



**AGENDA MEMO**  
8/20/2019 Agenda

**TO:** Honorable Mayor and City Council

**FROM:** Thomas W. Tvardzik, Director of Finance

**SUBJECT:** PUBLIC HEARING: on proposed Tax Year 2019 (FY2020) tax rate

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**BACKGROUND:**

The Texas Tax Code (Section 26, Truth-in-Taxation) requires the calculation and publication of the effective tax rate (ETR), a number intended to “enable the public to evaluate the relationship between taxes for the preceding year and for the current year, based on a tax rate that would produce the same amount of taxes if applied to the same properties taxed in both years” (*2012 Truth-in-Taxation Guide*, Texas State Comptroller). These rates are calculated by the city’s tax collector, the Dallas County Tax Office.

Texas statutes further require that cities provide notice and hold at least two public hearings before adopting an annual property tax rate that exceeds either the ETR or the “rollback tax rate” (RTR, which is ETR plus 8%).

The applicable tax rates for the 2019 tax year (FY2020) are as follows:

- 2019 ETR = 23.9488 cents per \$100 of taxable value
- 2019 RTR = 25.8647 cents per \$100 of taxable value
- 2018 University Park property tax rate = 24.5379 cents per \$100 of taxable value.

At its meeting of August 6, 2019, the City Council adopted a 2019 maximum proposed tax rate of 25.8623 cents per \$100 of taxable value. As this rate exceeds the ETR, public hearings must be held.

Accordingly, notice of the proposed maximum tax rate and hearing dates was placed in the August 9, 2019 edition of the Daily Commercial Record, which is a newspaper of general circulation within Dallas County. This is a departure from past procedure, as the Park Cities News informed city staff they would not be publishing during the month of August, necessitating the change.

As noted in the published item, the maximum proposed rate should be considered a “not-to-exceed” rate. City Council may adopt a final tax rate at or below (but not higher than) the rate in the notice.

**RECOMMENDATION:**

Hold the first public hearing on the proposed tax rate and invite public comments.

**ATTACHMENTS:**

- Notice of Proposed Tax Rate and Hearings