Public Hearing – Tax Rate

August 23, 2016

Tax Rate Discussion

Proposed Tax Rate	$0.4474	Per $100 valuation
Preceding Year's Tax Rate	$0.4454	Per $100 valuation
Effective Tax Rate	$0.4407	Per $100 valuation
Rollback Tax Rate	$0.4686	Per $100 valuation

The effective rate is the total tax rate needed to raise the same amount of property tax revenue for the City from the same properties that were on the tax roll in the previous year.

The rollback rate is the highest tax rate that the City may adopt before voters are entitled to petition for an election to limit the rate that may be approved to the rollback rate.

If Council proposes a rate above the lower of the effective or rollback rate, a record vote is required and public hearings must be scheduled.

Tax Rate Discussion

- Tax Rate is made up of two components:
  - M&O Rate – For maintenance and operations which goes into the General Fund.
  - I&S Rate - For Interest and Sinking which goes into the Debt Service Fund.

	Total	M&O	I&S	Effect on Avg Home Value* From proposed	Effect on Budget from proposed
Effective Rate	$0.4407	$0.2586	$0.1821	-$ 14.56	-$ 116,183
Current Rate	$0.4454	$0.2681	$0.1773	-$ 4.34	-$ 34,681
Proposed Rate	$0.4474	$0.2653	$0.1821	$ 0.00	$ 0
Current M&O	$0.4502	$0.2681	$0.1821	+$ 6.09	$ 48,554
Rollback Rate	$0.4686	$0.2865	$0.1821	+$46.08	+$367,623

Tax Rate Discussion

Two public hearings are required if proposed tax rate will exceed the rollback rate or the effective tax rate (whichever is lower).

Proposed Rate $0.4474

- 1.52% over effective rate

Effective Rate Calculation (p. 169-173)

Adjusted 2015 taxes (less freeze amounts)	7,263,548
Divided by 2016 adjusted taxable value (less value of new improvements and tax ceilings)	1,648,159,822
Multiply by $100	$0.4407

Tax Rate Discussion

- Rollback Rate Calculation

Adjusted 2015 M&O taxes (less freeze amounts)	4,372,336
Divided by 2016 adjusted taxable value (less value of new improvements and tax ceilings)	1,648,159,822
Multiply by $100 valuation (This is the effective M&O rate)	$0.2653
Multiply by 1.08	$0.2865
Add calculated debt rate	$0.1821
Rollback tax rate	$0.4686

Tax Rate Discussion

Tax revenue increase calculated	$428,311	5.84%
Tax revenue increase in debt service fund (voter approved debt issued in 2016)	$239,927	8.22%
Tax revenue increase in general fund for maintenance and operations	$188,383	4.27%
Tax revenue increase from new property on the tax roll	$384,375	5.24%

Effect on Tax Revenue

	Rate/$100 Valuation	2015	2016	Difference from prior year	Difference over effective rate	% over effective rate
Taxable Value (adjusted for court ordered reductions)		$1,643,055,848	$1,734,072,894			
Total Effect on Property Tax Revenue						
2015 Tax Rate	0.4454	$7,329,932				
2016 Effective Rate	0.4407		$7,642,059	$312,128		
2016 Proposed Tax Rate	0.4474		$7,758,242	$428,310	$116,183	1.52%
Total Effect on Maintenance and Operations						
2015 M&O Tax Rate	0.2681	$4,412,112				
2016 Effective M&O Rate	0.2653		$4,600,495	$188,383		
2016 Proposed M&O Tax Rate	0.2653		$4,600,495	$188,383	$0	0.00%
Total Effect on Interest & Sinking (Debt Service)						
2015 I&S Tax Rate	0.1773	$2,917,820				
2016 I&S Tax Rate at Effective Rate	0.1754		$3,041,564	$123,744		
2016 Proposed I&S Tax Rate	0.1821		$3,157,747	$239,927	$116,183	3.82%

Effect on $100k home

	Rate/$100 Valuation	2015	2016	Difference from prior year	Difference over effective rate	% over effective rate
Taxable Home Value		$100,000	$100,000			
Total Effect on Property Tax Revenue						
2015 Tax Rate	0.4454	$445.40				
2016 Effective Rate	0.4407		$440.70	($4.70)		
2016 Proposed Tax Rate	0.4474		$447.40	$2.00	$6.70	1.52%
Total Effect on Maintenance and Operations						
2015 M&O Tax Rate	0.2681	$274.50				
2016 Effective M&O Rate	0.2653		$265.30	($2.80)		
2016 Proposed M&O Tax Rate	0.2653		$265.30	($2.80)	$0.00	0.00%
Total Effect on Interest & Sinking (Debt Service)						
2015 I&S Tax Rate	0.1773	$170.90				
2016 I&S Tax Rate at Effective Rate	0.1754		$175.40	($1.90)		
2016 Proposed I&S Tax Rate	0.1821		$182.10	$4.80	$6.70	3.82%

Effect on average home

	Rate/$100 Valuation	2015	2016	Difference from prior year	Difference over effective rate	% over effective rate
Average Taxable Homestead Value		$203,754	$217,347	$13,593 (+6.7%)		
Total Effect on Property Tax Revenue						
2015 Tax Rate	0.4454	$907.52				
2016 Effective Rate	0.4407		$957.85	$50.33		
2016 Proposed Tax Rate	0.4474		$972.41	$64.89	$14.56	1.52%
Total Effect on Maintenance and Operations						
2015 M&O Tax Rate	0.2681	$546.26				
2016 Effective M&O Rate	0.2653		$576.62	$30.36		
2016 Proposed M&O Tax Rate	0.2653		$576.62	$30.36	$0.00	0.00%
Total Effect on Interest & Sinking (Debt Service)						
2015 I&S Tax Rate	0.1773	$361.26				
2016 I&S Tax Rate at Effective Rate	0.1754		$381.23	$19.97		
2016 Proposed I&S Tax Rate	0.1821		$395.79	$34.53	$14.56	3.82%

Another Way to Look at it:

Increasing home values

	Value	Rate/$100	Tax
Taxes on 2015 Average home value at current rate	$203,754	$0.4454	$907.52
Taxes on 2015 average home value at proposed rate	$203,754	$0.4474	$ 911.60
Difference related to rate			$ 4.08
Taxes on 2016 average home value at proposed rate	$217,347	$0.4474	$972.41
Difference related to increase in value			$ 60.81

Tax Rate History

Required Public Notice under LGC 140.010

- SB 1760
  - Amended LGC 140.010(e) and Tax Code 26.06(d) to add new language effective 1/1/16.
  - Amended LGC 140.010(f) for the publication deadline to the later of September 1st or the 30th day after receiving the certified appraisal roll.
  - Amended Tax Code 26.05(b) to require a 60% vote of the governing body to set a tax rate that exceeds the effective tax rate.

NOTICE OF 2016 TAX YEAR PROPOSED PROPERTY TAX RATE FOR CITY OF CIBOLO

A tax rate of $0.4474 per $100 valuation has been proposed for adoption by the governing body of City of Cibolo. This rate exceeds the lower of the effective or rollback tax rate, and state law requires that two public hearings be held by the governing body before adopting the proposed tax rate.

The governing body of City of Cibolo proposes to use revenue attributable to the tax rate increase for the purpose of repayment of voter authorized bonded debt approved by the voters in the November 2015 bond election and issued in 2016 for Borgfeld Road improvements.

PROPOSED TAX RATE	$0.4474 per $100
PRECEDING YEAR'S TAX RATE	$0.4454 per $100
EFFECTIVE TAX RATE	$0.4407 per $100
ROLLBACK TAX RATE	$0.4686 per $100

The effective tax rate is the total tax rate needed to raise the same amount of property tax revenue for City of Cibolo from the same properties in both the 2015 tax year and the 2016 tax year.

The rollback tax rate is the highest tax rate that City of Cibolo may adopt before voters are entitled to petition for an election to limit the rate that may be approved to the rollback rate.

YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS FOLLOWS:

property tax amount= (rate) x (taxable value of your property)/100

For assistance or detailed information about tax calculations, please contact:

Tavie Murphy
Tax Assessor/Collector
307 West Court, Seguin, Texas 78155
830 303-8850
tavie@co.guadalupe.tx.us
www.co.guadalupe.tx.us

You are urged to attend and express your views at the following public hearings on the proposed tax rate:

First Hearing: August 23, 2016 at 06:30 PM at Cibolo City Hall, 200 South Main St., Cibolo, Texas.

Second Hearing: September 6, 2016 at 06:30 PM at Cibolo City Hall, 200 South Main St., Cibolo, Texas.

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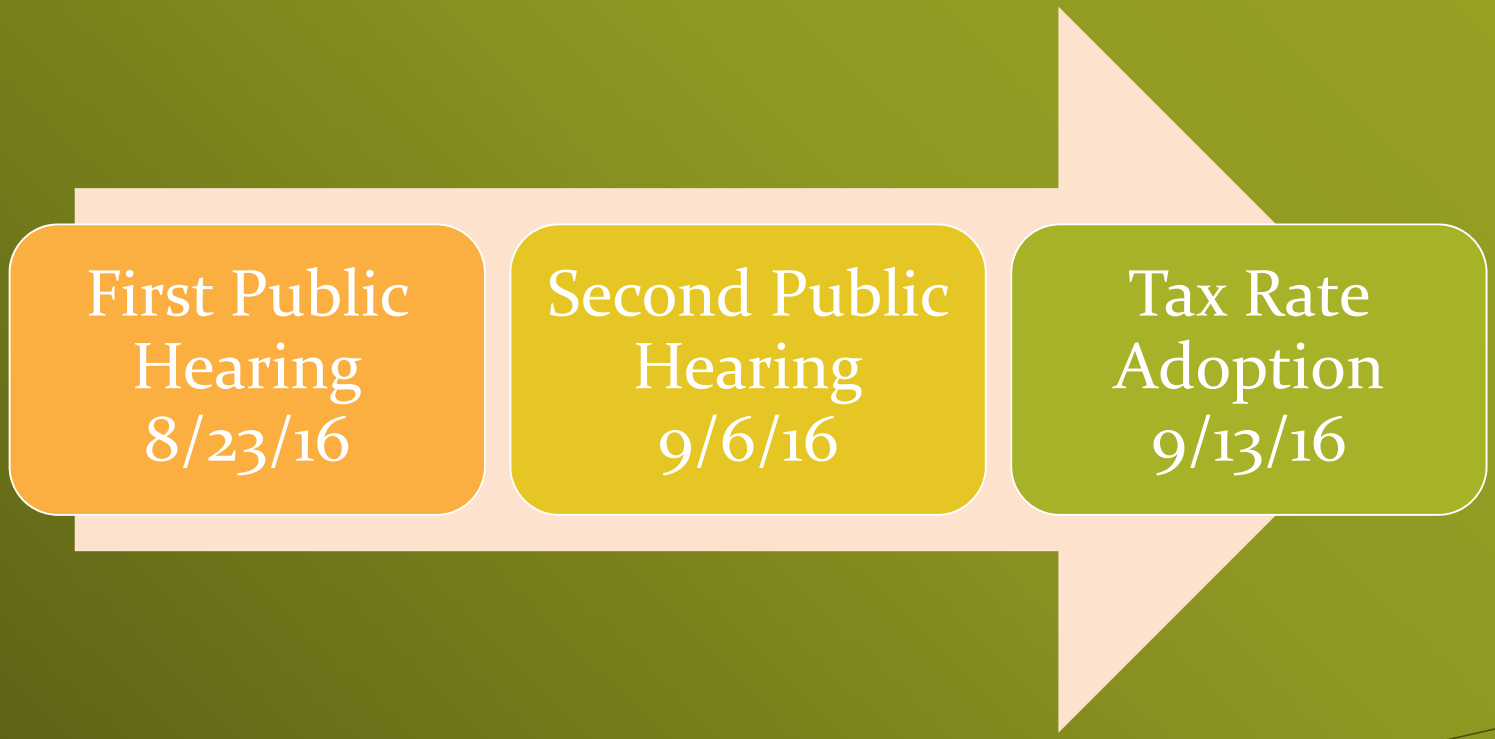

Tax Rate Adoption
scheduled September 13, 2016

- Required language under Property Tax Code §26.05(b)
  - Motion to adopt the tax rate must be in the following form:
    - I move that the property tax rate be increased by the adoption of a tax rate of $0.4474, which is effectively a 1.52 percent increase in the tax rate.
    - Must be a record vote.
  - Tax rate ordinance / home page of city website post-adoption (in larger type than the rest of the document)
    - THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

Questions?