



**RCA
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 8
AGENDA DATE: Thu 08/04/2005
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SUBJECT: Approve a resolution setting the date that the City Council will adopt a Fiscal Year 2005-2006 ad valorem tax rate on Monday, September 12, 2005, Tuesday, September 13, 2005, or Wednesday, September 14, 2005, and setting public hearings on the proposed tax rate for 6:00 p.m. Thursday, August 25, 2005, and 6:00 p.m. Thursday, September 1, 2005, in the City Hall Council Chambers, 301 West 2nd Street.

AMOUNT & SOURCE OF FUNDING: N/A

FISCAL NOTE: N/A

REQUESTING Financial and **DIRECTOR'S**
DEPARTMENT: Administrative Services **AUTHORIZATION:** Vickie Schubert

FOR MORE INFORMATION CONTACT: John Stephens, Chief Financial Officer, 974-2076; Leslie Browder, Deputy Chief Financial Officer, 974-7822; Vickie Schubert, Deputy Chief Financial Officer, 974-2283

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

PURCHASING: N/A

MBE / WBE: N/A

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 City Council must vote to place a proposal for hearings on a rate on the agenda of a future meeting as an action item. This call vote must be recorded and the proposal must specify the selected rate.

The City Council may vote to hold public hearings on the tax rate of 0.4395 per \$100 taxable value, which is recommended in the City Manager's Proposed 2005-06 Budget, or Council may propose an alternative tax rate, such as the 2005-06 effective tax rate, currently estimated at 0.4353, or the nominal tax rate of 0.4430.

If the motion passes on a proposed tax rate that exceeds the effective tax rate, the City Council must then schedule two public hearings on the tax rate proposal. The first public hearing on the proposed tax rate will be held during the City Council meeting on August 25th, 2005, and the second public hearing will be held on September 1, 2005. Both meetings will be held at 6:00 p.m. in City Hall Council Chambers at 301 W. 2nd Street.

If the City Council votes to propose a tax rate above the effective rate and completes the public hearing process, the City Council may later decide to adopt a tax rate at or below the noticed rate as a result of budget or other deliberations. The City Council also has the option to adopt a tax rate higher than the



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noticed rate; however, the entire public hearing process must be repeated.