



Recommendation for Action

File #: 21-2119, **Agenda Item #:** 6.

6/3/2021

Posting Language

Approve a resolution directing the Chief Financial Officer of the City to calculate the City's proposed voter-approval property tax rate with an increase of 8% above the City's current maintenance and operations rate as allowed by the Texas Tax Code for taxing units located in areas declared a disaster by the Governor of the State of Texas.

Lead Department

Financial Services

Fiscal Note

This item has no fiscal impact.

For More Information:

Kerri Lang, Budget Office, Interim Budget Officer / 972-7211

Additional Backup Information:

On March 13, 2020, Governor Abbott declared a state of disaster for all Texas counties due to the COVID-19 pandemic. This declaration was renewed by Governor Abbott on March 6, 2021.

The Texas Tax Code (Tax Code) Section 26.04 was amended in the 86th legislative session to limit taxing units other than special districts to an increase of up to 3.5% above the no new revenue maintenance and operations portion of the property tax rate. Section 26.04 (c-1) of the Tax Code provides an alternative property tax rate calculation methodology that allows all taxing units to increase their property tax rates up to 8% above the no new revenue maintenance and operations portion of the 'voter-approval tax rate' under a declared state of disaster.

The Tax Code further requires the governing body to direct a 'designated officer or employee' to calculate the rate in this alternative manner, which responsibility in the City falls to the Chief Financial Officer (CFO) in conjunction with the Travis County Tax Assessor-Collector.

The Chief Financial Officer or her designee is directed to calculate the City's property tax rate according to the methodology authorized in the event of a disaster.

Strategic Outcome(s):

Government that Works for All