

AGENDA STATEMENT

City of Bellaire

MEETING: City Council - Sep 19 2022

PREPARED BY: Todd Gross

DEPARTMENT: Finance

ITEM TITLE:

Consideration of and possible action regarding the taking of a record vote for the City of Bellaire, Texas, for the 2022 Tax Year by proposing a tax rate of \$0.4473 per \$100 valuation and authorizing the City Clerk and Chief Financial Officer to publish a "Notice of Public Hearing on Tax Increase" - Submitted by Terrence Beaman, Chief Financial Officer.

RECOMMENDATION:

Chief Financial Officer Terrence Beaman recommends Council take action as required.

BACKGROUND/SUMMARY:

The Texas statutes set out the general requirements for Truth-in-Taxation. The laws require specific steps and language in the process of adopting a tax rate. When a proposed rate exceeds the No-New Revenue Tax Rate or Voter-Approval Tax 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, and the proposal must specify the desired rate. If the motion passes, the taxing unit must schedule a public hearing on the proposal.

For the 2022 Tax Year, the No-New-Revenue Tax Rate is \$0.4304, the Voter-Approval Tax Rate is \$0.4554, and the proposed tax rate is \$0.4473 per \$100 valuation. The proposed tax rate remains unchanged from the current tax rate of 0.4473 per \$100, which is higher than the No-New-Revenue Tax Rate but is lower than the Voter-Approval Tax Rate for the 2022 Tax Year. The Voter-Approval Tax Rate is the maximum rate allowed without being subject to a rollback election. The proposed tax rate is higher than the No-New-Revenue Tax Rate by \$0.0109, or 3.93%.

In accordance with the planning calendar, which is based on the Truth-in-Taxation requirements, the meeting to conduct a public hearing and adopt the tax rate is scheduled for Monday, October 3, 2022, in the Council Chamber, First Floor of City Hall, 7008 South Rice Avenue, Bellaire, Texas.

PREVIOUS COUNCIL ACTION:

Acceptance of the 2022 Tax Roll and calculated No-New-Revenue Tax Rate and Voter-Approval Tax Rates.

FISCAL IMPACT:

Property Tax revenues are included in the Fiscal Year 2023 budget to be adopted on September 19, 2022.

CITY ATTORNEY REVIEW:

Yes No

NOTICE OF PUBLIC HEARING ON TAX INCREASE

A tax rate of \$0.4473 per \$100 valuation has been proposed by the governing body of City of Bellaire.

PROPOSED TAX RATE	\$0.4473 per \$100
NO-NEW-REVENUE TAX RATE	\$0.4304 per \$100
VOTER-APPROVAL TAX RATE	\$0.4554 per \$100

The no-new-revenue tax rate is the tax rate for the 2022 tax year that will raise the same amount of property tax revenue for City of Bellaire from the same properties in both the 2021 tax year and the 2022 tax year.

The voter-approval rate is the highest tax rate that City of Bellaire may adopt without holding an election to seek voter approval of the rate.

The proposed tax rate is greater than the no-new-revenue tax rate. This means that City of Bellaire is proposing to increase property taxes for the 2022 tax year.

A PUBLIC HEARING ON THE PROPOSED TAX RATE WILL BE HELD ON October 3, 2022 AT 06:00 PM AT 7008 S. Rice Avenue Bellaire Texas 77401.

The proposed tax rate is not greater than the voter-approval tax rate. As a result, City of Bellaire is not required to hold an election at which voters may accept or reject the proposed tax rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the City Council of City of Bellaire at their offices or by attending the public hearing mentioned above.

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

Property tax amount= (tax rate) x (taxable value of your property)/100

FOR the proposal:	Andrew Friedberg	Winfred Frazier
	Catherine Lewis	Ross Gordon
	Nathan Wesely	Brian Witt
	Jim Hotze	

AGAINST the proposal:

PRESENT and not voting:

ABSENT:

Visit Texas.gov/PropertyTaxes to find a link to your local property tax database on which you can

easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

The following table compares the taxes imposed on the average residence homestead by City of Bellaire last year to the taxes proposed to be imposed on the average residence homestead by City of Bellaire this year.

	2021	2022	Change
Total tax rate (per \$100 of value)	\$0.4473	\$0.4473	increase of 0.0000, or 0.00%
Average homestead taxable value	\$742,428	\$773,438	increase of 31,010, or 4.18%
Tax on average homestead	\$3,320.88	\$3,459.59	increase of 138.71, or 4.18%
Total tax levy on all properties	\$22,148,972	\$23,226,154	increase of 1,077,182, or 4.86%

For assistance with tax calculations, please contact the tax assessor for City of Bellaire at 7132748000 or tax.office@hctx.net, or visit www.hctax.net for more information.

City of Bellaire
Comparative Information on Tax Rate
FY 2023 Proposed Budget Calculation

	Proposed FY 2023 Budget	Certified Tax Rolls	Difference
HCAD Source Date Dated	4/30/2022	9/2/2022	
Application of Proposed Tax Rate:			
Estimate/Certified Taxable Value	5,138,167,772	5,192,522,631	54,354,859
Certified Collection Ratio	98.00	98.00	-
Basis for Revenue Projection	5,035,404,417	5,088,672,178	53,267,762
General Fund:			
Tax Rate/\$100 Value	0.3015	0.3036	
Property Tax Revenue	15,181,744	15,449,209	267,464
Debt Service Fund:			
Tax Rate/\$100 Value	0.1458	0.1437	(0.0021)
Property Tax Revenue	7,341,620	7,312,422	(29,198)
Total			
Tax Rate/\$100 Value	22,523,364	22,761,631	238,267
With adoption of the tax rate, property tax revenues based on the certified tax roll received 9/02/2022 are \$238,267 more than the proposed budget from July 18, 2022.			

Application of Voter-Approval Tax Rate:

	Proposed Rate	Voter-Approval Tax Rate	Difference
Proposed Tax Rate/Voter-Approval Tax Rate (VATR)	0.4473	0.4554	0.0081
Certified Taxable Value	5,192,522,631	5,192,522,631	-
Collection Ratio	98.00	98.00	-
Basis for Revenue Projection	5,088,672,178	5,088,672,178	-
General Fund:			
Tax Rate/\$100 Value	0.3036	0.3117	
Property Tax Revenue	15,449,209	15,861,391	412,182
Debt Service Fund:			
Tax Rate/\$100 Value	0.1437	0.1437	-
Property Tax Revenue	7,312,422	7,312,422	-
Total			
Tax Rate/\$100 Value	0.4473	0.4554	
Property Tax Revenue	22,761,631	23,173,813	412,182

If the City were to adopt the **Voter-Approval Tax Rate**, based on the certified tax roll received 9/02/2022, property tax revenues would be \$412,182 more than the rate proposed in the budget.

The adopted rate must equal the debt service rate published.