



AGENDA MEMO

7/2/2013 Agenda

TO: Honorable Mayor and City Council

FROM: Kent R. Austin, Director of Finance

SUBJECT: FY2014 budget calendar

BACKGROUND:

Texas statutes require that cities provide notice and hold public hearings before adopting an annual budget and property tax rate. The Texas Local Government Code (Section 102) requires that a budget hearing be held no sooner than 15 days after the proposed budget is filed with the municipal clerk. Using August 5 as the filing date, a hearing August 20 meets this requirement.

The Texas Tax Code (Section 26, Truth in Taxation) requires the calculation and publication of the effective tax rate (ETR), the rate at which last year's revenue would be raised on this year's tax base. If the proposed tax rate exceeds the ETR, two public hearings are required before the new rate can be adopted. A vote on the tax rate must then take place from 3-14 days after the second hearing.

Whether the FY2014 proposed budget will include an effective tax increase is unknown, but the below calendar assumes that two hearings are needed:

August 6 City Council receives budget, votes to hold hearing on tax rate 8/27

August 27 Public hearing on budget and tax rate (first)

Sept. 3 Public hearing on budget and tax rate (second)

Sept. 10 City Council votes on budget, tax rate, pay plan

RECOMMENDATION:

Review, modify as needed, and approve the FY2014 budget calendar.