



# City of San Antonio

## Agenda Memorandum

**File Number:**

---

**Agenda Item Number:** 7

**Agenda Date:** September 14, 2023

**In Control:** City Council A Session

---

**DEPARTMENT:** Office of Management & Budget

**DEPARTMENT HEAD:** Justina Tate

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Adopting the Debt Service Tax Rate for FY 2024

**SUMMARY:**

This item presents for City Council consideration an ordinance adopting the ad valorem City property tax rate to pay the principal and interest on the funded debt of the City of San Antonio at 21.150 cents per \$100 of taxable valuation for the tax year beginning on January 1, 2023 and ending on December 31, 2023. The estimated property tax revenue to pay outstanding debt of the City for FY 2024 is \$298,509,488 or \$19,914,543 more than the FY 2023 Adopted Budget.

**BACKGROUND INFORMATION:**

Property tax values are determined by the Bexar Appraisal District in conformance with State law. Tax Year 2023 (also being FY 2024) total taxable value for the City of San Antonio is \$155 billion which is an increase in net taxable value of \$10.6 billion, or 7.4% more than the Tax Year 2022 (also being FY 2023) total taxable value. Included in this total is \$3.0 billion in new improvements and an increase of \$7.6 billion in existing valuations from the FY 2023 Adopted Budget.

The following table shows the components of the FY 2024 Proposed City Property Tax Rate.

<b>CITY PROPERTY TAX RATE (Per \$100 Valuation)</b>		
	<b>FY 2023 Adopted Budget (in cents)</b>	<b>FY 2024 Proposed Budget (in cents)</b>
Maintenance & Operations	33.011	33.009
Debt Service	21.150	21.150
<b>Total</b>	<b>54.161</b>	<b>54.159</b>

#### **ISSUE:**

The City's FY 2024 Proposed Property Tax Rate of 54.159 cents per \$100 valuation represents a slight decrease as compared to the City's FY 2023 Adopted Property Tax Rate.

Calculation of the debt service portion of the property tax rate is dependent on the City's debt service requirements. The debt service rate for FY 2024 (also being Tax Year 2023) is calculated at 21.150 cents per \$100 of taxable valuation which is equal to the FY 2023 (also being Tax Year 2022) debt service tax rate and is consistent with the requirements of the City's Debt Management Plan.

#### **ALTERNATIVES:**

This item is required by City Charter.

#### **FISCAL IMPACT:**

The debt service tax rate for FY 2024 will generate \$298,509,488 in revenues for payment of debt and is consistent with the tax rate recommended in the City Manager's Proposed Budget. This amount is \$19,914,543 more than the FY 2023 Adopted Budget.

#### **RECOMMENDATION:**

Staff recommends approval of this item.