



CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** September 11, 2023
SUBJECT: Consider Ordinance No. 3813, adopting the tax rate for Tax Year 2023.
PRESENTER: Trudy J. Lewis, Budget Director

SUMMARY:

The City Council is requested to consider the adoption of an ordinance setting the tax rate for Tax Year 2023.

GENERAL DESCRIPTION:

The proposed Tax Year 2023 (Fiscal Year 2023-2024) property tax rate for the city of North Richland Hills is \$0.498155 per \$100 of valuation. This tax rate exceeds the No-New-Revenue Tax Rate of \$0.489389 but does not exceed the Voter-Approval Tax Rate of \$0.498348. The proposed tax rate is distributed into two components as follows:

- \$0.322349 for the purpose of maintenance and operations; and
- \$0.175806 for the purpose of tax supported debt principal and interest payments.

Adopting Ordinance No. 3813 as presented would set the tax rate for Tax Year 2023 at \$0.498155 per \$100 of valuation. If adopted, the tax rate will be decreased by \$0.049817 from the Tax Year 2022 tax rate of \$0.547972 per \$100 of valuation.

Council can adopt a rate lower than the proposed rate for Tax Year 2023, but not higher than the proposed rate.

State law requires specific language to be included in the ordinance adopting the tax rate if the ordinance sets a tax rate that will impose an amount of taxes for maintenance and operations that exceeds the taxes imposed for that purpose in the preceding year. If adopted, the \$0.498155 tax rate would impose more total property taxes for the purpose of maintenance and operations, which makes the additional language mandatory.

If Council chooses to adopt the proposed tax rate of \$0.498155 per \$100 of valuation, staff requests the following four motions be made, each followed by a Council vote:

1. "I move that the property tax rate for Maintenance and Operations be set at \$0.322349 per \$100 of valuation."



2. "I move that the property tax rate for Interest and Sinking be set at \$0.175806 per \$100 of valuation."
3. "I move to approve Ordinance No. 3813 adopting a total tax rate of \$0.498155 per \$100 of valuation for Tax Year 2023."
4. "I move that the property tax rate be increased by the adoption of a tax rate of \$0.498155, which is effectively a 4.9 percent increase in the tax rate."

RECOMMENDATION:

Vote to approve Ordinance No. 3813, setting the combined Tax Year 2023 tax rate.