



Travis County Commissioners Court Agenda Request

Meeting Date: August 21, 2012

Prepared By/Phone Number: Yolanda Reyes, 854-9106

Elected/Appointed Official/Dept. Head: Leslie Browder, County Executive, Planning and Budget *JB*

Commissioners Court Sponsor: Judge Samuel T. Biscoe

AGENDA LANGUAGE: CONSIDER AND TAKE APPROPRIATE ACTION ON DRAFT NEWSPAPER ADVERTISEMENTS, INCLUDING:

A. PUBLIC HEARING AT THE NED GRANGER BUILDING, 314 WEST 11TH STREET, AUSTIN, TEXAS ON SEPTEMBER 25, 2012 REGARDING THE PROPOSED FISCAL YEAR 2013 TRAVIS COUNTY BUDGET;

B. NOTICE OF PUBLIC HEARINGS ON TAX INCREASE 700 LAVACA STREET, AUSTIN, TEXAS ON SEPTEMBER 11 AND 14, 2012; AND

C. NOTICE OF VOTE ON TAX RATE AT THE NED GRANGER BUILDING, 314 WEST 11TH STREET, AUSTIN, TEXAS ON SEPTEMBER 25, 2012.

BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS:

Please see attached documentation

STAFF RECOMMENDATIONS: Please see attached documentation.

ISSUES AND OPPORTUNITIES: Please see attached documentation.

FISCAL IMPACT AND SOURCE OF FUNDING: Please see attached documentation.

REQUIRED AUTHORIZATIONS:

Leslie Browder, Planning and Budget Office (512) 854-9106

Leroy Nellis, Planning and Budget Office, (512) 854-9106

Jessica Rio, Planning and Budget Office, (512) 854-9106

Cheryl Aker, County Judge's Office, (512) 854-9555

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials must be submitted as a pdf to Cheryl Aker in the County Judge's office, Cheryl.Aker@co.travis.tx.us by Tuesdays at 5:00 p.m. for the next week's meeting.



MEMORANDUM

TO: Commissioners Court

FROM: Leslie Browder, County Executive, Planning and Budget *LB*
Jessica Rio, Budget Director *J. Rio*

DATE: August 16, 2012

SUBJECT: Required Tax Rate Process
Review of Draft Public Notices

Truth-in-Taxation Requirements State law requires that local taxing jurisdictions make taxpayers aware of tax rate proposals. The Texas Constitution sets out the general requirements for truth-in-taxation and the Tax Code provides the specific requirements. A taxing unit must publish its effective and rollback tax rates before adopting an actual tax rate. Currently, the Travis County Tax Assessor-Collector coordinates publication of this advertisement for all local taxing entities. The advertisement ran in the Austin American Statesman on August 11th. A taxing unit must also publish special notices and hold two public hearings before adopting a tax rate that exceeds the lower of the rollback rate or the effective rate.

Tax Rate in Preliminary Budget The Commissioners Court provided policy direction in February 2012 that the tax rate used to develop the Fiscal Year 2013 Preliminary Budget be “at or near” the effective tax rate. The Court provided further policy guidance that a tax rate within 3% of the effective tax rate is considered “near” for purposes of developing the Preliminary Budget. The underlying rationale that drives this policy is based on the premise that modest growth in the tax rate over time is the best approach to respond to the increasing cost of delivering services. Revenue realized from the effective tax rate is often not sufficient to keep pace with rising costs. Consistent with this policy direction, the Preliminary Budget was filed on July 23rd, and reflected a tax rate of \$0.4979 per \$100 of taxable value, which was 2.99% above the effective tax rate. The tax rate was based on estimates provided by the Travis Central Appraisal District of what the tax roll was expected to be when certified. The Chief Appraiser has since certified the 2012 appraised values. The 2012 total value has changed slightly, and resulted in a proposed rate of \$0.5001 per \$100 of taxable value. This rate continues to be 2.99% above the effective tax rate.

Setting the Proposed Tax Rate, Public Notices and Public Hearings The vote to set the proposed tax rate that the Commissioners Court will be asked to consider during the budget mark-up process must occur by noon on Thursday, August 30th, which is the second day of the budget mark-up process. After proposing a tax rate increase and scheduling two public hearings, the governing body must notify the public of the dates, times and places for these hearings, and provide information about the proposed tax rate at least seven days before the public hearings. Public hearings are planned for 9:00 AM on Tuesday, September 11th and 9:00 AM on Friday, September 14th, at 700 Lavaca on the proposed tax rate. In addition, Travis County will hold a public hearing on the

proposed Fiscal Year 2013 budget on September 25th at 314 West 11th Street in the Granger Building, as recommended by the County Attorney's Office.

Estimated Annual Tax Bill Impact The following table depicts the impact on the annual tax bill in FY 2012 and FY 2013 for a Travis County resident owning an average-valued or a median-valued home. The taxable values shown in the table reflect the 20% homestead exemption that we provide to our qualifying residents. While we are required to show the average taxable homestead value of \$214,567 and average tax bill of \$1,073.05 in our public notices, we have also included information on median homestead values for your review.

	FY 2012	FY 2013	Difference
Average Appraised Value of All Homesteads	\$272,931	\$270,774	(\$2,157)
Taxable Value of Average Homestead	\$215,829	\$214,567	(\$1,262)
Tax Rate	\$0.4855	\$0.5001	\$0.0146
Tax Bill on Average Value of All Homesteads	\$1,047.85	\$1,073.05	\$25.20
Median Appraised Value of All Homesteads	\$204,559	\$200,794	(\$3,765)
Taxable Value of Median Homestead	\$162,417	\$159,756	(\$2,661)
Tax Rate	\$0.4855	\$0.5001	\$0.0146
Tax Bill on Median Value of All Homesteads	\$788.53	\$798.93	\$10.40

The average appraised homestead value has changed slightly from \$272,931 in 2012 to \$270,774 in 2013 based on information from the Travis Central Appraisal District. Applying the proposed tax rate, which is no more than 3% above the effective tax rate, the average of all Travis County homesteads will see a modest increase in the annual County tax bill of approximately \$25, which is an increase of \$2.10 per month. These figures reflect the taxable value required by law for the public notices. The Fiscal Year 2013 Preliminary Budget estimated that the average impact on the annual tax bill would be an increase of approximately \$20 prior to receiving the certified tax roll results.

Other Taxing Jurisdictions At this time, other taxing jurisdictions in Travis County have reported the following tax rates in the advertisement that was published on August 11th in the Austin American Statesman.

	Current Tax Rate	2013 Effective Tax Rate	2013 Rollback Tax Rate
Austin Community College	\$0.0948	\$0.0948	\$0.1023
Central Health	\$0.0789	\$0.078946	\$0.084987
City of Austin	\$0.4811	\$0.4832	\$0.5050

The City of Austin approved a proposed tax rate up to the rollback rate of \$0.5050 per \$100 of taxable value on August 15th. The City Manager's budget proposal recommended a slightly lower rate of \$0.5029. Central Health brought their proposed tax rate to the Commissioners Court for consideration on August 14th, and developed their 2013 budget proposal on the effective tax rate, which is slightly higher than the current tax rate.

DRAFT-Advertisement to run in the Austin Chronicle, September 6 edition. One-Quarter page in size.

PUBLIC HEARING on the Proposed FY 13 Travis County Budget

Public Notice is hereby given that the Travis County Commissioners Court will consider the Proposed County Budget and adopt the FY 13 County Budget on Tuesday, September 25, 2012 at 9:00 AM in the Commissioners Courtroom, Ned Granger Building, located at 314 W 11th Street, Austin, Texas 78701.

Any citizen is invited to be present and participate in this hearing.

The Proposed Budget will be on file for public review in the Travis County Clerk's Office on Friday, September 21, 2012.

This budget will raise more total property taxes than last year's budget by \$29,019,872 and 6.09% and of that amount \$17,752,263 is tax revenue to be raised from new property added to the tax roll this year.

Notice of Public Hearing on Tax Increase

Travis County property taxes are used to fund operations such as law enforcement, the jails, the courts and prosecutors, roads, parks, social services, juvenile justice, and emergency medical services.

The County of Travis will hold two public hearings on a proposal to increase total tax revenues from properties on the tax roll in the preceding year by 2.99 percent. Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.

The first public hearing will be held on **Tuesday, September 11, 2012 at 9:00 AM**, in the Commissioners Courtroom, on the first floor at **700 Lavaca Street, Austin, Texas**.

The second hearing will be held on **Friday, September 14, 2012 at 9:00 AM**, in the Commissioners Courtroom, on the first floor at **700 Lavaca Street, Austin, Texas**.

The members of the Travis County Commissioners Court voted as follows on the proposal to consider the tax increase:

County Judge Samuel T. Biscoe (**for/against**)
Commissioner Precinct One Ron Davis (**for/against**)
Commissioner Precinct Two Sarah Eckhardt (**for/against**)
Commissioner Precinct Three Karen Huber (**for/against**)
Commissioner Precinct Four Margaret J. Gómez (**for/against**)

The average taxable value of a residence homestead in Travis County last year was \$215,829 (disregarding residence homestead exemptions available only to disabled persons or persons 65 years of age or older). Based on last year's tax rate of \$.4855 per \$100 valuation, the amount of taxes imposed last year on the average home was \$1,047.85.

The average taxable value of a residence homestead in Travis County this year is \$214,567 (disregarding residence homestead exemptions available only to disabled persons or persons 65 years of age or older). If the governing body adopts the effective tax rate for this year of \$.4856 per \$100 of valuation, the amount of taxes imposed this year on the average home would be \$1,041.94.

If the governing body adopts the proposed tax rate of **\$.5001** per \$100 valuation, the amount of taxes imposed this year on the average home would be \$1,073.05.

You have a right to attend the hearings and make comments. Members of the public are encouraged to attend the hearings and make comments to express their views if you wish.

This ad needs to run in the Monday, September 3 edition of the Austin American Statesman. Headline must be 24 point font and needs to be ¼ page ad. Must not be in classified or legal notices section but be a regular display ad; prefer the Metro and State section. Also, this notice with the wording shown below must be placed on the County's web site by September 3 and must continue to appear on the web site until September 25. (Note: A link and explanation of how to get to the entire notice should appear on the home page). Further, a 60 second broadcast of this notice must also appear on TCTV 5 times each day between 7 AM and 9 PM starting on September 3 and running through September 25.

DRAFT - Notice of Tax Revenue Increase

The County of Travis conducted public hearings on **Tuesday, September 11, 2012 and Friday, September 14, 2012** in the Commissioners Courtroom **on the first floor at 700 Lavaca Street, Austin, Texas** on a proposal to increase the total tax revenues of the County of Travis from properties on the tax roll in the preceding year by 2.99 percent.

The total tax revenue proposed to be raised last year at last year's tax rate of \$.4855 for each \$100 of taxable value was \$476,649,424.

The total tax revenue proposed to be raised this year at the proposed tax rate of **\$.5001** for each \$100 of taxable value, excluding tax revenue to be raised from new property added to the tax roll this year, is \$487,917,033.

The total tax revenue proposed to be raised this year at the proposed tax rate of \$.5001 for each \$100 of taxable value, including tax revenue to be raised from new property added to the tax roll this year, is \$505,669,296.

The Travis County Commissioners Court is scheduled to vote on the tax rate that will result in that tax increase at a public meeting to be held on **Tuesday, September 25, 2012 on the first floor in the Ned Granger Building at 314 West 11th Street, Austin, Texas 78701 at 9:00 AM.**

This is a Quarter Page Ad on "Notice of Tax Revenue Increase". This ad needs to run twice in the *Austin American Statesman*. This ad should run on Wednesday, September 19 and a second time on Saturday, September 22. Note: Headline must be 24 point font. Also, this notice with the wording shown below must appear on the County's web site beginning on September 12 and must continue to appear on the web site until September 25. (Note: A link and explanation of how to get to the entire notice should appear on the home page). Further, a 60 second broadcast of this notice must also appear on TCTV 5 times each day between 7 AM and 9 PM starting on September 12 and running through September 25.