



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 6

**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 Maintenance and Operations Tax Rates for FY 2023.

**SUMMARY:**

This item presents, for City Council consideration, an ordinance adopting the ad valorem City property tax rate for maintenance and operation (M&O) for the City of San Antonio at 33.011 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 for maintenance & operation for Tax Year 2022 (also being FY 2023) is \$434,832,046, or \$24,481,054 more than the FY 2022 Adopted Budget.

**BACKGROUND INFORMATION:**

Property tax values are determined by the Bexar Appraisal District in conformance with State law. 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>
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	<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 Tax Year 2022 (also being 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 Tax Year 2021 (also being FY 2022) Adopted Property Tax Rate. To meet the requirements of General Fund services recommended in the Proposed Budget, the Tax year 2022 (also being FY 2023) M&O tax rate is calculated at 33.011 cents per \$100 of taxable valuation which represents a 1.67 cent decrease for the City's M&O Tax Rate.

#### **ALTERNATIVES:**

This item is required by City Charter.

#### **FISCAL IMPACT:**

The M&O tax rate for Tax Year 2022 (also being FY 2023) will generate \$434,832,046, or \$24,481,054 more than the FY 2022 Adopted Budget. 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.

#### **RECOMMENDATION:**

Staff recommends approval of this item.