

CITY OF MIDLAND, TEXAS
PACKET FOR **SPECIAL** CITY COUNCIL MEETING
August 2, 2022 - 10:00 AM
300 N. Loraine Street
Midland, Texas
City Hall Council Chamber



PURSUANT to Texas Government Code §551.041, notice is hereby given that the City Council of the City of Midland, Texas, will meet in special session in the City Hall Council Chamber, 300 N. Loraine Street, Midland, Texas on August 2, 2022 at 10:00 AM for the following purpose:

SPECIAL SESSION

1. 2022-092 – RESOLUTION RECORDING A VOTE ON A PROPOSAL TO CONSIDER AN AD VALOREM TAX RATE FOR THE FISCAL YEAR 2022-2023 AND TO ESTABLISH A DATE TO HOLD A PUBLIC HEARING ON THE PROPOSED TAX RATE; ESTABLISHING DATES WHEN THERE WILL BE A RECORD VOTE ON THE TAX RATE; AND AUTHORIZING AND DIRECTING THE CITY MANAGER TO POST ALL APPROPRIATE NOTICES (DISTRICT: NONE) (FINANCE)

WITNESS my hand and seal of office on July 28, 2022.

Amy M. Turner, City Secretary

SEAL:



City Council Meeting

Item Number: 1
Meeting Date: August 2, 2022
To: City Council / City Manager
From: Christy Weakland, Director
Subject: RESOLUTION RECORDING A VOTE ON A PROPOSAL TO CONSIDER AN AD VALOREM TAX RATE FOR THE FISCAL YEAR 2022-2023 AND TO ESTABLISH A DATE TO HOLD A PUBLIC HEARING ON THE PROPOSED TAX RATE; ESTABLISHING DATES WHEN THERE WILL BE A RECORD VOTE ON THE TAX RATE; AND AUTHORIZING AND DIRECTING THE CITY MANAGER TO POST ALL APPROPRIATE NOTICES (DISTRICT: NONE) (FINANCE)

Purpose:

This agenda item allows for City Council to consider and record a vote on a proposed ad valorem tax rate for the upcoming fiscal year 2022-2023.

Recommended City Council Action:

Approve

Fiscal Impact:

The ad valorem tax rate determines the property tax revenue for fiscal year 2022-2023, and is therefore required for the adoption of the fiscal year 2022-2023 budget.

Discussion:

State Law requires the City Council to approve a proposed tax rate for a public hearing and for the future adoption of a tax rate.

The proposed budget was presented in the Council Budget Workshop on July 13, 2022. This budgeted property tax was based off the most recent estimate received from Midland County Appraisal District (MCAD) on June 1, 2022. These estimates provided a proposed tax rate of 34.36 cents per \$100 valuation.

The 2022 Certified Estimate of Taxable Values was received on July 26, 2022 from the Midland Central Appraisal District, decreasing the total taxable value to \$17.8 billion. Based on the certified estimates, the tax rate proposed today is 37.2210 cents per \$100 valuation, which is the Voter Approval Rate, which includes the unused increment from the 2021 fiscal budget. The Voter Approval rate is calculated by increasing the No-New Revenue M&O rate by 3.5%, then adding the debt service rate and any unused increment from the previous 3 years. The No-New-Revenue tax rate amounted to 35.5039 cents per \$100 valuation.

Senate Bill 2 which went into effect January 1, 2020, allows any unused increment from the three previous tax years to be added to the Voter Approval Rate, thus increasing the maximum rate allowable. The unused increment from the 2021 fiscal year budget is .010479. There is no unused increment from the 2022 fiscal year budget. Adding this increment to the Voter Approved Rate would increase the Voter Approval Rate to 37.2210 cents per \$100 valuation and provide approximately \$1.8 million additional in property tax revenue over the Certified Voter Approval Rate without the increment. Any unused increment can be used in the 2024 budget.

Council may ultimately adopt a lower tax rate than the proposed, but they cannot adopt a tax rate that exceeds 37.2210 cents approved in this resolution.

This item is placed on the agenda to meet requirements in public notifications of the upcoming hearing and vote on the tax rate. The proposal must specify a desired rate.

The public hearing on the tax rate will be held at the regular City Council Meeting on August 23, 2022.

Tax Rate	Adopted FY 2021-22	Proposed 2022-23	Certified Numbers	With Increment
Proposed Tax Rate	0.367189	0.343594	0.361731	0.372210
Voter-Approval Tax Rate	0.367190	0.343594	0.361731	0.372210
No-New-Revenue Rate	0.359758	0.333618	0.355039	0.355039
Voter-Approval M&O Rate	0.310841	0.295021	0.311536	0.311536
No-New-Revenue M&O Tax Rate	0.300330	0.285045	0.304844	0.304844
Interest & Sinking (Debt Service)	0.056348	0.048573	0.050195	0.050195
Increment Rate				0.010479
Revenue from voter-approval M&O rate = \$54,505,405				
Revenue from voter-approval M&O rate with increment = \$56,338,780				
Revenue from NNR M&O rate = \$53,334,593				

Dolet Patel

City Manager's Office

RESOLUTION NO. _____

**RESOLUTION RECORDING A VOTE ON A PROPOSAL
TO CONSIDER AN AD VALOREM TAX RATE FOR THE
FISCAL YEAR 2022-2023 AND TO ESTABLISH A DATE
TO HOLD A PUBLIC HEARING ON THE PROPOSED
TAX RATE; ESTABLISHING DATES WHEN THERE
WILL BE A RECORD VOTE ON THE TAX RATE; AND
AUTHORIZING AND DIRECTING THE CITY
MANAGER TO POST ALL APPROPRIATE NOTICES**

WHEREAS, the City Council of the City of Midland, Texas, finds it to be in the public interest to call for a vote to place a proposal to adopt a tax rate of \$0.372210 per \$100 taxable assessed valuation on the agenda of a future City Council meeting as an action item;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF MIDLAND, TEXAS:**

SECTION ONE. That there will be a public hearing on the proposed tax rate of \$0.372210 per \$100 taxable assessed valuation on August 23, 2022, at 10:00 a.m., and there will be a record vote on said proposed tax rate on August 23, 2022, at 10:00 a.m., and on September 13, 2022, at 10:00 a.m.

SECTION TWO. That the City Manager is hereby authorized and directed to execute all documents necessary to give proper notice to the public regarding the property tax rate issue to be discussed at the August 23, 2022, meeting of the Midland City Council and any other notices required by law.

On motion of Council member _____, seconded by Council member _____, the above and foregoing resolution was adopted by the City Council of the City of Midland at a regular meeting on the _____ day of _____, A.D., 2022, by the following vote:

Council members voting "AYE":

Council members voting "NAY":

Patrick N. Payton, Mayor

ATTEST:

Amy M. Turner, City Secretary

RECOMMENDED AND APPROVED:

Robert Patrick, City Manager

APPROVED AS TO CONTENT
AND COMPLETENESS:

Christy Weakland, Director of Finance

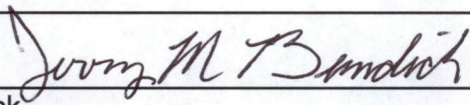
APPROVED ONLY AS TO FORM:

John Ohnemiller, City Attorney

**2022 CHIEF APPRAISER'S CERTIFIED ESTIMATE
CITY OF MIDLAND**

GROSS VALUE	\$21,003,241,199
LOSS DUE TO AGRICULTURAL USE	(\$47,586,590)
CONSTITUTIONAL EXEMPT PROPERTY	(\$691,358,585)
DISABLED VETERAN EXEMPTION	(\$5,832,000)
DISABLED VETERAN EXEMPTION FROZEN	\$0
DISABLED VETERAN EXEMPTION (100%)	(\$59,884,724)
GENERAL HOMESTEAD EXEMPTION	\$0
GENERAL HOMESTEAD EXEMPTION FROZEN	\$0
HOMESTEAD EXEMPTION (LOCAL OPTION)	\$0
HOMESTEAD EXEMPTION FROZEN (LOCAL OPTION)	\$0
HOMESTEAD EXEMPTION (LOCAL PERCENT OPTION)	\$0
HOMESTEAD EXEMPTION (LOCAL PERCENT OPTION) FROZEN	\$0
OVER 65 EXEMPTION	\$0
FROZEN OVER 65 EXEMPTION	\$0
OVER 65 EXEMPTION (LOCAL OPTION)	(\$60,612,052)
OVER 65 EXEMPTION FROZEN (LOCAL OPTION)	\$0
DISABLED EXEMPTION	\$0
DISABLED EXEMPTION FROZEN	\$0
DISABLED EXEMPTION (LOCAL OPTION)	\$0
DISABLED EXEMPTION (LOCAL OPTION) FROZEN	\$0
ABATEMENTS	\$0
POLLUTION CONTROL	(\$186,175)
FREEPORT EXEMPTION	(\$2,009,747)
MINIMUM VALUE LOSS (MINERALS & PERSONAL PROPERTY	(\$1,101,020)
PARTIAL YEAR EXEMPTION/ LEASED VEHICLES & OTHER	(\$1,417,045)
10% CAP LOSS	(\$155,628,398)
TOTAL TAXABLE VALUE FOR 2022	\$19,977,624,863
LESS VALUE STILL UNDER PROTEST	\$3,930,310,088
ESTIMATED VALUE THAT WILL BE CERTIFIED BY ARB	(\$2,696,477,702)
CERTIFIED ESTIMATE TAXABLE VALUE FOR 2022	\$18,743,792,477

I, Jerry M. Bundick, Chief Appraiser for the Midland Central Appraisal District, do solemnly swear or affirm that I have made, or caused to be made, a diligent effort to ascertain all property in the City of Midland subject to appraisal by me and that I have included in the certified estimate, the market and taxable values of property that I am aware of at an appraised value determined as required by law.



Jerry M. Bundick

Sworn to and subscribed before me the 25th day of July, 2022

**CHIEF APPRAISER'S CERTIFIED ESTIMATE
CITY OF MIDLAND**

	REAL ESTATE	P P	P&A MIN	P&A PP	TOTALS
GROSS VALUE	\$17,182,535.469	\$1,210,750.580	\$2,182,039.300	\$427,915.850	\$21,003,241.199
LOSS DUE TO AGRICULTURAL USE	(\$47,586,590)	\$0	\$0	\$0	(\$47,586,590)
CONSTITUTIONAL EXEMPT PROPERTY	(\$681,474.765)	(\$3,845,620)	(\$6,038,200)	\$0	(\$691,358,585)
DISABLED VETERAN EXEMPTION	(\$5,820,000)	(\$12,000)	\$0	\$0	(\$5,832,000)
DISABLED VETERAN EXEMPTION FROZEN	\$0	\$0	\$0	\$0	\$0
DISABLED VETERAN EXEMPTION (100%)	(\$59,856,084)	(\$28,640)	\$0	\$0	(\$59,884,724)
GENERAL HOMESTEAD EXEMPTION	\$0	\$0	\$0	\$0	\$0
GENERAL HOMESTEAD EXEMPTION FROZEN	\$0	\$0	\$0	\$0	\$0
HOMESTEAD EXEMPTION (LOCAL OPTION)	\$0	\$0	\$0	\$0	\$0
HOMESTEAD EXEMPTION FROZEN (LOCAL OPTION)	\$0	\$0	\$0	\$0	\$0
HOMESTEAD EXEMPTION (LOCAL PERCENT OPTION)	\$0	\$0	\$0	\$0	\$0
HOMESTEAD EXEMPTION (LOCAL PERCENT OPTION) FROZEN	\$0	\$0	\$0	\$0	\$0
OVER 65 EXEMPTION	\$0	\$0	\$0	\$0	\$0
FROZEN OVER 65 EXEMPTION	\$0	\$0	\$0	\$0	\$0
OVER 65 EXEMPTION (LOCAL OPTION)	(\$60,416,868)	(\$195,184)	\$0	\$0	(\$60,612,052)
OVER 65 EXEMPTION FROZEN (LOCAL OPTION)	\$0	\$0	\$0	\$0	\$0
DISABLED EXEMPTION	\$0	\$0	\$0	\$0	\$0
DISABLED EXEMPTION FROZEN	\$0	\$0	\$0	\$0	\$0
DISABLED EXEMPTION (LOCAL OPTION)	\$0	\$0	\$0	\$0	\$0
DISABLED EXEMPTION (LOCAL OPTION) FROZEN	\$0	\$0	\$0	\$0	\$0
ABATEMENTS	\$0	\$0	\$0	\$0	\$0
POLLUTION CONTROL	\$0	(\$162,225)	\$0	(\$23,950)	(\$186,175)
FREEPORT EXEMPTION	\$0	(\$402,577)	\$0	(\$1,607,170)	(\$2,009,747)
MINIMUM VALUE LOSS (MINERALS & PERSONAL PROPERTY	\$0	(\$833,700)	(\$256,830)	(\$10,490)	(\$1,101,020)
PARTIAL YEAR EXEMPTION/ LEASED VEHICLES & OTHER	(\$1,281,050)	(\$135,995)	\$0	\$0	(\$1,417,045)
10% CAP LOSS	(\$155,627,618)	(\$780)	\$0	\$0	(\$155,628,398)
TOTAL TAXABLE VALUE FOR 2022	\$16,170,472.494	\$1,205,133.859	\$2,175,744.270	\$426,274.240	\$19,977,624.863
LESS VALUE STILL UNDER PROTEST	\$3,374,040.409	\$113,271.430	\$442,998.249	\$0	\$3,930,310.088
ESTIMATED VALUE THAT WILL BE CERTIFIED BY ARB	(\$2,180,079.809)	(\$95,534.037)	(\$420,863.856)	\$0	(\$2,696,477.702)
CERTIFIED ESTIMATE TAXABLE VALUE FOR 2022	\$14,976,511.894	\$1,187,396.466	\$2,153,609.877	\$426,274.240	\$18,743,792.477

I, Jerry M. Bundoick, Chief Appraiser for the Midland Central Appraisal District, do solemnly swear or affirm that I have made, or caused to be made, a diligent effort to ascertain all property in the City of Midland subject to appraisal by me and that I have included in the certified estimate, the market and taxable values of property that I am aware of at an appraised value determined as required by law.



Jerry M. Bundoick
Sworn to and subscribed before me the 25th day of July, 2022