate."**

Legal Review:

This agenda item was reviewed during the Council packet review process.

Fiscal Impact:

Recommendation:

The Finance Department recommends approval of this Ordinance.