

AGENDA



Thursday, August 9, 2007

Item(s) to Set Public Hearing(s)
RECOMMENDATION FOR COUNCIL ACTION**Item No. 39**

Subject: Set a public hearing on the proposed ad valorem tax rate for Fiscal Year 2007-2008 (Suggested dates and times: August 23, 2007 at 6:00 p.m. and August 30, 2007 at 6:00 pm, Austin City Hall, 301 W. Second St., Austin, TX). (Related to item #3)

State law requires that all taxing jurisdictions participate in the process of Truth-In-Taxation. When a proposed tax rate exceeds the lower of 100 percent of the effective rate or the rollback rate, the Council must adopt a maximum proposed tax rate that it will consider. State law requires that the vote to adopt a proposed maximum rate must be a roll call vote, indicating any absences from the dais.

The City Manager's Proposed Budget is based on an estimated tax rate because, under state law, the certified tax rolls that are necessary to calculate the tax rate are not available from the appraisal districts until the end of July. Therefore, when initially presented, the City Manager's Proposed Budget included property tax revenue at an estimated rollback tax rate of \$0.4120 per \$100 of taxable value.

Because the July certified tax rolls are now available, the City Manager can now present a confirmed proposed effective tax rate for Fiscal Year 2007-2008 of \$0.3779 cents per \$100 of taxable value. Council may propose an alternative tax rate, up to and including the confirmed rollback tax rate of \$0.4034 per \$100 of taxable value. The tax rate that will provide the same property tax revenue as in the Proposed Budget is \$0.4022 cents per \$100 of taxable value.

If Council votes to consider a maximum proposed rate that exceeds the effective rate, it must schedule and conduct two public hearings on the proposed tax rate. In order to comply with state law, staff recommends that the public hearings be conducted at 6:00 p.m. during the regularly scheduled Council meetings on August 23, 2007, and August 30, 2007. Both public hearings will be conducted in City Hall Council Chambers at 301 W. 2nd Street.

Even though the Council votes to consider a proposed tax rate above the effective rate, the Council may, as a result of deliberations, adopt a tax rate at or below the rate stated in the published notices.