

**Bastrop, TX City Council
Special Meeting Agenda**
Bastrop City Hall City Council Chambers
1311 Chestnut Street
Bastrop, TX 78602
(512) 332-8800



August 7, 2018 at 6:30 P.M.

City of Bastrop City Council meetings are available to all persons regardless of disability. If you require special assistance, please contact the City Secretary at (512) 332-8800 or write 1311 Chestnut Street, 78602, or by calling through a T.D.D. (Telecommunication Device for the Deaf) to Relay Texas at 1-800-735-2989 at least 48 hours in advance of the meeting.

1. CALL TO ORDER

2. ITEM FOR INDIVIDUAL CONSIDERATION

- 2A. Consider action to approve Resolution No. R-2018-60 of the City Council of the City of Bastrop, Texas, to place a proposal to adopt a tax rate for Fiscal Year 2018-2019 (FY2019) on the agenda of a future meeting as an action item; scheduling two public hearings on the proposal; and providing an effective date.

3. ADJOURNMENT

I, the undersigned authority, do hereby certify that this Notice of Meeting as posted in accordance with the regulations of the Texas Open Meetings Act on the bulletin board located at the entrance to the City of Bastrop City Hall, a place of convenient and readily accessible to the general public, as well as to the City's website, www.cityofbastrop.org and said Notice was posted on the following date and time: Thursday, August 2, 2018 at 5:00 p.m. and remained posted for at least two hours after said meeting was convened.



Ann Franklin, City Secretary



STAFF REPORT

MEETING DATE: August 7, 2018

AGENDA ITEM: 2A

TITLE:

Consider action to approve Resolution No. R-2018-60 of the City Council of the City of Bastrop, Texas, to place a proposal to adopt a tax rate for Fiscal Year 2018-2019 (FY2019) on the agenda of a future meeting as an action item; scheduling two public hearings on the proposal; and providing an effective date.

STAFF REPRESENTATIVE:

Lynda Humble, City Manager

Tracy Waldron, Chief Financial Officer

BACKGROUND/HISTORY:

Truth-in-taxation is a concept embodied in the Texas Constitution and the Tax Code that requires local taxing units to make taxpayers aware of tax rate proposals. When a proposed tax rate exceeds the rollback rate or the effective rate, whichever is lower, the taxing unit's governing body must vote to place a proposal to adopt the rate on the agenda of a future meeting as an action item. This vote must be recorded. The proposal must specify the desired rate. A taxing unit cannot vote to adopt a proposal to increase taxes by an unspecified amount. If the motion passes, the governing body must schedule two public hearing on the proposal.

There are four principles to truth-in-taxation:

- Property owners have a right to know about increases in their properties' appraised value and to be notified of the estimated taxes that could result from the new value.
- A taxing unit must publish its effective and rollback tax rates before adopting an actual tax rate.
- A taxing unit must publish special notices and hold two public hearings before adopting a tax rate that exceeds the lower of the rollback rate or the effective tax rate.
- If a taxing unit adopts a rate that exceeds the rollback rate, voters may petition for an election to limit the rate to the rollback rate.

The effective rate is a calculated rate that would provide the taxing unit with about the same amount of revenue it received in the prior year on properties taxed in both years. If property values rise, the effective tax rate will go down and vice versa. The rollback rate provides the taxing unit with about the same amount of tax revenue if spent the previous year for day to day operations, plus an extra eight (8) percent increase for those operations, in addition to sufficient funds to pay debt service in the coming year.

POLICY EXPLANATION:

City staff is considering a tax rate up to \$0.5640 including an operations and maintenance (O&M) tax rate of \$0.3691 and a debt service (I&S) tax rate of \$0.1949 per \$100 in taxable value.

The effective tax rate, which shows the relation between prior year's revenue and the current year's value, has been calculated by City staff and certified by the Bastrop Central Appraisal District to be \$0.5534. The rollback rate, which is the maximum rate that can be applied and not be subject to a rollback petition, has been calculated by staff and certified by the Bastrop Central Appraisal District to be \$0.5809. These rates will be published in the local newspaper, the City's website, and the government access cable channel as required by State law.

TAX RATE					
Fiscal Year	Property Tax Rate	Effective Tax Rate	Effective Tax Rate M&O	Rollback Tax Rate	Debt Rate
2018-2019	0.5640	0.5534	0.3575	0.5809	0.1949
2017-2018	0.5640	0.5383	0.3643	0.5733	0.1997

The tax rate being considered by City staff is \$0.5640, which is more than the effective tax rate. When a proposed tax rate exceeds the rollback rate or the effective rate, whichever is lower, the taxing unit's governing body must vote to place a proposal to adopt the rate on the agenda of a future meeting as an action item. If the motion passes, the governing body must schedule two public hearings on the proposal. City staff proposes that these public hearings be held on Tuesday, August 28, 2018 and Tuesday, September 11, 2018 at 6:30pm. These public hearings will be held in the City Council Chambers, located in City Hall at 1311 Chestnut St. Bastrop, TX 78602.

FUNDING SOURCE:

N/A

RECOMMENDATION:

Consider action to approve Resolution No. R-2018-60 of the City Council of the City of Bastrop, Texas, to place a proposal to adopt a tax rate for Fiscal Year 2018-2019 (FY2019) on the agenda of a future meeting as an action item; scheduling two public hearings on the proposal; and providing an effective date.

ATTACHMENTS:

- Resolution R-2018-60
- Proposed Notice for publication in local newspaper

RESOLUTION NO. R-2018-60

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS, TO PLACE A PROPOSAL TO ADOPT A TAX RATE FOR FISCAL YEAR 2018-2019 (FY2019) ON THE AGENDA OF A FUTURE MEETING AS AN ACTION ITEM; SCHEDULING TWO PUBLIC HEARINGS ON THE PROPOSAL; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council deems it advisable to give notice of its intent to propose a tax rate for the City of Bastrop, Texas as hereinafter provided; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Resolution was passed was open to the public and public notice of the meeting was given, all as required by Chapter 551, Texas Government Code.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS:

SECTION 1: That the City Council of the City of Bastrop, Texas, does hereby order that two public hearings be scheduled in the future to consider a proposal to adopt a tax rate for Fiscal Year 2018-2019, and that notice of an effective tax rate and a rollback tax rate for the City for Fiscal Year 2018-2019 is hereby authorized to be published as required by law.

SECTION 2: That notices of public hearings on tax increases for the City of Bastrop, Texas for Fiscal Year 2018-2019 are hereby authorized to be published as required by law.

SECTION 3: That the City Secretary shall cause said notices to be published in a newspaper of general circulation in the area of said City, as required by Section 26.05(d), Texas Tax Code, for at least seven (7) days prior to the date of the two public hearings.

SECTION 4: That this resolution shall become effective immediately upon its passage.

DULY RESOLVED AND ADOPTED by the City Council of the City of Bastrop this 7th day of August, 2018.

CITY OF BASTROP, TEXAS

APPROVED:

Connie B. Schroeder, Mayor

ATTEST:

Ann Franklin, City Secretary

APPROVED AS TO FORM:

Alan Bojorquez, City Attorney

NOTICE OF 2018 TAX YEAR PROPOSED PROPERTY TAX RATE FOR CITY OF BASTROP

A tax rate of \$0.5640 per \$100 valuation has been proposed for adoption by the governing body of City of Bastrop. This rate exceeds the lower of the effective or rollback tax rate, and state law requires that two public hearings be held by the governing body before adopting the proposed tax rate.

The governing body of City of Bastrop proposes to use revenue attributable to the tax rate increase for the purpose of funding new positions and step increases for current employee's.

PROPOSED TAX RATE	\$0.5640 per \$100
PRECEDING YEAR'S TAX RATE	\$0.5640 per \$100
EFFECTIVE TAX RATE	\$0.5534 per \$100
ROLLBACK TAX RATE	\$0.5809 per \$100

The effective tax rate is the total tax rate needed to raise the same amount of property tax revenue for City of Bastrop from the same properties in both the 2017 tax year and the 2018 tax year.

The rollback tax rate is the highest tax rate that City of Bastrop may adopt before voters are entitled to petition for an election to limit the rate that may be approved to the rollback rate.

YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS
FOLLOWS:

$$\text{property tax amount} = (\text{rate}) \times (\text{taxable value of your property}) / 100$$

For assistance or detailed information about tax calculations, please contact:

Linda Harmon
Bastrop County Tax Assessor-Collector
211 Jackson St. Bastrop, TX 78602
512-581-7161
linda.harmon@co.bastrop.tx.us
www.co.bastrop.tx.us

You are urged to attend and express your views at the following public hearings on the proposed tax rate:

First Hearing: August 28, 2018 at 6:30 PM at 1311 Chestnut St. Bastrop, TX 78602.

Second Hearing: September 11, 2018 at 6:30 PM at 1311 Chestnut St. Bastrop, TX 78602.