

AGENDA



Monday, September 10, 2007

Budget
RECOMMENDATION FOR COUNCIL ACTION

Item No. 5

Subject: Ratify the property tax increase reflected in the Budget for Fiscal Year 2007-2008.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Greg Canally, Budget Officer, 974-2609

Prior Council Action: August 9, 2007 – Council proposes a tax rate above the effective tax rate, sets dates for Public Hearings on the tax rate and dates for approval of the tax rate.

In the action proposed, the City Council will ratify the property tax increase reflected in the budget for 2007-2008. The budget will raise more total property taxes than last year's budget by \$26,278,569 or 10.7%, and of that amount \$8,257,981 is tax revenue to be raised from new property added to the tax roll this year.

This action complies with the new property tax ratification requirements mandated by HB 3195 which passed the Legislature in 2007.

The amounts above are based on the maximum fiscal year 2007-2008 tax rate proposal of 40.34 cents per \$100 of assessed valuation. The City's fiscal year 2006-07 tax rate (the current tax rate) is 41.26 cents per \$100 assessed valuation.

The additional revenue will pay for the increased cost of the same operations that were funded in this current year and will also fund the restoration of services such as parks maintenance and library materials that were cut back in recent years, and additional emergency medical services and health and human services.

On August 9, 2007, the Austin City Council announced that the maximum ad valorem tax rate it would consider adopting for fiscal year 2007-2008 would be \$0.4034 per \$100 of taxable value.