



**CITY OF TYLER, TEXAS
CITY COUNCIL COMMUNICATION**

Agenda Number: O-1

Date: September 13, 2006

Subject: Request that the City Council consider adopting the proposed Fiscal Year 2006-2007 property tax rate ordinance and the Fiscal Year 2006-2007 annual budget(s) including outside agency contracts.

Page: 1 of 2

Item Reference: FY 2006 – 2007 Annual Budget

I. Budget

The proposed annual budget(s) for the City of Tyler for the fiscal year beginning October 1, 2006 and ending September 30, 2007, is submitted to the City Council for adoption.

During reviews of the proposed Fiscal Year 2006-2007 annual budget(s), City Council agreed upon appropriation levels which established General Fund revenues at \$48,579,292 and expenditures at \$48,579,292 with an estimated operating reserve of \$7,286,894.

The public hearings on property taxes and the proposed budget(s) that were conducted on August 23, 2006 satisfy all local and state law requirements for the adoption of the Fiscal Year 2006-2007 annual budget(s). These hearings provided an opportunity for citizens to comment about the proposed budget.

The attached budget ordinance includes revenues and expenditure appropriations for all other funds proposed by the City Manager, as well as authorization for new outside agency contracts.

II. Tax Rate

The total proposed property tax rate of \$.223657 per \$100 valuation is less than the total current property tax rate of \$.0238375. The proposed property tax rate is equal to the “effective tax rate” and is divided into the following two parts:

\$.025577 for the debt service fund (debt)
\$.198080 for the general fund (maintenance and operations)
\$.223657 total proposed and effective rate


Agenda Number: O-1

Page: 2 of 2

RECOMMENDATION:

It is recommended that the City Council: adopt the ordinance adopting the Fiscal Year 2006-2007 budget(s) and related outside agency contracts, and adopt the ordinance setting the property tax rates for the General and Debt Service Funds.

**Drafted/Recommended By:
Department Leader**


**Daniel Crawford,
Chief Financial Officer**

**Edited /Submitted by:
City Manager**



ORDINANCE NO. O-2006-77

AN ORDINANCE APPROVING THE ASSESSMENT ROLL AND FIXING THE AD VALOREM TAX RATE FOR THE CITY OF TYLER, TEXAS, FOR THE CURRENT YEAR, AND PROVIDING FOR THE ASSESSMENT AND COLLECTION THEREOF AND FOR A LIEN ON REAL AND PERSONAL PROPERTY TO SECURE PAYMENT OF AD VALOREM TAXES.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TYLER, TEXAS:

PART 1: The assessment roll for 2006 for the City of Tyler as compiled by Smith County Appraisal District and as amended by the Appraisal Review board is hereby approved and adopted.

PART 2: That there be and there is hereby levied and ordered collected the sum of \$.223657 ad valorem tax on each One Hundred Dollar (\$100) valuation of all taxable property, real, personal and mixed, within the corporate limits of the City of Tyler, Texas, on January 1st of this year, for the following purposes and the following amounts:

Debt Service Fund Requirement	\$.025577
General Fund	\$.198080
TOTAL TAX RATE PER \$100.00 VALUATIONS FOR ALL PURPOSES FOR 2005	\$.223657

PART 3: That there be, and are hereby again set out, authorized exemptions as follows:

1. Homestead exemption under 65 - Ten percent (10%) or no less than \$5,000;
2. Homestead exemption over 65 - \$6,000.
3. Historical Preservation exemptions as set out in Code sections 10-25 & 10-26.

PART 4: Said ad valorem taxes shall be due and payable at the time and in the manner provided by the Tyler City Code, Chapter 2, relating to the payment of ad valorem taxes which said ordinances provide for penalties and interest on delinquent taxes.

PART 5: That notice for the public hearings on the proposed budget and property tax rate on the 23rd day of August, 2006 was given by publication on the 11th day of August, 2006.

PART 6: That any ordinance, resolution, policy or any provision or section of the Code of the City of Tyler, Texas, as amended in conflict herewith, be and the same is hereby repealed to the extent of any conflict.

PART 7: That this ordinance shall become effective upon its approval.

PASSED AND APPROVED this the 13th day of September, A.D., 2006.

JOSEPH O. SEEBER, MAYOR
OF THE CITY OF TYLER, TEXAS

ATTEST

CASSANDRA BRAGER, CITY CLERK

APPROVED:

CITY ATTORNEY