



FY2021/2022 BUDGET WORKSHOP – TAX RATE

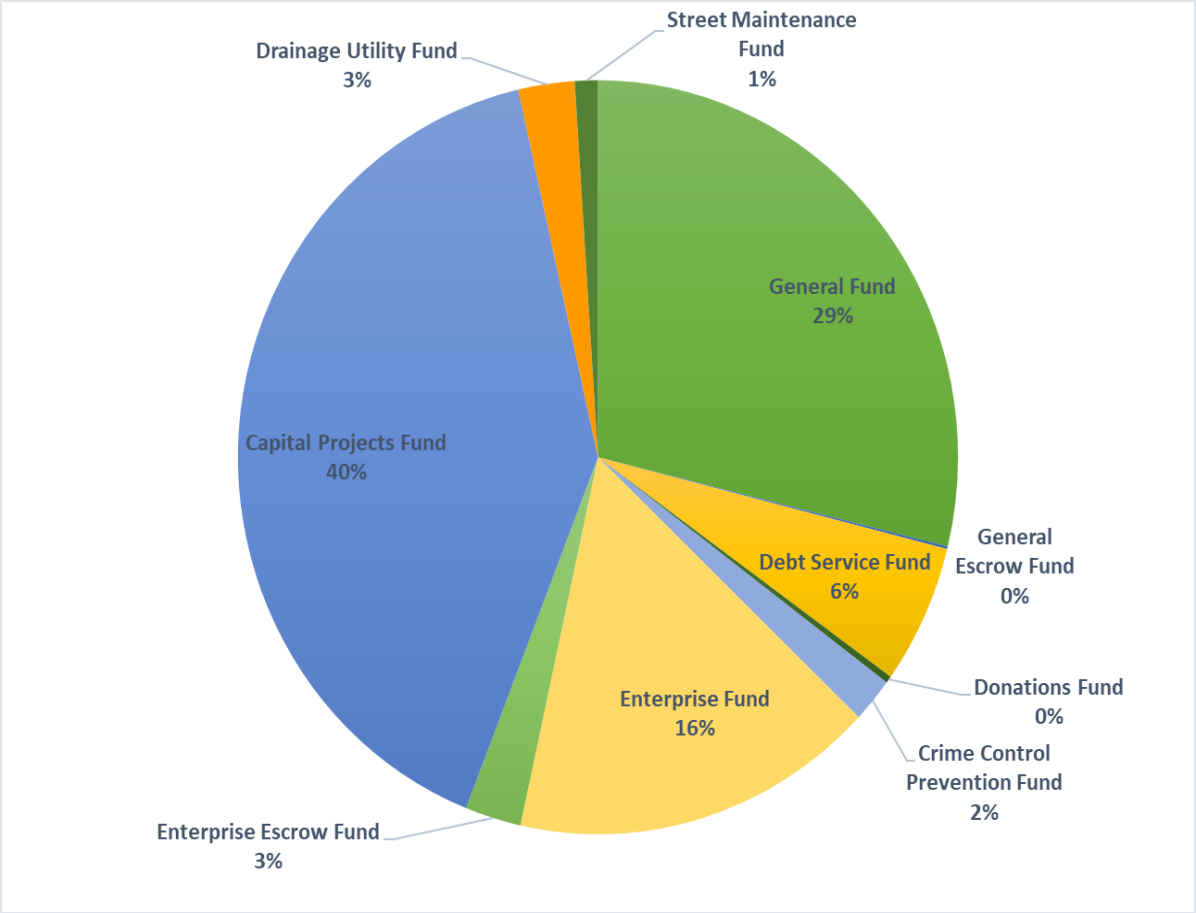


10 Different Fund Budgets

- General Fund
- Debt Service Fund
- Enterprise Fund (Water and Wastewater Utility Fund)
- Capital Projects Fund
- Crime Control and Prevention District Fund (CCPD)
- Drainage Utility Fund
- Street Maintenance Fund
- Donations Fund
- General Escrow Fund (Special Revenues)
- Water/Wastewater Escrow Fund (Impact Fees)



FISCAL YEAR 2020/2021 ADOPTED BUDGET



General Fund	19,936,775
General Escrow Fund	72,700
Debt Service Fund	4,140,320
Donations Fund	205,820
Crime Control Prevention Fund	1,324,605
Enterprise Fund	11,316,285
Enterprise Escrow Fund	1,737,500
Capital Projects Fund	28,008,635
Drainage Utility Fund	1,746,445
Street Maintenance Fund	714,480
TOTAL ADOPTED BUDGET	69,203,565

Revenue _(tax levy) = Base x Rate



- Property Tax Revenue – Revenue source for the General Fund and the Debt Service Fund
- Tax base - property values determined by Tarrant Appraisal District (TAD)
- Tax rate - determined by City Council



Property Tax Rate

Maintenance and Operations Tax Rate (General Fund)

+

Interest and Sinking Tax Rate (Debt Service Fund)

=

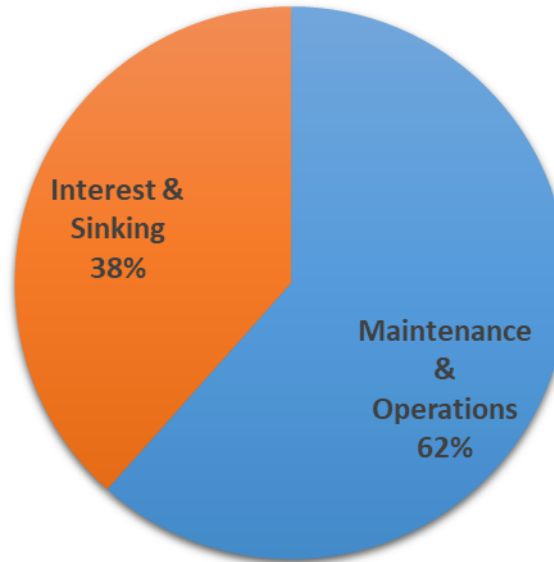
Total Tax Rate

FY20/21 Tax Rate:

M&O 28.4238

I&S 17.7341

Total 46.1579





Tax Rate Terminology

No New Revenue
Tax Rate

Voter Approval
Tax Rate
3.5%

Voter Approval Tax
Rate
8%

De Minimis
Tax Rate
+ \$500,000

Unused
Incremental Rate

No New Revenue Tax Rate



- The property tax rate that generates the same operating revenue as last year on the same properties plus amount required for debt service
- Tax revenue = Base X Rate
 - If base increases, rate decreases
 - If base decreases, rate increases



Voter Approval Tax Rate

- The property tax rate that generates an increase of 3.5% more operating revenue than last year on the same properties plus amount required for debt service
- FY20/21 was the first year that the rate is reduced from 8%
- For FY20/21 calculated at 8% due to the disaster declaration
- Any rate adopted over the voter approval rate will trigger an automatic election on uniform election date



De Minimis Tax Rate

- This rate may be used by special taxing districts and cities with a population of less than 30,000
- Rate is the no new revenue M&O rate plus the rate that will generate an additional \$500,000 plus the amount required for debt service
- If adopting this rate, must use the accelerated budget time table
- If adopt this rate and is less than 8%, no election
- If adopt this rate and is more than 8%, voter may petition
- If adopt a rate higher than this, automatic election



Unused Incremental Rate

- The difference between the adopted rate and the voter approval rate can be “saved” and used for up to three years

- Example:

Year	Voter Approval Rate	Adopted Rate	Difference	Unused Incremental Rate
2020	0.5000	0.5000	0.0000	0.0000
2021	0.5025	0.5000	0.0025	0.0025
2022	0.5100	0.5000	0.0100	0.0125

In 2023 could increase voter approval rate by 0.0125

- City of Saginaw:

Year	Voter Approval Rate	Adopted Rate	Difference	Unused Incremental Rate
2020	0.4687	0.4616	0.0071	0.0071
2021			0.0000	0.0071
2022				