



# City of Pflugerville

## Legislation Text

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**File #:** ORD-0325, **Version:** 3

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Discuss and consider action to approve an ordinance on first and final reading with the caption reading: TAX LEVY ORDINANCE OF THE CITY OF PFLUGERVILLE, TEXAS.

After the fiscal year 2017 budget is approved by the City Council, a tax rate must be approved. The proposed rollback rate of \$0.5399 per \$100 of valuation is the highest rate that can be adopted. The proposed rate is composed of \$0.1873 for debt service and \$0.3526 for maintenance and operations. The proposed maintenance and operations rate of \$0.3526 is 8% higher than the effective maintenance and operations rate of \$0.3265. The proposed tax rate of \$0.5399 will raise taxes for maintenance and operations on a \$100,000 home by approximately \$26.10 over the effective rate.

Texas Tax Code, Section 26.05(b), requires approval by 60% of the City Council (3 members) in order to adopt a tax rate that exceeds the effective rate. This change was adopted by the 84th Texas Legislature in 2015 and became effective on January 1, 2016.

A draft of the tax levy ordinance is attached to this agenda item. The City Attorney has reviewed this ordinance.

The first public hearing on the tax levy ordinance was held on September 13, 2016. The second public hearing on the tax levy ordinance was held on September 20, 2016.

### **Fiscal Impact**

The fiscal impact is outlined in the proposed budget document.

### **Staff Recommendation**

Approve the ordinance on first and final reading with motions shown below.

Legal Counsel advises that the rate be adopted in four separate motions, adopted individually, as follows:

1. "I move that the property tax rate be increased by the adoption of a tax rate of \$0.5399, which is effectively an 8% increase in the tax rate."
2. "I move to approve a debt service tax rate of \$0.1873 per \$100 of valuation for the 2016 tax year."
3. "I move to approve a maintenance and operations tax rate of \$0.3526 per \$100 of valuation for the 2016 tax year."
4. "I move to approve the tax ordinance as presented."

### **Deadline for City Council Action**

The adoption of a tax rate must take place tonight in order to have an adopted rate prior to the beginning of the fiscal year, October 1, 2016.

**Fiscal Impact**

The fiscal impact is outlined in the proposed budget document.

**Staff Recommendation**

Adopt a tax rate.

**Drafter**

Lauri Gillam

Assistant City Manager