



Elgin City Council Meeting Agenda Item Executive Summary

ITEM: AN ORDINANCE LEVYING *AD VALOREM* TAXES FOR MAINTENANCE AND OPERATION OF THE MUNICIPAL GOVERNMENT OF THE CITY OF ELGIN, TEXAS, FOR THE 2020-21 FISCAL YEAR; AND PROVIDING FOR THE INTEREST AND SINKING FUND FOR THE 2020 TAX YEAR AND PROVIDING FOR AN EFFECTIVE DATE

DEPARTMENT: City Manager

PROPOSED ACTION: Consideration and adoption of the Ordinance levying an ad valorem or property tax rate in support of the FY2020-21 Annual Operating Budget.

BACKGROUND:

Discussed at previous meetings; The FY2020-21 Annual Budget is a balanced and conservative financial plan wherein all operating expenditures are supported by revenue generated during the fiscal year.

Although the City's budget continues to evolve and expand in other ways, Real Estate and/or Property (Ad Valorem) Taxes still provide the foundation for supporting the General Fund. This stable source of income provides assured funding each year for essential city services- public safety, public works, parks and recreation programming, library, mobility, asset maintenance, etc.

The proposed FY20-21 Annual Budget is predicated on a **reduction** of last year's property tax rate of **\$0.656916** to **\$0.635663**/\$100 valuation. The City Council conducted a Public Hearing on the Proposed FY2020-21 Ad Valorem Tax Rate at its September 1 Regular Meeting.

Despite the confusing language included in the Ordinance that is now mandated by state law, all City of Elgin property owners **whose property valuation stays the same this year as it did last year** will experience a **reduction** in their **City** property taxes.

A home that was assessed at a valuation at \$200,000 last year paid \$1,313.83 in **city** property taxes. If that same home maintains its assessed value of \$200,000 for the coming tax year, its **city** property taxes will be \$1,271.33 – a **reduction in city taxes of \$42.51 (3.24%)**.

BUDGET/FINANCIAL IMPACT:

Funding for this item was { } included { } not included in the current-year budget {x} N/A

RECOMMENDATION:

Adoption of the Appropriations Ordinance levying an ad valorem or property tax rate in support of the FY2020-21 Annual Operating Budget.

ATTACHMENTS: Property Tax Rate Notice/Calculations

- { } Staff will be making a detailed presentation on this agenda item at the meeting.
- {X} Staff will provide brief comments and answer questions on this item at the meeting.
- { } This is a routine procedural item and no presentation is planned for the meeting.

Councilmembers who have any detailed questions or would like to request additional information regarding this item are encouraged to contact the City Manager at their earliest convenience.