



# City of San Antonio

## Agenda Memorandum

**File Number:** 14-2148

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**Agenda Item Number:** 4C.

**Agenda Date:** 9/18/2014

**In Control:** City Council A Session

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**DEPARTMENT:** Office of Management and Budget

**DEPARTMENT HEAD:** Maria Villagomez (OMB)

**COUNCIL DISTRICTS IMPACTED:** City Wide

### **SUBJECT:**

Adopting the Maintenance and Operations Tax Rates for FY 2015

### **SUMMARY:**

This item presents for City Council consideration an ordinance adopting the Ad Valorem City Property Tax Rate for Maintenance and Operation (M&O) for the City of San Antonio at 35.419 cents per \$100 of taxable valuation for the tax year beginning on January 1, 2014 and ending on December 31, 2014. In FY 2015 the City of San Antonio will not increase its property tax rate. The Estimated Property Tax Revenue for Maintenance & Operation for FY 2015 is \$268,477,764 or \$14,175,886 more than the FY 2014 Adopted Budget.

### **BACKGROUND INFORMATION:**

Property tax values are determined by the Bexar Appraisal District (BAD) in conformance with State law. FY 2015 total taxable value for the City of San Antonio is \$79.77 billion which is an increase in net taxable value of 4.6 billion or 6% more than the FY 2014 Adopted Budget. Included in this total is an increase of \$1.28 billion for new improvements and an increase of \$3.29 billion in existing valuations from the FY 2014 Adopted Budget.

No City Property Tax Rate increase is included in the City's FY 2015 Proposed Budget. The following table shows the components of the FY 2015 Proposed City Property Tax Rate.

<b>CITY PROPERTY TAX RATE (Per \$100 Valuation)</b>		
	<b>FY 2015 Adopted Budget (in cents)</b>	<b>FY 2015 Proposed Budget (in cents)</b>
Maintenance & Operation	35.419	35.419
Debt Service	21.150	21.150
<b>Total</b>	<b>56.569</b>	<b>56.569</b>

**ISSUE:**

The City’s FY 2015 Proposed Property Tax Rate of 56.569 cents per \$100 valuation remains consistent with City’s FY 2014 Adopted Property Tax Rate and contains no tax rate increase.

State property tax law requires taxing units to calculate the M&O portion of the tax rate to yield the same amount of operating revenue from year to year based on base valuations. This calculation of the M&O tax rate results in determination of the “*effective M&O tax rate.*” A Property Tax rate increase is not being recommended.

To meet the requirements of the program of General Fund services recommended in the Proposed Budget, the FY 2015 M&O tax rate is calculated at 35.419 cents per \$100 of taxable valuation which is equal to the FY 2014 adopted M&O tax rate.

**ALTERNATIVES:**

This item is required by City Charter.

**FISCAL IMPACT:**

The M&O tax rate for FY 2015 will generate \$268,477,764 or \$14,175,886 more in revenues for support of City government and is consistent with the tax rate recommended in the FY 2015 Proposed Budget.

**RECOMMENDATION:**

Staff recommends approval of this item.