



City of Farmers Branch

Farmers Branch City Hall
13000 Wm Dodson Pkwy
Farmers Branch, Texas
75234

Meeting Agenda

City Council

Tuesday, August 6, 2019

12:00 PM

Study Session Room

Special Called Budget Meeting

A. CALL TO ORDER - (12 P.M.)

B. AGENDA ITEM(S)

- B.1 [19-364](#) Consider adopting a motion to place a proposal to consider adopting a maximum property tax rate of \$0.599507 on the City Council agenda of September 17, 2019; schedule two public hearings on the proposed maximum rate for August 20, 2019 and September 3, 2019; and take appropriate action.**

C. ADJOURNMENT

The City Council may convene into executive session at anytime during the meeting pursuant to Texas Government Code Section 551.071(2) for the purpose of seeking confidential legal advice from the City Attorney on any agenda item.

Farmers Branch City Hall is wheelchair accessible. Access to the building and special parking are available at the main entrance facing William Dodson Parkway. Persons with disabilities planning to attend this meeting who are deaf, hearing impaired or who may need auxiliary aids such as sign interpreters or large print, are requested to contact the City Secretary at (972) 919-2503 at least 72 hours prior to the meeting.

Certification

I certify that the above notice of this meeting was posted at least 72 hours prior to the scheduled meeting time, in accordance with the Open Meetings Act, on the bulletin board at City Hall.

Posted by: _____
City Secretary

Date posted: _____



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Staff Report

File Number: 19-364

Agenda Date: 8/6/2019

Status: Regular Agenda

In Control: City Council

File Type: Procedural Item

Agenda Number: B.1

Consider adopting a motion to place a proposal to consider adopting a maximum property tax rate of \$0.599507 on the City Council agenda of September 17, 2019; schedule two public hearings on the proposed maximum rate for August 20, 2019 and September 3, 2019; and take appropriate action.

BACKGROUND:

Truth-in-taxation laws require a number of public notices to inform taxpayers about local property taxes. The first notice is an individual notice to a property owner. If the appraised value of a property is greater than last year's value, the chief appraiser of the county sends a *Notice of Appraised Value* to inform a property owner of proposed property values and other necessary information. This notice includes an estimate of current year taxes based on the current year's proposed taxable value and the last year's tax rate.

The next notice is a *Notice of Proposed Property Tax Rate* and it must be published in a newspaper of general circulation or mailed to each property owner at least seven days prior to the date of the first scheduled public hearing. The content of the notice depends on whether or not a proposed property tax rate exceeds the lower of the effective or rollback tax rate as calculated under Chapter 26 of the Tax Code. The effective tax rate produces the same amount of operating revenue (adjusted for new construction and debt service changes) as the prior year. The rollback tax rate produces 8% greater operating revenue (adjusted for new construction and debt service changes) than the prior year. Adopting a tax rate greater than the rollback rate allows 7% of registered voters an opportunity to sign a petition that would require City Council to hold a rollback election to determine whether or not the adopted rate could go into effect.

Truth-in-Taxation laws and legislative guidelines require that when a proposed tax rate exceeds the lower of the effective or rollback rate, the taxing unit's governing body must take a record vote to place a proposal to adopt the rate on the agenda of a future meeting as an action item. [A taxing unit's governing body cannot vote to adopt a proposal to increase taxes by an unspecified amount.] If the motion passes, the governing body must schedule two public hearings on the proposal. The governing body may not adopt a tax rate at either of the two public hearings. The date of the first public hearing must provide for publication of the *Notice of Proposed Property Tax Rate* at least seven days before the hearing. The second public hearing may not be held earlier than the third day after the date of the first hearing. At each hearing, the governing body must announce the date, time and place of the meeting at which it will vote on the tax rate.

The governing body must follow a strict timetable once it holds these public hearings. The meeting to vote on the tax rate must take place no less than three days and no more than 14 days after the second public hearing.

DISCUSSION:

The 2019-20 proposed budget was submitted to the City Council on July 31, 2019 in accordance with the City Charter and is also available to the public for review on the City’s website and the Farmers Branch Manske Library. The proposed budget was developed maintaining the current tax rate of \$0.599507. Tonight’s motion proposes the maximum property tax rate the City will consider, but does not adopt any tax rate. The final adopted tax rate may be less, but not more, than the tax rate proposed tonight.

Dallas County is responsible for calculating and certifying the effective and rollback tax rates for the City. However, it is anticipated that proposing a maximum property tax rate of \$0.599507 will exceed the effective tax rate calculation and, therefore, the City should proceed in following Truth-in-Taxation guidelines given the strict timetable for compliance and the current City Council meeting schedule. The *Notice of Proposed Property Tax Rate* is anticipated to be published by August 12th in order to comply with Truth-in-Taxation legislation.

In anticipating that the proposed maximum tax rate will exceed the lower of the effective or rollback tax rate, the State Property Tax Code requires that the City Council first pass a motion to propose the maximum tax rate it will consider and set two public hearing dates. Public hearings to discuss the tax rate are proposed to take place on August 20, 2019 at 6:00 p.m. at City Hall and September 3, 2019 at 6:00 p.m. at City Hall during the regular City Council meeting. The City Council will adopt a tax rate at the regular City Council meeting on September 17, 2019 at 6:00 p.m.

FISCAL IMPACT:

1. Procedural Item - No Financial Impact

RECOMMENDATION:

City Administration recommends that the City Council adopt a motion placing a proposal to consider adopting a maximum property tax rate of \$0.599507 for the 2019-20 fiscal year on September 17, 2019 and set public hearings for August 20, 2019 and September 3, 2019 to discuss the proposed rate. The actual adopted rate may be lower than the proposed maximum, but may not exceed this amount. All meetings will be held at 6:00 p.m. at Farmers Branch City Hall Council Chambers located at 13000 William Dodson Parkway, Farmers Branch, Texas 75234.

POSSIBLE COUNCIL ACTION:

1. I motion to approve placing a proposal to consider adopting a maximum property tax rate of \$0.599507 on the City Council agenda for September 17, 2019 at 6:00 p.m. (Take record vote and proceed to “2” if passing the motion; otherwise, proceed to “3”.)
2. **IF THE MOTION PASSES:** I motion to schedule two public hearings on the proposed maximum tax rate of \$0.599507 for August 20, 2019 and September 3, 2019. Both hearings will be held at 6:00 p.m. at City Hall Council Chambers located at 13000 William Dodson Parkway, Farmers

Branch, Texas 75234.

3. I motion to **modify** this item to approve placing a proposal to consider adopting a maximum tax rate of \$0.____ on the City Council agenda for September 17, 2019 at 6:00 p.m. (Take record vote and proceed to “4” if passing the modified motion; otherwise, proceed to “5”.)

4. **IF THE MODIFIED MOTION PASSES:** I motion to schedule two public hearings on the proposed maximum tax rate of \$0.____ for August 20, 2019 and September 3, 2019. Both hearings will be held at 6:00 p.m. at City Hall Council Chambers located at 13000 William Dodson Parkway, Farmers Branch, Texas 75234.

5. Motion to table the issue for further discussion or take no action.