

**CITY OF LANCASTER CITY COUNCIL****City Council Regular Meeting****16.****Meeting Date:** 09/23/2024**Policy Statement:** This request supports the City Council 2024-2025 Policy Agenda**Goal(s):** Financially Sound Government**Submitted by:** Opal Mauldin-Jones, City Manager**Agenda Caption:**

Conduct a public hearing and consider an ordinance regarding the proposed revenue increase from levying ad valorem taxes for fiscal year 2024/2025 at \$0.604606 per one hundred dollars assessed valuation of all taxable property within the corporate limits to provide revenues for current maintenance and operational expenses and interest and sinking fund requirements; providing due and delinquent dates; penalties and interest; providing a homestead exemption and disability exemption.

**Background:**

State Truth-in-Taxation law, Local Government Code and the City Charter require that an ordinance levying the ad valorem taxes be read and a public hearing held at a regular or special meeting of the Lancaster City Council.

The tax rate proposed for fiscal year 2024/2025 is \$0.604606 per one hundred dollars assessed valuation on taxable property within the corporate limits. These tax dollars provide revenue for current operations and maintenance expenses and interest and sinking fund requirements. This tax rate will raise more taxes for maintenance and operations than last year's tax rate. The tax rate will effectively be raised by 4.86% and will raise taxes for maintenance and operations on a \$100,000 home by approximately \$-34.40.

This is the second and final public hearing regarding the proposed tax rate. The first public hearing was conducted on Monday, September 16, 2024, at the Special City Council Meeting and there was one speaker.

The governing body conducted the public hearing and announced the date and time of this meeting.

**Operational Considerations:**

The proposed tax rate of \$0.604606 on each one hundred dollars (\$100.00) assessed value of taxable property is to be apportioned and distributed as follows: \$0.449674 for the purpose of maintenance and operations (of which \$0.025 dedicated to the Street Maintenance Fund and \$0.0025 for the New Equipment Fund), and \$0.154932 for interest and sinking fund requirements.

**Legal Considerations:**

The required notice and vote are being held in accordance with state law and the City Charter. The ordinance has been reviewed and approved as to form by the City Attorney.

**Public Information Considerations:**

Public notices were published on September 11, 2024, and September 18, 2024, in the official City publication of record, Focus Daily News and on the City of Lancaster website. Information regarding the proposed tax rate is being made available in accordance with state law and the City Charter.

**Fiscal Impact:**

The proposed tax rate is to cover the cost of the maintenance and operations and interest and sinking fund requirements.

**Options/Alternatives:**

1. City Council may conduct and close the public hearing and approve the ordinance as presented.
2. City Council may conduct and close the public hearing and deny the ordinance.

**Recommendation:**

Staff recommends City Council conduct and close the public hearing, and approve the ordinance as presented with the following motion that is required by state law: "I move that the property tax rate be increased by the adoption of a tax rate of \$0.604606, which is effectively a 9.40 percent increase in the tax rate."

**Attachments**

Ordinance

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**ORDINANCE NO.**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS LEVYING AD VALOREM TAXES FOR FISCAL YEAR 2024/2025 AT \$0.604606 PER ONE HUNDRED DOLLARS (\$0.604606/\$100) OF ASSESSED VALUATION OF ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS TO PROVIDE REVENUES FOR CURRENT MAINTENANCE AND OPERATIONAL EXPENSES AND INTEREST AND SINKING FUND REQUIREMENTS; PROVIDING DUE AND DELINQUENT DATES, PENALTIES AND INTEREST; PROVIDING FOR A HOMESTEAD EXEMPTION AND DISABILITY EXEMPTION; AND PROVIDING FOR AN EFFECTIVE DATE.**

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS:**

**SECTION 1.** There be and is hereby levied for the fiscal year 2024/2025 on all taxable property, real, personal and mixed, situated within the corporate limits of the City of Lancaster, Texas, and not exempt by the Constitution of the State and valid State laws, a tax of \$0.604606 on each \$100.00 of assessed value of taxable property, and said tax shall be apportioned and distributed as follows: \$0.449674 for the purpose of paying maintenance and operation ("M&O"), and defraying the expenses of current operations, and \$0.154932 for interest and sinking fund ("I&S") requirements of the municipal government of the City.

**SECTION 2.** THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 4.86% AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$-34.40.

**SECTION 3.** All 2024/2025 ad valorem taxes shall become due and payable on October 1, 2024, and shall become delinquent after January 31, 2025. If any person fails to pay the ad valorem taxes on or before the 31st day of January 2025, the penalties and interest as set forth under Section 33.01 of the Texas State Property Tax Code shall apply.

**SECTION 4.** Taxes are payable to the Dallas County Tax Assessor-Collector, Records Building, Dallas, Texas, by contract dated November 12, 2001 and amended April 2014. The City shall have available all the rights and remedies provided by law for the enforcement of the collection of taxes levied under this ordinance.

**SECTION 5.** The tax rolls as presented to the City Council, together with any supplement thereto, be and the same are hereby approved.

**SECTION 6.** All delinquent taxes shall accrue interest at the rate of one percent (1%) per month, in addition to the penalties provided for herein. All taxes that remain delinquent on July 1st of the year in which they become delinquent shall incur an additional penalty to defray costs of collection, of an amount not to exceed 20% of the amount of taxes, penalty and interest due.

**SECTION 7.** In accordance with the Texas State Property Tax Code, and effective with the passage of the ordinance, there is hereby provided an exemption of \$30,000 on homestead property for those head-of-household persons who have attained the age of 65 years prior to January 1, 2025 and an exemption of \$30,000 on disability designations.

**SECTION 8.** This Ordinance shall become effective upon its adoption as the law in such cases provides.

**SECTION 9.** All recitals are incorporated herein by reference as if fully written.

**DULY PASSED** by the City Council of the City of Lancaster, Texas on this the 23rd day of September, 2024.

**ATTEST:**

**APPROVED:**

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Sorangel O. Arenas, City Secretary

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Clyde C. Hairston, Mayor

**APPROVED AS TO FORM:**

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David T. Ritter, City Attorney