

Memorandum

To: Honorable Mayor Agan and members of the Richland Hills City Council
From: Eric Strong, City Manager
Date: September 20, 2016
Subject: Ordinance No. 1320-16-15 setting the 2016 ad valorem Tax Rate at \$0.595633

Council Action Requested:

Approve Ordinance No. 1320-16 setting the 2016 ad valorem Tax Rate at \$0.595633.

Background Information:

This ordinance establishes the property tax rate for Fiscal Year 2015-16 at **\$0.595633** per \$100 valuation.

The **\$0.595633** tax rate is divided into the Maintenance and Operations Rate (the M & O rate) and the Debt Service Rate, that portion of the rate necessary to pay the interest and provide a sinking fund for the payment of each issue of bonds issued for various City purposes (the I & S rate). The total M & O portion of the tax rate is **\$0.471433**. The debt service portion of the rate is **\$0.1242**.

Board/Citizen Input:

City Council approved to consider adopting the effective tax rate at a meeting on August 16, 2016.

Financial Considerations:

N/A

Attachments:

Ordinance No. 1320-16

Staff Contact:

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ORDINANCE 1320-16

AN ORDINANCE FIXING AND LEVYING CITY AD VALOREM TAXES FOR THE CITY OF RICHLAND HILLS, TEXAS FOR THE YEAR 2016, AND DIRECTING THE ASSESSMENT AND COLLECTION THEREOF; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

Whereas, the City of Richland Hills, Texas (the "City") is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5, of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, the City Council finds that a tax for the year 2016, hereinafter levied for current expenses of the City and the general improvement of the City and its property must be levied to provide the revenue requirements of the budget for the ensuing year; and

Whereas, the City Council further finds that taxes for the year 2016, hereinafter levied are necessary to pay interest and to provide the required sinking fund on outstanding bonds of the City issued for City purposes; and

Whereas, the tax rate proposed by the City Council is the effective tax rate for the year 2016;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RICHLAND HILLS, TEXAS:

Section 1. For the current expenses of the City and for the general improvement of the City and its property, there is hereby levied and ordered to be assessed and collected for the year 2016 on all property situated within the limits of Richland Hills, and not exempt from taxation by valid laws, an Ad Valorem tax at the rate of **\$.471433** per \$100 of the assessed valuation of such property.

Section 2. For the purpose of paying interest and providing a sinking fund for the payment of each issue of bonds issued for various City purposes, including the various installments of principle falling due during the ensuing year on bonds issued for such purposes, and for the purpose of paying interest and making provision for the sinking fund on such other bonds as may be issued for various City purposes during the ensuing year, there is hereby levied and ordered to be assessed and collected for the year 2016 on all property situated within the limits of Richland Hills, and not exempt from taxation by valid laws, an Ad Valorem tax at the rate of **\$ 0.1242** per \$100.00 of the assessed valuation of such property.

Section 3. **THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 3.60% AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$16.40.**

Section 4. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable,

and if any section, paragraph, sentence, clause, or phrase of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining sections, paragraphs, sentences, clauses, and phrases of this Ordinance, since the same would have been enacted by the City Council without the incorporation in this Ordinance of any such unconstitutional section, paragraph, sentence, clause or phrase.

Section 6. This Ordinance shall be in full force and effect from and after its passage and publication as required by law, and it is so ordained.

PASSED AND APPROVED on this _____ day of _____, 2016.

Mayor Bill Agan

ATTEST: _____
City Secretary Cathy Bourg