



City of Benbrook

CITY COUNCIL COMMUNICATION

DATE: 08/01/19	REFERENCE NUMBER: G-2420	SUBJECT: Accept 2019 Certified Appraisal Roll, set Anticipated Collection Rate, and appoint an officer to calculate the Effective Tax Rate and Roll Back Tax Rate	PAGE: 1 of 2
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Staff has received the 2019 Certified Appraisal Roll from the Tarrant Appraisal District (TAD). The report “Information on the 2019 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 2019-20, and appoint an officer to calculate and publish the Effective Tax Rate (ETR) and the Rollback Tax Rate (RTR).

The “Information on the 2019 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 9.63 percent or approximately \$1,221,802.

Effective Tax Rate

This year, the Benbrook City Council will be required to take a roll call vote to increase property tax revenue and set the anticipated property tax rate. The vote is mandatory because the City’s Effective Tax Rate of \$0.587345 falls below the current property tax rate of \$0.6400. As a reminder, Texas law requires municipalities to conduct a vote “to raise taxes” even if the City Council leaves the tax rate at the same (current year’s) rate.

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. The 2019 Appraisal Roll Information Valuation Summary includes \$39,680,605 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 \$27,776,424.

State law does not take into consideration the cumulative impact of taxable values over multiple years and instead only compares the current year to the past year.

SUBMITTED BY:	DISPOSITION BY COUNCIL: <input type="checkbox"/> APPROVED <input type="checkbox"/> OTHER (DESCRIBE)	PROCESSED BY: CITY SECRETARY
CITY MANAGER		DATE:

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Rollback Tax Rate

The current property tax rate of \$0.6400 is above the Roll-Back-Tax-Rate (RTR) of \$0.62777; so, the maximum proposed rate for FY 2019-20 is \$0.62777.

Action by the City Council

Staff recommends that the City Council set the property tax rate at a proposed tax rate of \$0.62777 for the 2019-20 fiscal year; this rate is lower than the current property tax rate of \$0.6400. 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. The adopted property tax rate may be lower than the preliminary property tax rate approved on August 1, 2019.

RECOMMENDATION

Staff recommends that the City Council:

1. Accept the 2019 Certified Appraisal Roll as presented;
2. Set 100.00 percent as the anticipated property tax collection rate for FY 2019-20;
3. Appoint the Finance Director to calculate and to publish the Effective Tax Rate (ETR) and the Rollback Tax Rate (RTR);
4. Set the preliminary property tax rate for FY 2019-20 at the rate of \$0.62777; and,
5. Take a roll call vote to increase property tax revenue.