

Memorandum



CITY OF DALLAS

DATE August 19, 2022

TO Honorable Mayor and Members of the City Council

SUBJECT **Upcoming Agenda Item No. 2, 22-1679 Authorize a Public Hearing and Adoption of the Tax Ceiling**

The August 24, 2022 City Council agenda includes an item for your consideration to authorize (1) a public hearing to be held on Wednesday, September 21, 2022 to receive comments on a proposed tax rate; and (2) a proposal to consider adoption of a \$0.7458 per \$100 valuation tax rate, or a lower rate as may be proposed by City Council for the 2022-23 fiscal year on Wednesday, September 21, 2022.

Since the passage of Texas Reform and Transparency Act of 2019 (Senate Bill 2), if the City's proposed tax rate is higher than the no-new-revenue tax rate, previously known as the effective tax rate, but lower than the voter approval tax rate, the following actions are required:

- **Specify a proposed tax rate; take a record vote; and schedule a public hearing (August 24, 2022);**
- Publish "Notice of 2022 Tax Year Proposed Tax Rate" at least seven days before the public hearing (September 9, 2022);
- Publish the notice in the newspaper and prominently on the City's website;
- Post the notice of the tax rate on the City's free access television channel at least five times per day; and
- Hold a public hearing and the meeting to adopt the tax rate (September 21, 2022).

This year, the no-new-revenue tax rate is \$0.6482, which is lower than the \$0.7458 proposed tax rate. The action item on August 24 will set the tax rate ceiling, which is the highest tax rate that can be adopted on September 21. The action item will require a record vote, and the results of the vote will be published in the Notice of Public Hearing. City Council will still have the ability to make amendments to lower the tax rate on or before September 21 but cannot exceed the tax rate specified on August 24.

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

Jack Ireland
Chief Financial Officer

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Deputy City Manager
Jon Fortune, Deputy City Manager

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