

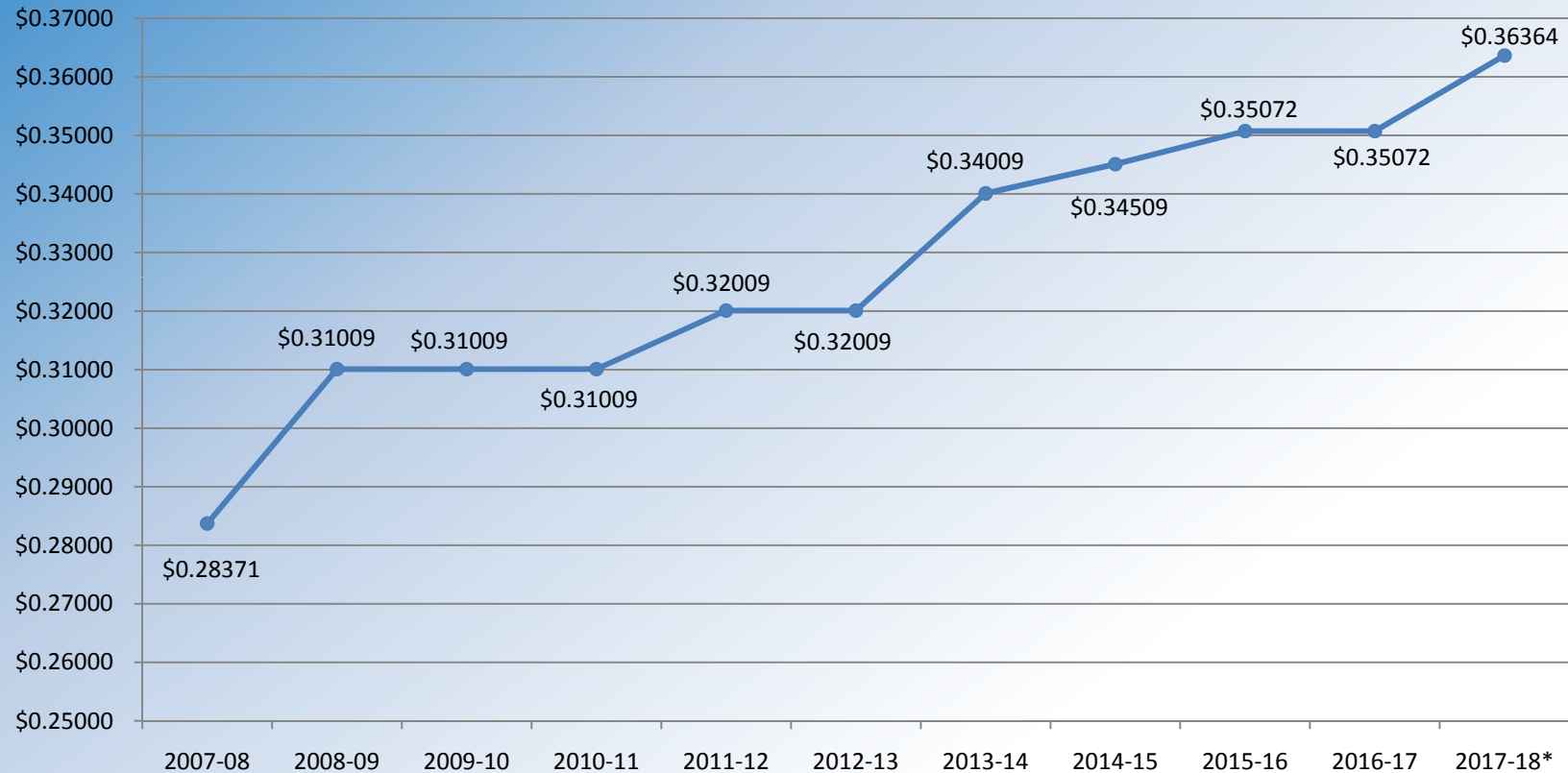
City of Amarillo 2017/2018 Proposed Budget

2017 Property Tax Information

Presented to Amarillo City Council August 15, 2017



Ad Valorem Tax Rate History per \$100 valuation



*2017—18 rate as proposed



Texas Property Tax Laws

Truth-in-Taxation

Property owners have the right to know about increases in their properties' appraised value and to be notified of the estimated taxes that could result from the new value.

A taxing unit must publish special notices and hold two public hearings before adopting a tax rate that exceeds the lower of the rollback rate or effective tax rate.

A taxing unit must publish its effective and rollback tax rates before adopting an actual tax rate.

If a taxing unit adopts a rate that exceeds the rollback rate, voters may petition for an election to limit the rate to the rollback rate.

Elements of Property Tax Rate

Operations and Maintenance (O&M)

- Ongoing General Fund operations

Interest and Sinking (I&S)

- Payments on debt for general government improvements

$\text{Tax Rate} = \text{O\&M Rate} + \text{I\&S Rate}$

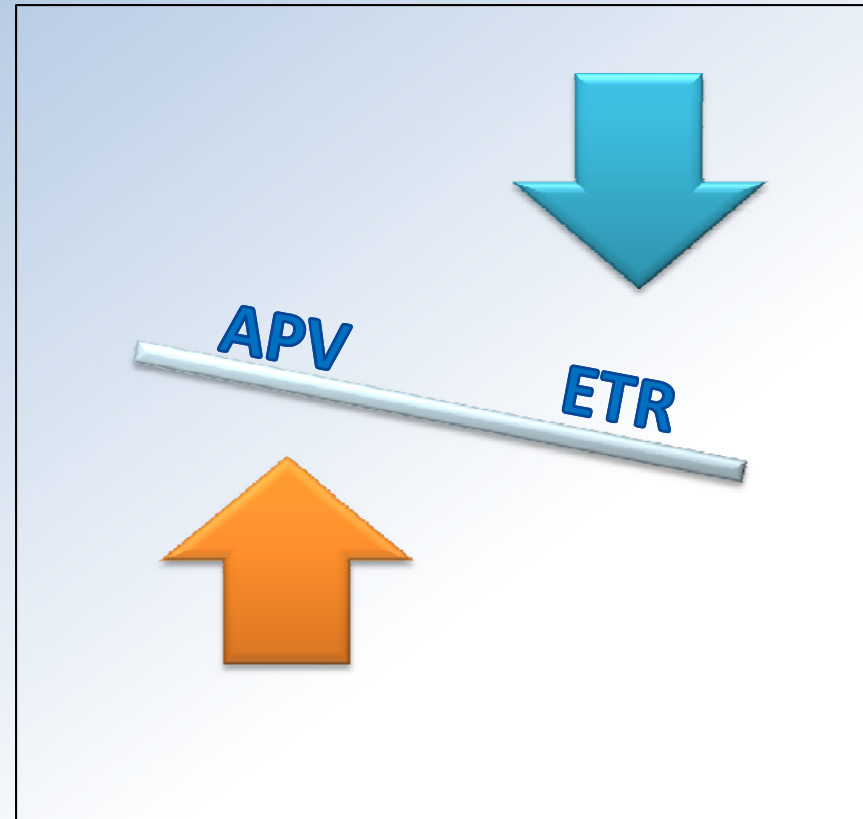
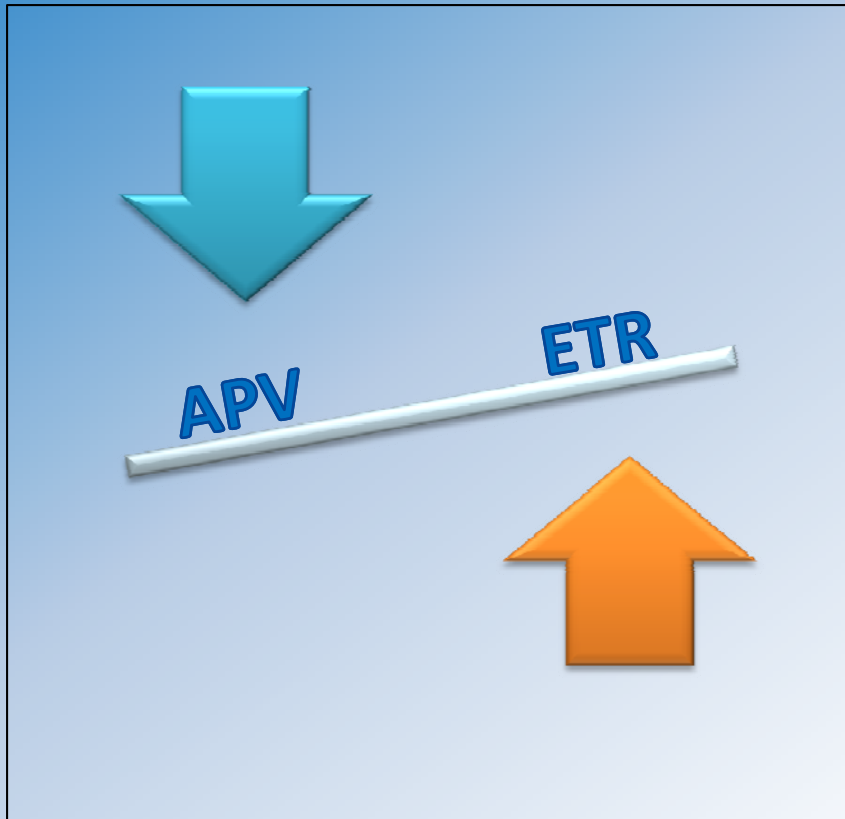
Effective Tax Rate

“A calculation, based upon new valuations, that gives the City the exact dollars in revenue as generated in the previous year”

- This is essentially the tax rate you would pass to collect the same tax revenue as last year (FY 2016-17) using this year’s (FY 2017-18) appraised values.
- For FY 2017-18, the effective tax rate is \$0.33569 per \$100 valuation or \$0.02795 under the proposed \$0.36364 tax rate.

Seesaw Effect

Effective Tax Rate vs. Appraised Value



APV = Appraised Property Value
ETR = Effective Tax Rate

Rollback Tax Rate

Provides a taxing unit with about the same amount of tax revenue it spent the previous year for day-to-day operations, plus an extra 8% increase

- While the O&M part of the calculation is capped at 8%, the debt service portion of the overall rate may rise as high as necessary to cover debt expense in the coming year.
- Taxpayers may petition for a rollback tax election if the City proposes a tax increase over the rollback rate.
- For FY 2017-18, the rollback tax rate is \$0.39929 per \$100 valuation or \$0.03565 over the proposed \$0.36364 tax rate.

Texas Property Tax Laws

Truth-in-Taxation

- If your proposed rate exceeds the lower of the effective tax rate or rollback tax rate:
 - Provide notice to property owners and hold two public hearings
 - Notice must specify a tax rate – cannot go above the rate proposed by Council
 - Explain the purpose for which the increase in taxes will be used

NOTICE OF 2017 TAX YEAR PROPOSED PROPERTY TAX RATE FOR CITY OF AMARILLO

A tax rate of \$0.36364 per \$100 valuation has been proposed for adoption by the governing body of City of Amarillo. 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 the City of Amarillo proposes to use revenue attributable to the tax rate increase for the purpose of the employee pay adjustments.

PROPOSED TAX RATE	\$0.36364 per \$100
PRECEDING YEAR'S TAX RATE	\$0.35072 per \$100
EFFECTIVE TAX RATE	\$0.33569 per \$100
ROLLBACK TAX RATE	\$0.39929 per \$100

The effective tax rate is the total tax rate needed to raise the same amount of property tax revenue for City of Amarillo from the same properties in both the 2016 tax year and the 2017 tax year.

The rollback tax rate is the highest tax rate that City of Amarillo 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:

Christina McMurray, Randall County Tax Assessor-Collector
501 16th St., Suite 200
Canyon, TX 79015
(806) 468-5540
taxes@randallcounty.org
www.amarillo.gov

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

First Hearing: August 29, 2017 at 5:00pm at 509 SE 7th Avenue in the Council Chambers (Room 302), Amarillo, TX 79101.

Second Hearing: September 5, 2017 at 5:00pm 509 SE 7th Avenue in the Council Chambers (Room 302), Amarillo, TX 79101.



Certified Values

	2016	2017
Tax values	\$12,065,465,099	\$12,787,774,041
TIF captured value	\$52,703,087	\$58,711,874
Taxable value of homesteads with tax ceilings	\$1,943,363,402	\$2,109,165,512
Taxable Value	\$10,069,398,610	\$10,619,896,655
Total taxable value of new property	\$212,211,266	\$237,210,740
Average residence homestead appraised value	\$123,838	\$131,033

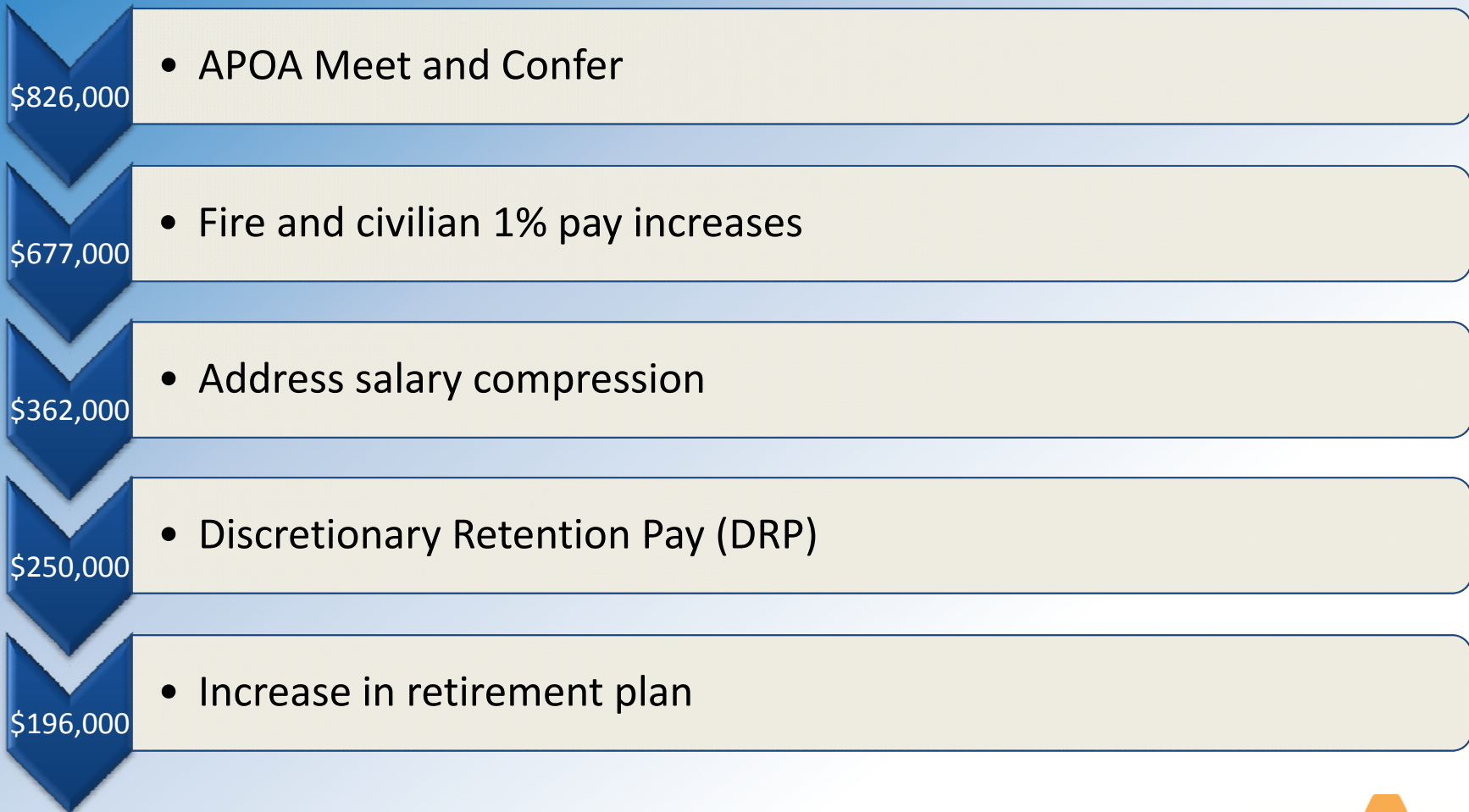


Tax Rate Comparisons

	2016	2017 (PROPOSED)	Increase in Estimated Tax Collections
Operating & Maintenance Rate	\$0.32698	\$0.32698	\$1,475,868
Interest & Sinking Rate	\$0.02374	\$0.03666	\$1,687,518
Total Tax Rate	\$0.35072	\$0.36364	



2017/2018 General Fund Use of the Increased Tax Dollars



Notice of Tax Rate Increase

COMPARISON OF MAINTENANCE AND OPERATING ON \$100,000 HOME

\$326.98

- Maintenance and Operating tax on \$100,000 home (2016)

\$326.98

- Maintenance and Operating tax on \$100,000 home (2017)

No
Change

- Increase in maintenance and operating taxes

Texas Local Government Code Section 102.005 Notice

	2016	2017 (PROPOSED)
Tax rate	\$0.35072	\$0.36364
Total estimated tax collections	\$40,718,558	\$43,866,310
Dollar Increase		\$3,147,752
Percentage Increase		7.73%
Tax revenue on new property (\$237,210,740)		\$862,593



Impact of Frozen Taxes

Through adoption by a taxing unit's governing body or by petition and election by citizens, a city can offer a tax limitation on homesteads of taxpayers who are disabled or age 65 years or older. Once adopted, the Tax Code provides for the tax ceiling for disabled and age 65 or older homeowners and their right to transfer to another homestead in that taxing unit the same benefit of that tax ceiling.

Frozen levy tax lost	\$1,603,278
Portion of tax rate last	\$0.01510

Source: Texas Property Tax Code – Chapter 11



Top Ten Taxpayers

Taxpayer	Taxable Value
Southwestern Public Service	\$144,191,284
BSA Hospital	\$136,693,331
Bell Helicopter Textron	\$105,618,070
Wal-Mart Real Estate	\$100,848,858
Northwest Texas Healthcare	\$85,745,919
Case Properties	\$80,620,299
BNSF Railway Company	\$78,440,211
Atmos Energy	\$72,386,376
Amarillo Mall, LLC	\$63,968,496
Toot N Totum Inc	\$50,666,002

Note: Amarillo Economic Development Corporation owns and leases property to Bell Helicopter Textron.



August 5, 2017 Property Tax Hearing

- Take a record vote on the proposed tax rate.
- Set the public hearings on the tax rate
 - August 29, 2017
 - September 5, 2017