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**To: Mayor and Town Council**

**From: Cheryl Davenport, Interim Director of Finance**

**CC: Wade Carroll, Interim Town Manager  
Holly Fimbres, Town Secretary/RMO**

**Re: Ad Valorem Tax Not to Exceed Rate  
Town Council Meeting, August 13, 2019**

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**Agenda Item:**

Consider and take appropriate action regarding a record vote on a not-to-exceed Fiscal Year 2020 Ad Valorem Tax Rate and to schedule two public hearings to meet Truth in Taxation requirements and/or as required by the Charter and related matters (W. Carroll).

**Background and Explanation:**

The proposed Fiscal Year 2020 budget includes an Ad Valorem Tax Rate of \$0.446442/\$100 of valuation. Of the \$0.446442/\$100 tax rate, \$0.336442/\$100 is for maintenance and operations and \$0.11/\$100 is to service the Town's debt requirements for the upcoming fiscal year. The effective tax rate for Fiscal Year 2020 is \$0.447184/\$100 and the rollback rate is \$0.473747/\$100. The proposed tax rate of \$0.446442/\$100 is below both the effective and rollback tax rates. A proposed tax rate above either the effective or rollback rates (whichever is lower) must be approved via a record vote and also triggers the requirement to hold two public hearings.

**Legal Review:**

Not applicable.

**Board/Commission/ or Committee Recommendation:**

Not applicable.

**Staff Recommendation:**

Staff recommends setting a Not to Exceed Rate of \$0.446442/\$100 Ad Valorem Tax Rate, which is below the effective tax rate.

**Attachments:**

- 2019 Tax Rate Calculation Worksheet