

Memorandum



CITY OF DALLAS

DATE August 18, 2023

TO Honorable Mayor and Members of the City Council

SUBJECT **August 23, 2023 Upcoming Agenda Item #3 – 23-1977 Authorize a Public Hearing on the Proposed Tax Rate**

On August 23, 2023, City Council is asked to authorize a public hearing to be held on Wednesday, September 20, 2023, on the proposed tax rate of \$0.7393 per \$100 valuation. Additionally, this item authorizes consideration of the proposed tax rate of \$0.7393 per \$100 valuation or lower that may be proposed by City Council on September 20, 2023. This action establishes the maximum tax rate that may be considered for FY 2023-24. The City Council may propose a lower rate on September 20, 2023.

The City Manager's Recommended FY 2023-24 budget as discussed on August 8, 2023, includes a tax rate of \$0.7393/\$100. The proposed rate reflects a reduction of \$0.0065/\$100.

A public hearing is required this year since the proposed tax rate is lower than the voter-approval tax rate but higher than the no-new-revenue tax rate. The notice of the public hearing provides information about the no-new-revenue and voter-approval tax rates reflected below.

Notice of Tax Rates

Proposed tax rate: \$0.7393/\$100

No-New-Revenue tax rate: \$0.6813/\$100

Voter-Approval tax rate: \$0.7028/\$100

Unused Increment rate: \$0.0454/\$100

Voter-Approval tax rate adjusted for unused increment rate: \$0.7482/\$100

The voter-approval tax rate reflects an adjustment for unused increment rate. The unused increment rate is the rate equal to the difference between the adopted tax rate and the voter-approval rate in tax year 2021 (FY 2021-22). A taxing unit may adjust the voter-approval tax rate higher with the unused increment rate without triggering an election. The City Manager's recommended FY 2023-24 budget uses unused increment.

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To set a tax rate above the FY 2023-24 calculated No-New-Revenue tax rate of \$0.6813 per \$100 valuation, State law requires the following:

- Specify a proposed tax rate; take a record vote, and schedule a public hearing (August 23, 2023);
- Publish “Notice of 2023 Tax Year Proposed Tax Rate” at least seven days before the public hearing (September 9, 2023);
- Publish the notice in the newspaper and prominently on the City’s internet website; and
- Hold a public hearing; and the meeting to adopt the tax rate (September 20, 2023).

The Notice of Public Hearing will include the date and time of the public hearing and the results of the vote to consider the proposed tax rate of \$0.7393 per \$100 valuation (the results of this agenda item).

Please contact me or Janette Weedon, Director of Budget and Management Services, if you have any questions.



Jack Ireland
Chief Financial Officer

T.C. Broadnax, City Manager
Tammy Palomino, Interim City Attorney
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizzor Tolbert, Deputy City Manager
Jon Fortune, Deputy City Manager

Majed A. Al-Ghafry, Assistant City Manager
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Dr. Robert Perez, Assistant City Manager
Carl Simpson, Assistant City Manager
Genesis D. Gavino, Chief of Staff to the City Manager
Directors and Assistant Directors