



Travis County Commissioners Court Agenda Request

Meeting Date: August 20, 2013

Prepared By/Phone Number: Diana Ramirez, (512)854-9694

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

Commissioners Court Sponsor: Judge Samuel T. Biscoe

AGENDA LANGUAGE: CONSIDER AND TAKE APPROPRIATE ACTION ON DRAFT NEWSPAPER ADVERTISEMENTS FOR THE FOLLOWING:

- A. NOTICE OF PUBLIC HEARING ON TAX INCREASE TO BE HELD ON SEPTEMBER 17, 2013, AND SEPTEMBER 20, 2013
- B. NOTICE OF VOTE ON TAX RATE TO BE HELD ON SEPTEMBER 24, 2013
- C. NOTICE OF PUBLIC HEARING ON THE PROPOSED COUNTY BUDGET FOR FISCAL YEAR 2014 TO BE HELD ON SEPTEMBER 24, 2013

BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS:

See attached memorandum.

STAFF RECOMMENDATIONS:

See attached memorandum.

ISSUES AND OPPORTUNITIES:

See attached memorandum.

FISCAL IMPACT AND SOURCE OF FUNDING:

See attached memorandum.

REQUIRED AUTHORIZATIONS:

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

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

County Attorney's Office (512)854-9513

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

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials should be submitted as a pdf to the County Judge's office, agenda@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 *JR*

DATE: August 15, 2013

SUBJECT: Required Tax Rate Process and 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 17th. 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 2013 that the tax rate used to develop the Fiscal Year 2014 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 submitted to the Commissioners Court on July 22nd, and reflected a tax rate of 49.46 cents per \$100 of taxable value. 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 2013 appraised values and while the 2013 total value has changed slightly, it did not result in a different effective tax rate or proposed 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, September 5th, 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 on the proposed tax rate are planned for 9 am on Tuesday, September 17th and 9 am on Friday, September 20th. In addition, Travis County will hold a public hearing on the proposed Fiscal Year 2014 budget on September 24th.

Estimated Annual Tax Bill Impact The following table depicts the impact on the annual tax bill in Fiscal Year 2013 and 2014 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 \$222,431 and average tax bill of \$1,100 in our public notices, we have included information on median homestead values for your review.

	FY 2013	FY 2014	Difference
Average Appraised Value of All Homesteads	\$270,774	\$282,909	\$12,135
Taxable Value of Average Homestead	\$214,567	\$222,431	\$7,864
Tax Rate	50.01 cents	49.46 cents	- 0.55 cents
Tax Bill on Average Value of All Homesteads	\$1,073.05	\$1,100.14	\$27.09
Median Appraised Value of All Homesteads	\$200,794	\$209,509	\$8,715
Taxable Value of Median Homestead	\$159,756	\$165,642	\$5,886
Tax Rate	50.01 cents	49.46 cents	- 0.55 cents
Tax Bill on Median Value of All Homesteads	\$798.93	819.27	\$20.34

The average taxable homestead value will increase from \$214,567 in 2013 to \$222,431 in Fiscal Year 2014 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 \$27, which is an increase of about \$2 per month. These figures reflect the taxable value required by law for the public notices. The increase in the annual tax bill on the median taxable value is approximately \$20, or about \$1.70 per month.

Other Taxing Jurisdictions At this time, other taxing jurisdictions in Travis County have provided preliminary estimates of tax rates for Fiscal Year 2014.

	Current Tax Rate	2014 Proposed Tax Rate	Difference
Austin Independent School District	\$1.242	\$1.242	-0-
Austin Community College	9.51 cents	9.49 cents	- 0.02 cents
Central Health	7.89 cents	12.89 cents	5.00 cents
City of Austin	50.29 cents	51.14 cents	0.85 cents
Travis County	50.01 cents	49.46 cents	- 0.55 cents

The City of Austin approved a maximum proposed tax rate of 51.14 cents per \$100 of taxable value on August 14th for consideration by the City Council during upcoming budget deliberations, consistent with the City Manager's budget proposal delivered on August 1st. This is slightly below the calculated rollback rate of 51.32 cents.

This ad needs to run in the Monday, September 2 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 2 and must continue to appear on the web site until September 24. (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 2 and running through September 24.

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 3.0 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 17, 2013 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 20, 2013 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 Bruce Todd (for/against)
Commissioner Precinct Three Gerald Daugherty (for/against)
Commissioner Precinct Four Margaret J. Gómez (for/against)

The average taxable value of a residence homestead in Travis County last year was \$214,567 (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 \$0.5001 per \$100 taxable value, the amount of taxes imposed last year on the average home was \$1,073.05.

The average taxable value of a residence homestead in Travis County this year is \$222,431 (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 \$0.4802 per \$100 of taxable value, the amount of taxes imposed this year on the average home would be \$1,068.11.

If the governing body adopts the proposed tax rate of \$0.4946 per \$100 taxable value, the amount of taxes imposed this year on the average home would be \$1,100.14.

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.

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 18 and a second time on Saturday, September 21. 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 11 and must continue to appear on the web site until September 24. (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 11 and running through September 24.

Notice of Tax Revenue Increase

The County of Travis conducted public hearings on Tuesday, September 17, 2013 and Friday, September 20, 2013 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 3.0 percent.

The total tax revenue proposed to be raised last year at last year's tax rate of \$0.5001 for each \$100 of taxable value was \$505,125,750.

The total tax revenue proposed to be raised this year at the proposed tax rate of \$0.4946 for each \$100 of taxable value, excluding tax revenue to be raised from new property added to the tax roll this year, is \$516,910,085.

The total tax revenue proposed to be raised this year at the proposed tax rate of \$0.4946 for each \$100 of taxable value, including tax revenue to be raised from new property added to the tax roll this year, is \$528,435,703.

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 24, 2013 in the Commissioners Courtroom on the first floor at 700 Lavaca Street, Austin, Texas 78701 at 9:00 AM.

**Advertisement to run in the Austin Chronicle,
September 5 edition. One-Quarter page in size.**

**PUBLIC HEARING
on the
Proposed Travis County
Budget,
Fiscal Year 2014**

Public Notice is hereby given that the Travis County Commissioners Court will consider the Proposed County Budget and adopt the FY 14 County Budget on Tuesday, September 24, 2013 at 9:00 AM in the Commissioners Courtroom, located on the first floor at 700 Lavaca Street, Austin, Texas 78701.

Any taxpayer 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 20, 2013.

This budget will raise more total property taxes than last year's budget by \$23,309,953 and 4.61% and of that amount \$11,525,619 is tax revenue to be raised from new property added to the tax roll this year.