

**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 20, 2013  
**Subject:** Second public hearing scheduled to consider setting a tax rate of \$0.528094 that will raise more revenue in FY 2013-14 than in FY 2012-13.

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

Consider Schedule of September 3, 2013 as the date for the second public hearing to adopt a tax rate of \$0.528094 for FY 2013-14, that will raise more revenue than in the current year.

### **Background Information:**

The City Manager's proposed budget for FY 2013-14 is supported by the same \$0.528094 tax rate as the current year. The proposed \$0.528094 property tax rate for the proposed budget exceeds the 2013 effective tax rate of \$0.501648 per \$100 of taxable value.

As set out in the 2013 Truth-In-Taxation Guidelines published by the Texas Comptroller, the Council cannot vote to approve a tax rate that will exceed the effective tax rate without first holding two separate public hearings on the proposal to increase total tax revenues. In order to comply with the Comptroller's guidelines City Council took a record vote at the August 6<sup>th</sup> meeting to consider adopting the same \$0.528094 tax rate in tax year 2013 and set the first public hearing on the tax rate for August 20, 2013 and the second public hearing for September 3, 2013.

The first public hearing to consider adopting the \$0.528094 tax rate was conducted as the previous item on tonight's agenda. Council can vote to adopt a tax rate equal to or

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less than the 2013 effective tax rate of \$0.501648 at any time, but Council cannot adopt a tax rate higher than the effective tax rate without holding the second public hearing.

**The action item now before Council will keep the second public hearing scheduled for September 3, 2013** and will preserve the option to consider a tax rate higher than the 2013 effective tax rate.

Council cannot adopt a tax rate higher than the effective tax rate at the same meeting as either public hearing. **The vote on whether or not to adopt the proposed \$0.528094 tax rate will be on September 17, 2013.**

**Board/Citizen Input:**

N/A

**Financial Impact:**

The proposed \$0.528094 tax rate for 2013 will produce \$80,719 more General Fund revenue than in the current year, or \$79,380 more in total revenue when both General Fund and General Debt Fund are considered.

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