



**GARLAND**  

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**BUDGET & RESEARCH**

**2015-16 Proposed Budget  
Tax Rate Adjustment**

**City Council Work Session  
August 22, 2015**



# Tax Rate – FY 2015-16

## Tax Rates (Cents per \$100 Valuation)

Property Tax Rates	Proposed FY 2015-16		Property Tax Rate Categories	Proposed FY 2015-16
Proposed Tax Rate	70.4600	←	M&O Portion	39.40
Effective Tax Rate	66.5185		Debt Service Portion	31.06
Rollback Tax Rate	71.2316		<b>Total</b>	<b>70.46</b>

### Effective Tax Rate:

- ☀ A Tax Rate that would yield the same amount of revenue received in the prior fiscal year on real property plus the amount needed to pay tax-pledged long-term debts for the upcoming year.

### Rollback Tax Rate: *(Effective M&O Rate X 1.08) + (Debt Service Rate)*

$$(37.196 \times 1.08) + (31.06) = \mathbf{71.2316}$$

- ☀ Adopting a Tax Rate that exceeds the Rollback Tax Rate, voters may petition for an election on the tax increase.
- ☀ Difference between Rollback Rate and Proposed Rate is .7716 cents per \$100 of valuation (approximately \$850,000 in revenue).



# Tax Rate Adjustment

## Property Tax Rate Comparison

Property Tax Rate	Proposed (No Change)	Shift Debt Service Rate
M&O	39.40	40.17
Debt Service	31.06	30.29
<b>Total</b>	<b>70.46</b>	<b>70.46</b>

- Total Property Tax Rate and Effective Rate stay the same in both options.
- Rollback Rate will equal Proposed Rate if there is a shift from Debt Service.  
 $(37.196 \times 1.08) + (30.29) = 70.46$

## Street Funding Example

Street Debt Example	Proposed Budget (No Change)	Shift Debt Service Tax Rate to M&O
Street Debt (2016 CIP)	\$4.0 Million	\$3.2 Million
Additional Cash	0.0 Million	0.8 Million
<b>TOTAL</b>	<b>\$4.0 Million</b>	<b>\$4.0 Million</b>
2004 Bond Project Increase	\$9.6 Million	\$0.0 Million



# Tax Rate Adjustment Scenarios

Questions?