



Travis County Commissioners Court Agenda Request

Meeting Date: September 24, 2013

Prepared By/Phone Number: Yolanda Reyes, (512)854-9106

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

A handwritten signature in black ink, appearing to be "LB", is written to the right of the text for the Elected/Appointed Official/Dept. Head.

Commissioners Court Sponsor: Judge Samuel T. Biscoe

AGENDA LANGUAGE: Consider and take appropriate action on order setting the Travis County tax rates for the year beginning January 1, 2013

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

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

David Salazar - 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: September 12, 2013
SUBJECT: Required Tax Rate Process, including 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 by the Commissioners Court to set the proposed tax rate that will be the subject of future public hearings occurred on September 4, 2013 during 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. This notice was published in the Austin American Statesman on Monday, September 9, 2013, and a copy of the notice is attached. 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 the tax impact 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 or Approved 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	12.90 cents	5.00 cents
City of Austin	50.29 cents	50.27 cents	- 0.02 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 and hearings, consistent with the City Manager's budget proposal delivered on August 1st. This was slightly below the calculated rollback rate of 51.32 cents. The City Council approved a lower tax rate of 50.27 cents as part of the budget adoption process on September 10, 2013. The annual tax impact on a median-value home in the City of Austin is an increase of \$34.

Attachment

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)
Commissioner Precinct One Ron Davis (for)
Commissioner Precinct Two Bruce Todd (for)
Commissioner Precinct Three Gerald Daugherty (against)
Commissioner Precinct Four Margaret J. Gómez (for)

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 of 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 of 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.

COMMISSIONERS COURT ORDER
MAKING TAX LEVIES FOR TRAVIS COUNTY, TEXAS
FOR THE TAX YEAR BEGINNING JANUARY 1, 2013

STATE OF TEXAS §
COUNTY OF TRAVIS §

It is necessary to levy Ad Valorem taxes on each \$100 valuation of all taxable property in Travis County for Travis County for the tax year beginning January 1, 2013, which will be due no later than January 31, 2014 at the following tax rates:

MAINTENANCE AND OPERATIONS

\$.4190 Total Maintenance and Operations Tax

DEBT SERVICE:

\$.0756 Total Debt Service Tax

I. On motion by: _____,

Seconded by: _____,

The following was adopted by the Commissioners Court on September 24, 2013:

It is moved that the property tax rate be increased by the adoption of a tax rate of \$.4190 for maintenance and operations, which is effectively a three and five tenths percent (3.5%) increase in the tax rate, and there is hereby levied for the current tax year an ad valorem tax of \$.4190 for each \$100 valuation of all taxable property for general operating purposes.

Voting in favor of the Motion:

Samuel T. Biscoe, County Judge

Ron Davis, Commissioner, Precinct 1

Bruce Todd, Commissioner, Precinct 2

Gerald Daugherty, Commissioner, Precinct 3

Margaret Gómez, Commissioner, Precinct 4

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY THREE AND FIVE TENTHS PERCENT (3.5%) AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$14.10.

II. On motion by: _____,
Seconded by: _____,

The following was adopted by the Commissioners Court on September 24, 2013:

There is hereby levied for the current tax year an ad valorem tax of \$.0756 for each \$100 valuation of all taxable property for debt service and to provide sinking funds and to pay interest on the outstanding debt issuances which include both bond issues and certificates of obligation.

Voting in favor of the motion:

Samuel T. Biscoe, County Judge

Ron Davis, Commissioner, Precinct 1

Bruce Todd, Commissioner, Precinct 2

Gerald Daugherty, Commissioner, Precinct 3

Margaret Gómez, Commissioner, Precinct 4

III. On motion by: _____,

Seconded by: _____,

The following was adopted by the Commissioners Court on September 24, 2013:

The two components of the County tax rate for the current year having been approved in this order, property taxes are increased by the adoption of a tax rate of \$.4190 for maintenance and operations and a tax rate of \$.0756 for debt service and there is hereby levied for the current tax year a total County ad valorem tax of \$.4946 for each \$100 valuation of all taxable property.

Voting in favor of the motion:

Samuel T. Biscoe, County Judge

Ron Davis, Commissioner, Precinct 1

Bruce Todd, Commissioner, Precinct 2

Gerald Daugherty, Commissioner, Precinct 3

Margaret Gómez, Commissioner, Precinct 4