



City of San Antonio

Agenda Memorandum

File Number:16-4816

Agenda Item Number: 4C.

Agenda Date: 9/15/2016

In Control: City Council A Session

DEPARTMENT: Office of Management and Budget

DEPARTMENT HEAD: John Woodruff

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

Adopting the Maintenance and Operations Tax Rates for FY 2017

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 34.677 cents per \$100 of taxable valuation for the tax year beginning on January 1, 2016 and ending on December 31, 2016. The estimated Property Tax Revenue for Maintenance & Operation for FY 2017 is \$317,504,778 or \$23,809,993 more than the FY 2016 Adopted Budget.

BACKGROUND INFORMATION:

Property tax values are determined by the Bexar Appraisal District (BAD) in conformance with State law. FY2017 total taxable value for the City of San Antonio is \$99.2 billion which is an increase in net taxable value of \$8.6 billion or 9.55% more than the FY 2016 Adopted Budget. Included in this total is an increase of \$1.8 billion for new improvements and an increase of \$6.8 billion in existing valuations from the FY 2016 Adopted Budget.

The following table shows the components of the FY 2017 Proposed City Property Tax Rate.

CITY PROPERTY TAX RATE (Per \$100 Valuation)		
	FY 2016 Adopted Budget (in cents)	FY 2017 Proposed Budget (in cents)

Maintenance & Operations	34.677	34.677
Debt Service	21.150	21.150
Total	55.827	55.827

ISSUE:

The City's FY 2017 Proposed Property Tax Rate of 55.827 cents per \$100 valuation represents a consistent rate when compared to the City's FY 2016 Adopted Property Tax Rate.

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."*

To meet the requirements of General Fund services recommended in the Proposed Budget, the FY 2017 M&O tax rate is calculated at 34.677 cents per \$100 of taxable valuation which represents no change for the City's M&O Property Tax Rate.

ALTERNATIVES:

This item is required by City Charter.

FISCAL IMPACT:

The M&O tax rate for FY 2017 will generate \$317,504,778 or \$23,809,993 more in revenues for support of City government and represents no change to the City M&O Property Tax Rate as compared to the City's Property Tax Rate in FY 2016.

RECOMMENDATION:

Staff recommends approval of this item.