



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 7

**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:**

Adopting the Debt Service Tax Rate for FY 2023.

**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, 2022 and ending on December 31, 2022. The estimated property tax revenue to pay outstanding debt of the City for FY 2023 is \$278,594,945 or \$28,315,986 more than the FY 2022 Adopted Budget.

**BACKGROUND INFORMATION:**

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.

The following table shows the components of the FY 2023 Proposed City Property Tax Rate.

<b>CITY PROPERTY TAX RATE (Per \$100 Valuation)</b>		
	<b>FY 2022 Adopted Budget (in cents)</b>	<b>FY 2023 Proposed Budget (in cents)</b>
Maintenance & Operations	34.677	33.011
Debt Service	21.150	21.150
<b>Total</b>	<b>55.827</b>	<b>54.161</b>

#### **ISSUE:**

The City's FY 2023 Proposed Property Tax Rate of 54.161 cents per \$100 valuation represents a 1.67 cent decrease as compared to the City's FY 2022 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 2023 (also being Tax Year 2022) is calculated at 21.150 cents per \$100 of taxable valuation which is equal to the FY 2022 (also being Tax Year 2021) 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 2023 will generate \$278,594,945 in revenues for payment of debt and is consistent with the tax rate recommended in the City Manager's Proposed Budget. This amount is \$28,315,986 more than the FY 2022 Adopted Budget.

#### **RECOMMENDATION:**

Staff recommends approval of this item.