



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 5

**Agenda Date:** September 15, 2022

**In Control:** City Council A Session

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**DEPARTMENT:** Office of Management & Budget

**DEPARTMENT HEAD:** Justina Tate

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Ratification of Annual Consolidated Operating and Capital Budgets for FY 2023

**SUMMARY:**

Following the action taken for adoption of the Annual Operating and Capital Budgets for the City of San Antonio for Fiscal Year 2023, the City Council will consider, through separate ordinance, the ratification of the vote on the Budget to comply with State law.

**BACKGROUND INFORMATION:**

Texas Local Government Code Section 102.007(c) mandates that a budget that will raise more revenue from property taxes than in the previous year requires a separate vote of the governing body to ratify the property tax revenue increase reflected in the budget. The Fiscal Year 2023 Budget will raise more revenue from property taxes than the Fiscal Year 2022 Budget, and therefore, it will be necessary for the City Council to ratify its vote adopting the Fiscal Year 2023 Budget.

Property tax values are determined by the Bexar Appraisal District in conformance with State law. Tax Year 2022 (also being FY 2023) total taxable value for the City of San Antonio is \$144.8 billion which is an increase in net taxable value of \$13 billion, or 9.8% more than the Tax Year 2021 (also being FY 2022) total taxable value. Included in this total is \$2.5 billion in new

improvements and an increase of \$10.4 billion in existing valuations from the FY 2022 Adopted Budget.

This budget will raise more total property tax revenue than last year's budget by \$52,797,040 or 7.99%, and of that amount, \$13,708,713 is tax revenue to be raised from new property added to the tax roll this year.

Of the \$52,797,040 in added property tax revenue, \$24,481,054 is proposed to be used in the City's General Fund to support essential City services such as Police, Fire, Streets, Parks and Recreation and Code Enforcement. The remaining \$28,315,986 is proposed to be used for debt service payments on debt issued for capital projects.

**ISSUE:**

Following the consideration and vote on the City's Fiscal Year 2023 Budget, the City Council will be required by State Law to ratify their vote on the adoption of the Budget with an additional vote. This ratification vote is required since the Fiscal Year 2023 Budget will raise more revenues from property taxes than was raised by the Fiscal Year 2022 Budget.

**ALTERNATIVES:**

This item is required by State Law.

**FISCAL IMPACT:**

City Council adoption of this ordinance, which is required by State law, will ratify the adoption of the FY 2023 Operating and Capital Budgets that establish approved expenditures and financial reserve levels. This budget will raise more total property taxes than last year's budget by an amount of \$52,797,040. Of the \$52,797,040 in added property tax revenue, \$24,481,054 is proposed to be used in the City's General Fund to support essential City services such as Police, Fire, Streets, Parks and Recreation and Code Enforcement. The remaining \$28,315,986 is proposed to be used for debt service payments on debt issued for capital projects.

**RECOMMENDATION:**

Staff recommends approval of this item.