

**Office of the City Manager**

City of Richland Hills, Texas

## Memorandum

**To:** Honorable Mayor Bill Agan and members of the Richland Hills City Council  
**From:** Curtis E. Hawk, City Manager  
**Date:** August 6, 2013  
**Subject:** Discuss tax rate for FY 2013-14 and consider setting a tax rate that will raise more revenue than in FY 2012-13, and schedule date for first public hearing on tax rate for FY 2013-14.

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### **City Council Action Requested:**

Discuss tax rate for FY 2013-14 and consider setting a tax rate that will raise more revenue than in FY 2012-13, and schedule date for first public hearing on tax rate for FY 2013-14.

### **Background Information:**

The Proposed FY 2013-14 Annual Budget submitted by the City Manager is supported by the same \$0.528094 tax rate as the current year. Although the property tax rate in the proposed budget is unchanged from the current year adopted rate, the same tax rate will produce an increase of \$80,719 in revenue. As a result State law requires the City to discuss the rate, and if the Council wants to consider adopting the same rate it must take a record vote and schedule the first public hearing on the tax rate.

The effective tax rate for FY 2013-14 is \$0.501648. Voting to consider setting a tax rate that will raise more revenue than in FY 2012-13 does not actually adopt the \$0.528094 tax rate in the proposed budget submitted to Council, but if Council does not take the action at this time it cannot later adopt the proposed rate. It must instead adopt the \$0.501648 effective rate. Should Council decide to vote to consider the higher rate at this time, following the record vote the first public hearing on the tax rate will be August 20, 2013. Following this public hearing, should Council decide to consider the same rate

Memo to Council, Discuss Tax Rate  
August 6, 2013 Council Meeting  
Page 2 of 2

it will be required to hold a second public hearing on September 3, 2013. Council at any time in the process can decide on a lower \$0.501648 rate, but it cannot decide to adopt the higher rate of \$0.528094 without the two public hearings.

**Board/Citizen Input:**

N/A

**Financial Impact:**

N/A

**Staff Contacts:**

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