



City of San Antonio

Agenda Memorandum

File Number: 19-6721

Agenda Item Number: 4D.

Agenda Date: 9/12/2019

In Control: City Council A Session

DEPARTMENT: Office of Management and Budget

DEPARTMENT HEAD: Justina Tate

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

Adopting the Debt Service Tax Rate for FY 2020

SUMMARY:

This item presents for City Council consideration an ordinance adopting the ad valorem City property tax rate to pay the principal and interest on the funded debt of the City of San Antonio at 21.150 cents per \$100 of taxable valuation for the tax year beginning on January 1, 2019 and ending on December 31, 2019. The estimated property tax revenue to pay outstanding debt of the City for FY 2020 is \$232,566,192 or \$11,849,755 more than the FY 2019 Budget.

BACKGROUND INFORMATION:

Property tax values are determined by the Bexar Appraisal District in conformance with State law. FY 2019 total taxable value for the City of San Antonio is \$121.1 billion which is an increase in net taxable value of \$6.4 billion, or 5.6% more than the FY 2019 taxable value. Included in this total are \$1.9 billion of new improvements and an increase of \$4.5 billion in existing valuation from the FY 2019 Budget.

The following table shows the components of the FY 2020 Proposed City Property Tax Rate.

CITY PROPERTY TAX RATE (Per \$100 Valuation)		
	FY 2019 Adopted Budget (in cents)	FY 2020 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 2020 Proposed Property Tax Rate of 55.827 cents per \$100 valuation represents no change when compared to the City's FY 2019 Adopted Property Tax Rate.

Calculation of the debt service portion of the property tax rate is dependent on the City's debt service requirements. The debt service rate for FY 2020 (also being Tax Year 2019) is calculated at 21.150 cents per \$100 of taxable valuation which is equal to the FY 2019 (also being Tax Year 2018) debt service tax rate and is consistent with the requirements of the City's Debt Management Plan.

ALTERNATIVES:

This item is required by City Charter.

FISCAL IMPACT:

The debt service tax rate for FY 2020 will generate \$232,566,192 in revenues for payment of debt and is consistent with the tax rate recommended in the City Manager's Proposed Budget. This amount is \$11,849,755 more than the FY 2019 Budget.

RECOMMENDATION:

Staff recommends approval of this item.