



**AIR-22-365
AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF PEARLAND, TEXAS**

AGENDA OF:	City Council Regular Meeting- Aug 08 2022		
DATE SUBMITTED:	Jul 20 2022	DEPT. OF ORIGIN:	Finance Department
PREPARED BY:	Amy Johnson		

SUBJECT:	Consideration and Possible Action - Resolution No. R2022-179 - A Resolution of the City Council of the City of Pearland, Texas, proposing a tax rate not to exceed 0.628765, which represents a property tax revenue increase of 15.79% above the No New Revenue Tax Rate, and placing on the agendas of September 12, 2022 and September 26, 2022 regular City Council meetings, consideration of the proposed fiscal year 2022-2023 tax rate and setting a public hearing on the tax rate for August 29, 2022 at 6:30 pm.
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ATTACHMENTS:	179-Tax Rate.179
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FUNDING:	<input type="checkbox"/> Grant	<input type="checkbox"/> Developer/Other	<input type="checkbox"/> Cash
	<input type="checkbox"/> G.O. Bonds To Be Sold	<input type="checkbox"/> G.O. Bonds - Sold	<input type="checkbox"/> Rev. Bonds to Be Sold
	<input type="checkbox"/> Rev. Bonds - Sold	<input type="checkbox"/> C.O.'s To Be Sold	<input type="checkbox"/> C.O.'s - Sold

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EXECUTIVE SUMMARY

BACKGROUND

For the purposes of the required publications before the budget review begins, the "proposed" tax rate is \$0.628765 per \$100 valuation; \$0.343765 for the debt service component of the tax rate and \$0.285000 for the operating component of the tax rate. The proposed tax rate is a \$0.072651 cent decrease from the current tax rate for FY 22 of \$0.701416. The proposed tax rate generates \$44,245,343 for debt service to meet the City's obligations. The proposed tax rate generates \$36,681,811 in property tax revenue for the General Fund operations and maintenance. The City Council will hold its first budget workshop for the 2022-2023 budget on Saturday, August 13, 2022.

The "proposed tax rate" cited above is a legally required term for a tax ceiling which City Council cannot exceed once advertised. City Council can reduce the rate from this amount. Legal requirements are that we publish the rates within certain timelines (see below), and staff structured the tax rates to provide City Council with the flexibility to discuss and propose funding for a variety of strategic initiatives as they see fit. The notice will be run in the August 17th issue of the Reporter News as well as put on the City's web-site at www.pearlandtx.gov and televised on the Pearland Municipal Channel.

Truth-in-Taxation Publication Requirements

The Tax Rate Public Hearing is mandated for all entities exceeding either the No New Revenue Tax Rate or the Voter Approval Tax Rate (whichever is lower). Because the City is proposing a tax rate that exceeds the No New Revenue Tax Rate but is below the Voter Approval Tax Rate, a public hearing is required to be held before considering the adoption of the tax rate. The first reading of the tax rate ordinance will be on September 12, 2022 and the second reading will be on September 26, 2022.

Voter Approval Tax Rate

The Voter Approval Tax Rate is a calculated maximum rate allowed by law without voter approval. The rate is sum of three components: the no-new-revenue maintenance & operations rate, the debt service rate, and any unused increments from the prior three years. The no-new-revenue maintenance & operations rate has a revenue increase cap at 3.5%.

Truth-in-Taxation Election to Repeal Increase

If a governing body adopts a tax rate that exceeds the Voter Approval Tax Rate of \$0.633611, an election will automatically be held to determine whether or not the voters are in favor of the rate adopted by the governing body. The proposed tax rate of \$0.628765 is below the Voter Approval Tax Rate, thus if Council chooses to move ahead with the proposed tax rate, the requirements in this section are not applicable.

Calendar Items

August 5, 2022 - Proposed Budget filed

August 13, 2022 - Budget Discussion #1 (Workshop)

August 17, 2022 - Advertisement of Proposed Tax Rate

August 22, 2022 - Budget Discussion #2

August 29, 2022 - Public Hearing on Budget/Public Hearing on Proposed Tax Rate/Budget Discussion #3

September 6, 2022 - Tentative Meeting on Budget/Tax Rate if needed

September 12, 2022 - First Reading on Budget/First Reading of Tax Rate Ordinance

September 26, 2022 - Second/Final Reading on Budget/Budget Adoption/Second Reading of Tax Rate Ordinance

SCOPE OF CONTRACT/AGREEMENT

BID AND AWARD

SCHEDULE

POLICY/GOAL CONSIDERATION

CURRENT AND FUTURE CIP FUNDING/FINANCIAL IMPACTS/DEBT SERVICE

O&M IMPACT INFORMATION

Recommended Action

Consideration and approval of the Resolution of the City Council of the City of Pearland, Texas, voting on a proposed tax rate not to exceed \$0.628765, and placing on the agendas of September 12, 2022 and September 26, 2022 City Council meetings, consideration of the proposed fiscal year 2022-2023 tax rate and setting the public hearing on the proposed tax rate on August 29, 2022.

RESOLUTION NO. R2022-179

A Resolution of the City Council of the City of Pearland, Texas, proposing a tax rate not to exceed 0.628765, which represents a property tax revenue increase of 15.79% above the No New Revenue Tax Rate, and placing on the agendas of September 12, 2022 and September 26, 2022 regular City Council meetings, consideration of the proposed fiscal year 2022-2023 tax rate and setting a public hearing on the tax rate for August 29, 2022 at 6:30 pm.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:

Section 1. That the regular City Council meetings of September 12, 2022 and September 26, 2022, shall include consideration of the proposed fiscal year 2022-2023 tax rate not to exceed \$0.628765 per \$100 valuation, which represents a property tax revenue increase of 15.79% above the No New Revenue Tax Rate.

Section 2. That the meetings to consider the proposed fiscal year 2022-2023 tax rate will be conducted at 6:30 PM in the City Council Chambers at 3519 Liberty Drive, Pearland, TX 77581.

Section 3. That the August 29, 2022 public hearing to consider the 2022-2023 Tax Rate will be conducted at 6:30 PM in the City Council Chambers at 3519 Liberty Drive, Pearland, TX 77581.

PASSED, APPROVED and ADOPTED this the 8th day of August, A.D., 2022.

J. KEVIN COLE
MAYOR

ATTEST:

FRANCES AGUILAR, TRMC, MMC
CITY SECRETARY

APPROVED AS TO FORM:

DARRIN M. COKER
CITY ATTORNEY