



# City of Benbrook

## CITY COUNCIL COMMUNICATION

DATE: 08/05/21	REFERENCE NUMBER: G-2525	SUBJECT: Accept 2021 Certified Appraisal Roll, set Anticipated Collection Rate, appoint an officer to calculate the No-New-Revenue Tax Rate, Voter-Approval Tax Rate, and enter tax data in <a href="http://www.tarranttaxinfo.com">www.tarranttaxinfo.com</a> portal	PAGE: 1 of 2
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Staff has received the 2021 Certified Appraisal Roll from the Tarrant Appraisal District (TAD). The report “Information on the 2021 Appraisal Roll” contains the State-mandated information on appraised value, adjustments, exemptions, and the taxable value of property.

### State Statutes

To comply with “Truth-in-Taxation” (TNT) requirements of Texas law, the City Council must accept the Certified Appraisal Roll as presented by TAD, set the anticipated collection rate for FY 2021-22, and appoint an officer to (1) calculate/publish the No-New-Revenue and Voter-Approval Tax Rates, and (2) enter the City’s tax data in the [www.tarranttaxinfo.com](http://www.tarranttaxinfo.com) portal.

The “Information on the 2021 Certified Appraisal Roll” indicates that the City of Benbrook will realize an overall increase in the maintenance and operations (M&O) property tax revenues of 2.53 percent or approximately \$361,912.

### No-New-Revenue Tax Rate

The no-new-revenue tax rate is used to evaluate the relationship between taxes for the prior year and for the current year, based on a tax rate that would produce the same amount of taxes if applied to the same properties taxed in both years.

This year the City’s No-New-Revenue Tax Rate is \$0.610617.

### Voter-Approval Tax Rate

The voter-approval tax rate is a calculated maximum tax rate allowed by law without voter approval. The voter-approval tax rate allows cities to capture up to 3.5% in valuation growth from existing property for maintenance and operations.

This year, the Voter-Approval Tax Rate is \$0.660771. The City Budget is preliminarily proposing a tax rate of \$0.6175, compared to the current property tax rate of \$0.6225. This is a 1/2 cent decrease from the current rate.

SUBMITTED BY:	DISPOSITION BY COUNCIL: Y APPROVED    Y OTHER (DESCRIBE)	PROCESSED BY: CITY SECRETARY
CITY MANAGER		DATE:

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### **Roll Call Vote**

For this year, the Benbrook City Council will be required to take a roll call vote to increase property tax revenue. As a reminder, Texas law requires municipalities to conduct a vote “to raise taxes” even if the City Council lowers the tax rate or if revenue on existing property increases by any amount.

### **ARB Cases**

Texas law focuses only on property taxes and does not take into consideration any other revenue sources. In addition, State law does not recognize the intricacies of the property tax roll. For this year, the 2021 Appraisal Roll Information Valuation Summary includes \$107,260,576 for properties under protest. Section 25.01 (c) of the State Property Tax Code directs the Chief Appraiser to prepare a list of all properties under protest with the Appraisal Review Board and pending disposition at the time of value roll certification. The estimated minimum taxable value for these properties is \$73,593,312.

### **Action by the City Council**

Staff recommends that the City Council set the initial property tax rate at the current tax rate of \$0.6225. The final adopted property tax rate may be lower, but not higher, than the preliminary property tax rate approved on August 5, 2021. The proposed budget is predicated on a tax rate of \$0.6175, which is lower than the current tax rate. The public vote, as well as the additional advertisements and notices, does not mean that the City of Benbrook will increase the property tax rate. As mandated by the City Charter, the final property tax rate will be approved by the City Council during the budget process and adopted by an ordinance.

### **RECOMMENDATION**

Staff recommends that the City Council:

1. Accept the 2021 Certified Appraisal Roll as presented;
2. Set 100.00 percent as the anticipated property tax collection rate for FY 2021-22;
3. Appoint the Finance Director to calculate and to publish the No-New-Revenue Tax Rate and the Voter-Approval Tax Rate, and enter the tax data in the [www.tarranttaxinfo.com](http://www.tarranttaxinfo.com) portal;
4. Set the maximum property tax rate for FY 2021-22 at the current rate of \$0.6225 (may be lowered when final budget is adopted); and,
5. Take a roll call vote to increase property tax revenue.