

# Public Hearing on Proposed Denton County Tax Rate for Tax Year 2015

*August 18, 2015 – 7:00 p.m.*

*August 25, 2015 – 10:00 a.m.*



# Denton Central Appraisal District

*Appraisal Districts were established in 1981 as a political subdivision and are responsible for appraising property for ad valorem tax purposes of each taxing unit. Taxing jurisdictions have no control over the specific appraisal of individual property valuations.*

## *Contact Information:*

**Chief Appraiser Rudy Durham**

**3911 Morse Street**

**Denton, Texas 76205**

**Metro: 972-434-2602**

**Fax: 940-387-4824**

# Effective Tax Rate

- The effective tax rate will provide the taxing unit with approximately the same amount of revenue it had the year before on properties taxed in both years.

## EXHIBIT 1: Calculating the Effective Tax Rate

$$\left[ \begin{array}{c} \text{Prior Year's Taxes} \\ \text{Less} \\ \text{Taxes on Property Lost This Year} \\ \hline \text{(divided by)} \\ \hline \text{Current Value of Property} \\ \text{Taxed in the Prior Year} \end{array} \right] \times \$100$$

Generally, if values increase, the effective tax rate goes down; if values decrease, the effective tax rate goes up.

# 4 Principles of Truth-In-Taxation

- Property owners receive notices of their properties' appraised value and estimated taxes that could result from the new value.
- Taxing units must publish its effective and rollback tax rates before adopting an actual rate.
- Notices must be published and taxing entity must hold two public hearings before adopting a tax rate that exceeds the lower of the rollback rate or the effective rate.
- If a taxing unit adopts a rate that exceeds the rollback rate, voters may petition for an election to limit the rate to the rollback rate.

# Important Property Tax Dates

- **April 1** – Chief Appraiser sends property appraisal notices to single family residences
- **May 1** – Chief Appraiser sends notices to any other properties requiring notice
- **May 31** – Deadline to file a protest of your appraisal with the Appraisal District
- **July 25** – Deadline for Chief Appraiser to Certify the Appraisal Roll
- **August** – Cities and Counties Propose Tax Rates and Publish Notice
- **August-September** – Taxing units adopt budget and tax rate
- **October** – Tax Assessor/Collector prepares and mails tax bills

# Public Hearing Notices/Proposed Tax Rate

- Public hearings on a tax increase are triggered by any increase over the Effective Tax Rate.
- At the conclusion of the final budget workshop on August 4<sup>th</sup>, the Commissioners Court unanimously voted to propose a tax rate of \$0.2620 and scheduled two public hearings on the proposed rate.
- The “Notice of Proposed Property Tax Rate” has been advertised and posted according to the provisions detailed in the Local Government Code as follows:
  - ¼ page notice appeared in the Denton Record Chronicle on Monday, August 10<sup>th</sup>.
  - Notice was posted on the main page of the Denton County web site and will remain posted through August 25<sup>th</sup>.
  - Notice was provided to the local free-access cable station to run for 60 second periods at least 5 times per day between the hours of 7:00am and 9:00pm through August 25<sup>th</sup>.

# NOTICE OF 2015 TAX YEAR PROPOSED PROPERTY TAX RATE FOR DENTON COUNTY

A tax rate of \$0.262000 per \$100 valuation has been proposed by the governing body of DENTON COUNTY. This rate exceeds the lower of the effective or rollback tax rate, and state law requires that two public hearings be held by the governing body before adopting the proposed tax rate.

PROPOSED TAX RATE	\$0.262000 per \$100
PRECEDING YEAR'S TAX RATE	\$0.272200 per \$100
EFFECTIVE TAX RATE	\$0.255866 per \$100
ROLLBACK TAX RATE	\$0.270034 per \$100

The effective tax rate is the total tax rate needed to raise the same amount of property tax revenue for DENTON COUNTY from the same properties in both the 2014 tax year and the 2015 tax year.

The rollback tax rate is the highest tax rate that DENTON COUNTY may adopt before voters are entitled to petition for an election to limit the rate that may be approved to the rollback rate.

YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS FOLLOWS:

$$\text{property tax amount} = (\text{rate}) \times (\text{taxable value of your property}) / 100$$

For assistance or detailed information about tax calculations, please contact:

Michelle French  
Denton County Tax Assessor-Collector 1  
1505 E McKinney St Denton, TX 76209  
940-349-3500  
michelle.french@dentoncounty.com  
tax.dentoncounty.com

You are urged to attend and express your views at the following public hearings on proposed tax rate:  
First Hearing: 08/18/2015 7:00 PM at the Courthouse on the Square 110 West Hickory, 2nd Floor in the Commissioners Court Room  
Second Hearing: 08/25/2015 10:00 AM at the Courthouse on the Square 110 West Hickory, 2nd Floor in the Commissioners Court Room

# **Maintenance and Operation Rate**

- Is the component of the tax rate that will impose the amount of taxes needed to fund maintenance and operation expenditures for the following year.

## **Debt Rate**

- The amount of taxes needed to fund debt service (long-term debt service payments) for the following year.

## **Rollback Rate**

- The tax rate which, if the adopted rate exceeds, exposes taxing unit to a rollback election.

# Proposed Tax Rate Breakdown

- Maintenance & Operation Rate = \$0.192148
- Debt Rate = \$0.069852
- Total Proposed Rate = \$0.262000

# Summary of Current and Proposed County Tax Rate

- Current Tax Rate = \$0.272200
- Effective Tax Rate = \$0.255866
- Proposed Tax Rate = \$0.262000
- Variance (Current vs. Proposed) = (\$0.010200)
- Variance (Proposed vs. Effective Rate) = \$0.006134
- Rollback Tax Rate = \$0.270034

The Proposed Tax Rate is 2.4% above the effective tax rate.

# New Property Value

- New property value generates new revenue for a taxing unit. This helps offset property value losses for new exemptions and special appraisals granted for the first time in the current year.
- The taxing unit deducts new property value from the appraised values in the effective tax rate calculation
- New Property values total \$7,050,033 in new funds used in the proposed FY2016 budget, an increase of \$2.1 million

# Denton County, Texas

- The tax rate increase above the calculated effective tax rate.

**Total Taxable Value in Denton County = \$ 70,141,788,055**

**Total Tax Levy on Effective Tax Rate = \$ 179,468,987**

**Total Tax Levy on Proposed Tax Rate = \$ 183,771,485**

**Actual Increase In Taxes Above the Effective Rate = \$ 4,302,498**

# Denton County, Texas

## Effective Rate vs. Proposed Rate

Sample Home Value	Effective Rate County Taxes	Proposed Rate County Taxes	Annual Variance	Monthly Variance
Tax Rate per \$100 Value:	<b>\$0.255866</b>	<b>\$0.2620</b>	Impact (Savings)	Impact (Savings)
\$100,000	\$255.87	\$262.00	\$6.13	\$0.51
\$150,000	\$383.80	\$393.00	\$9.20	\$0.77
\$200,000	\$511.73	\$524.00	\$12.27	\$1.02
\$253,066 (Avg. home value)	\$647.51	\$663.03	\$15.52	\$1.29

•This chart assumes no increase in valuation. Changes in an individual taxpayer's county taxes depend on the specific change in property valuation.

# Denton County, Texas

## Current Rate vs. Proposed Rate

Sample Home Value	Current Rate County Taxes	Proposed Rate County Taxes	Annual Variance	Monthly Variance
Tax Rate per \$100 Value:	<b>\$0.2722</b>	<b>\$0.2620</b>	Impact (Savings)	Impact (Savings)
\$100,000	\$272.20	\$262.00	(\$10.20)	(\$ .85)
\$150,000	\$408.30	\$393.00	(\$15.30)	(\$1.28)
\$200,000	\$544.40	\$524.00	(\$20.40)	(\$1.70)
\$253,066 (Avg. home value)	\$688.85	\$663.03	(\$25.82)	(\$2.15)

•This chart assumes no increase in valuation. Changes in an individual taxpayer's county taxes depend on the specific change in property valuation.

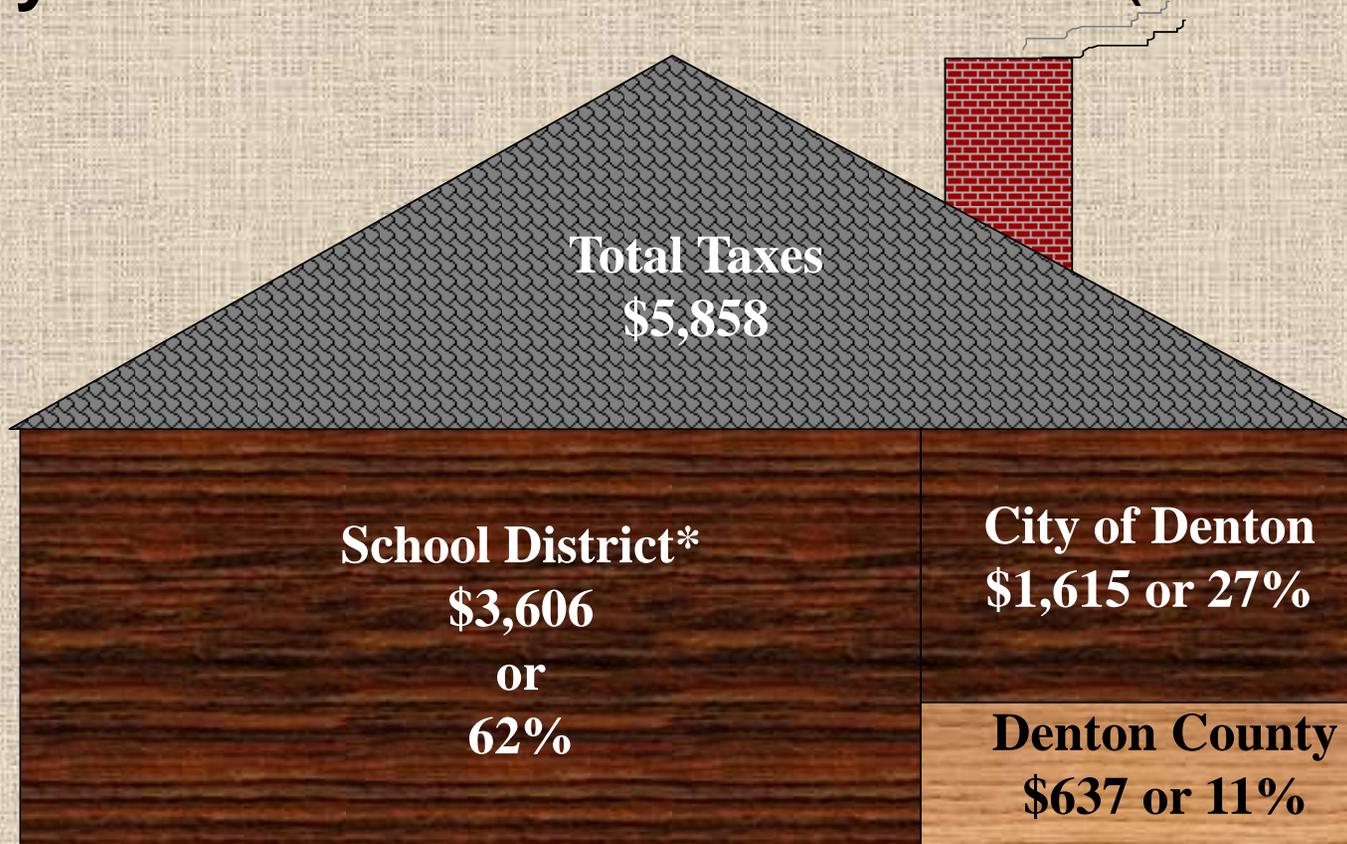
# Impact Of Proposed Tax Rate Based on the Average Home Value

	<u>Last Year</u>	<u>Proposed</u>	<u>Impact</u>
Average Home (Taxable Value)	\$234,162	\$253,066	\$18,904
Tax Rate	\$0.2722	\$0.2620	(\$0.0102)
Property Tax Levied	\$637.39	\$663.03	\$25.64
<b>Monthly Estimated Increase</b>			<b>\$2.14</b>

# Denton County, Texas

## Property Taxes for Average Home Owner

### City of Denton—Current Tax Rates (Tax Year 2014)



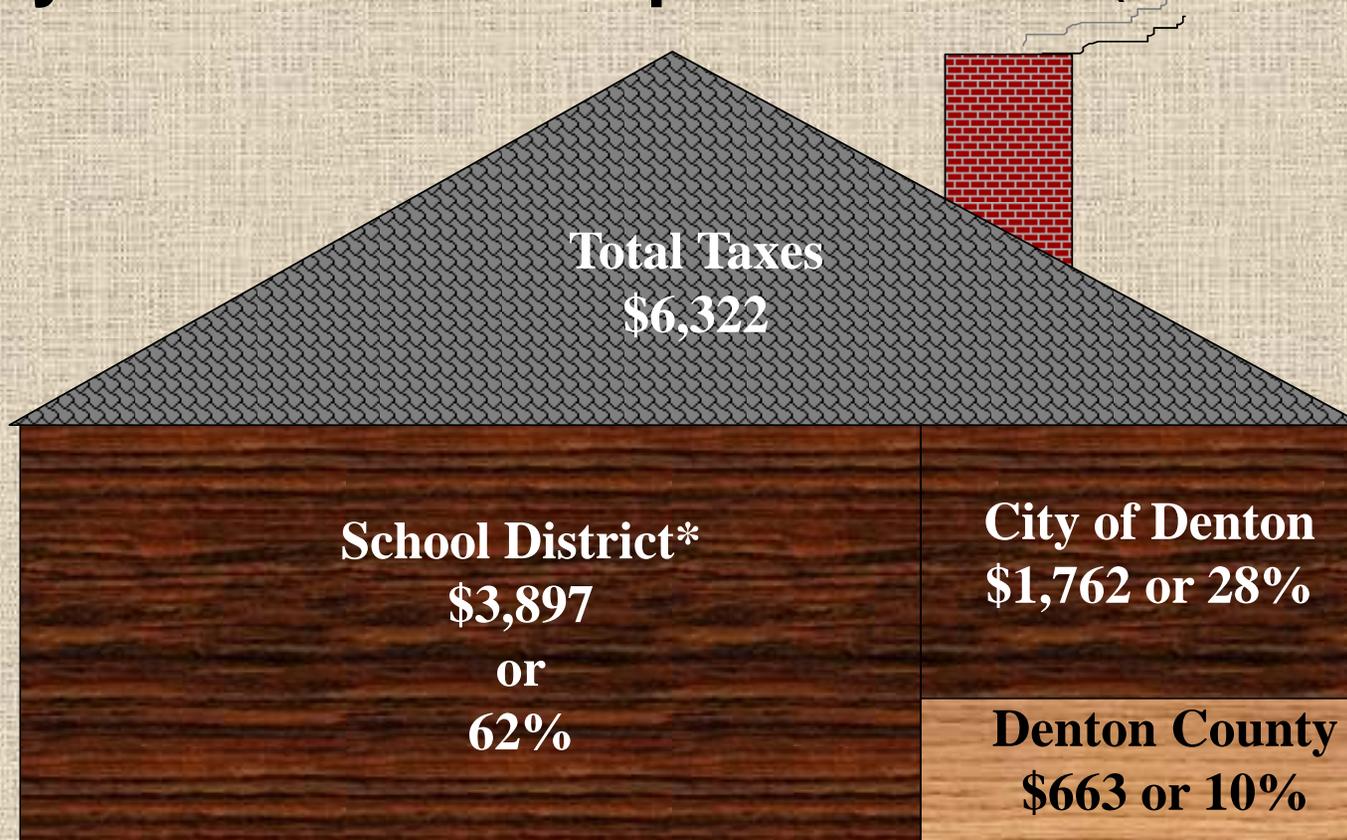
Based on the Average \$234,162 Denton County Home Value

Tax Rates: Denton County \$0.2722 / Denton ISD \$1.540 / City of Denton \$0.68975

# Denton County, Texas

## Property Taxes for Average Home Owner

### City of Denton – Proposed Rates (Tax Year 2015)



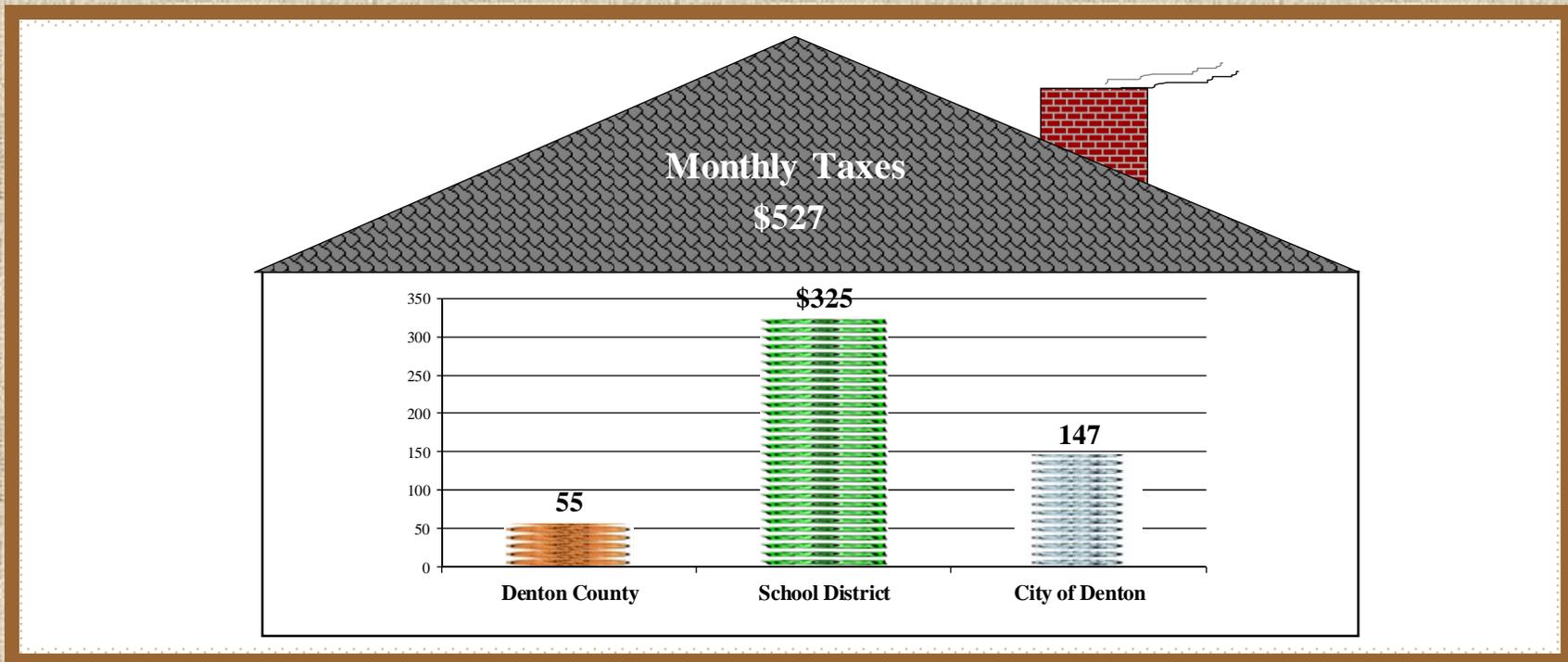
Based on the Average \$253,066 Denton County Home Value

\* Proposed Tax Rates: Denton County \$0.2620 / Denton ISD \$1.540 / City of Denton \$0.696380

# Denton County, Texas

## Average Home Value/Monthly Taxes

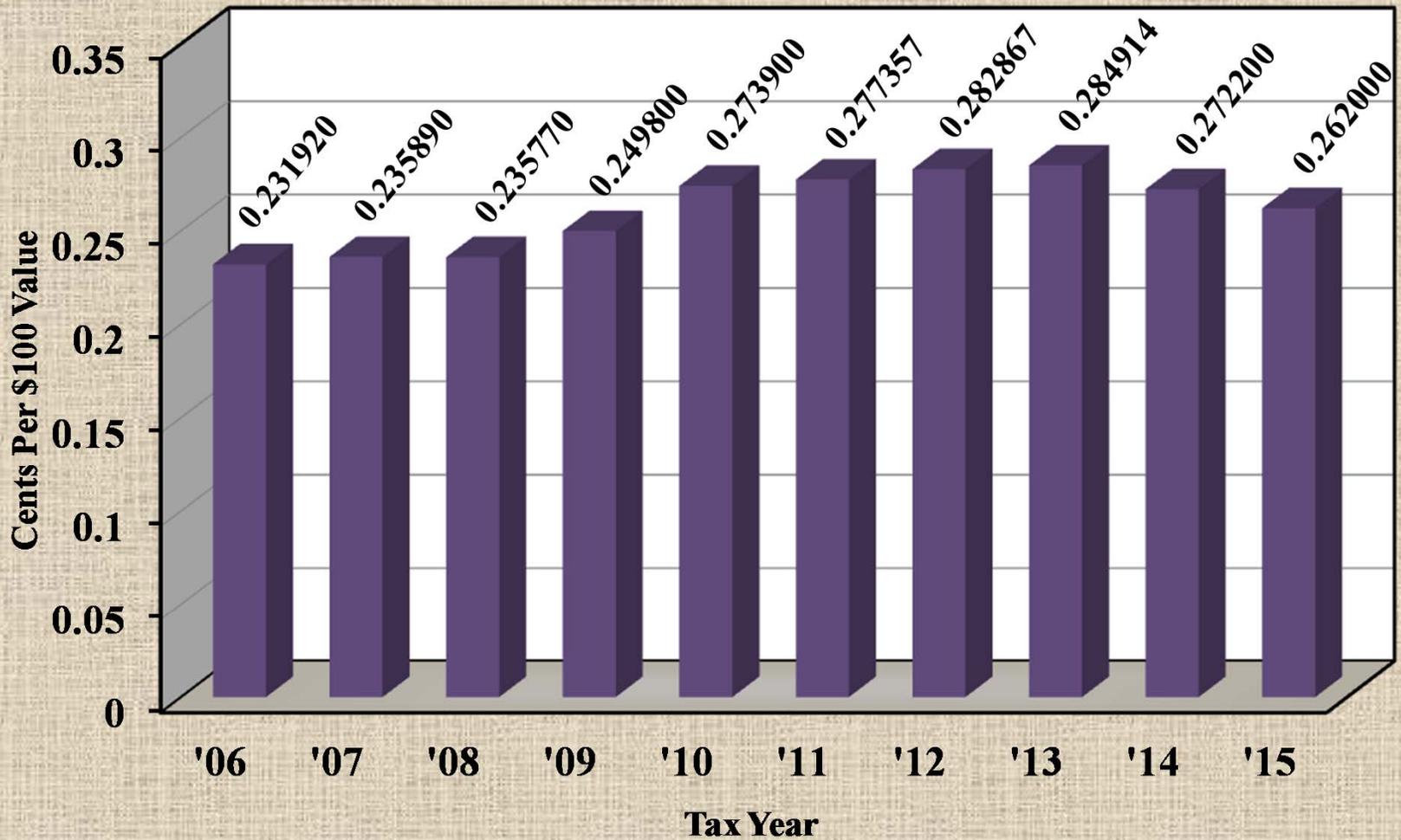
Based on the average Denton County Home Value of \$253,066



Based on proposed tax rates for each entity

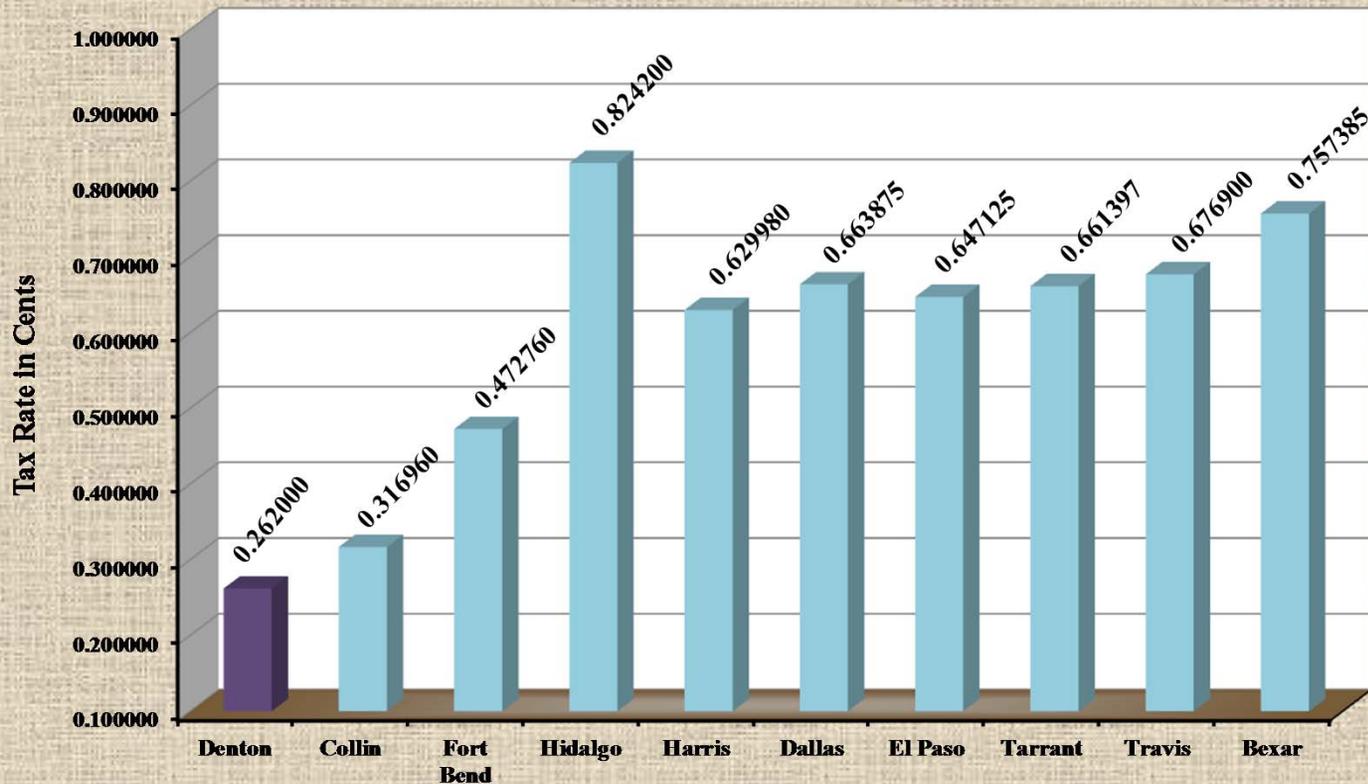
# Denton County, Texas

## Ten-Year Tax Rate History



# Denton County, Texas

## Comparison of Top 10 Texas Counties Taxes Assessed County-Wide

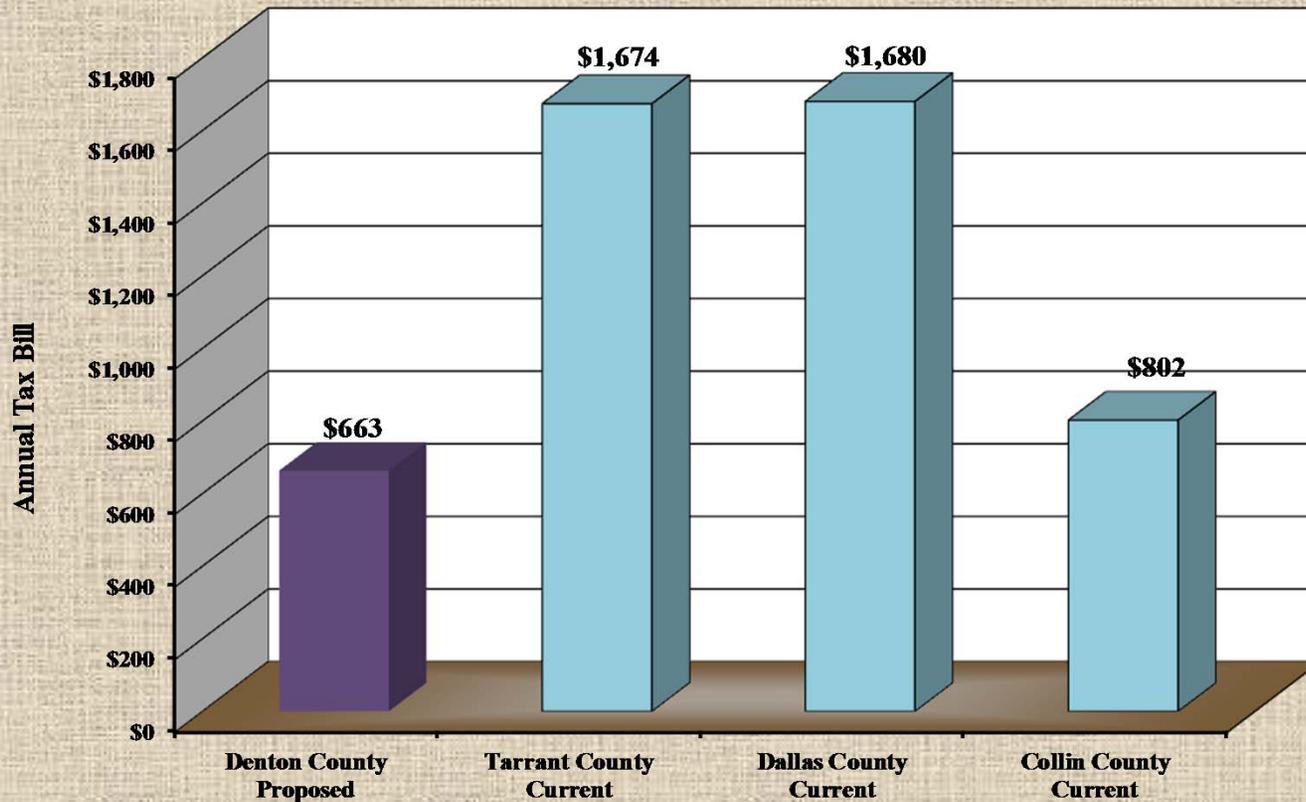


Denton County's tax rate is the proposed rate for FY16. Other counties tax rates are the existing FY15 rates.

All rates shown on this chart include tax rates that are assessed county-wide within each county. Rates not only include their county tax rate, but also include any other taxes that are levied county-wide for Hospital Districts, Community College Districts, Flood Control Districts, Port Authority Districts, etc.

# Denton County, Texas Tax Bill Comparison

Based on Denton County's average home value of \$253,066



This chart reflects Denton County's proposed tax rate for FY2016 while the other counties tax rates are the existing FY2015 rates. The totals include tax rates assessed county-wide within each county including County, Hospital District, and Community College District taxes. The chart does not include city or school district taxes for in each county.

# Tax Rate Comparison / 254 Counties

Only 9 have a lower county tax rate than we propose:

Collin	\$0.2350	Dallas	\$0.2431
Dimmit	\$0.2300	Karnes	\$0.2300
Martin	\$0.2443	Midland	\$0.1265
Reagan	\$0.2108	Upton	\$0.2567
Wheeler	\$0.2310		

All county tax rates range from \$0.1265 to \$1.196

Average rate of 254 counties = \$0.5289

Denton County's proposed rate = \$0.2620

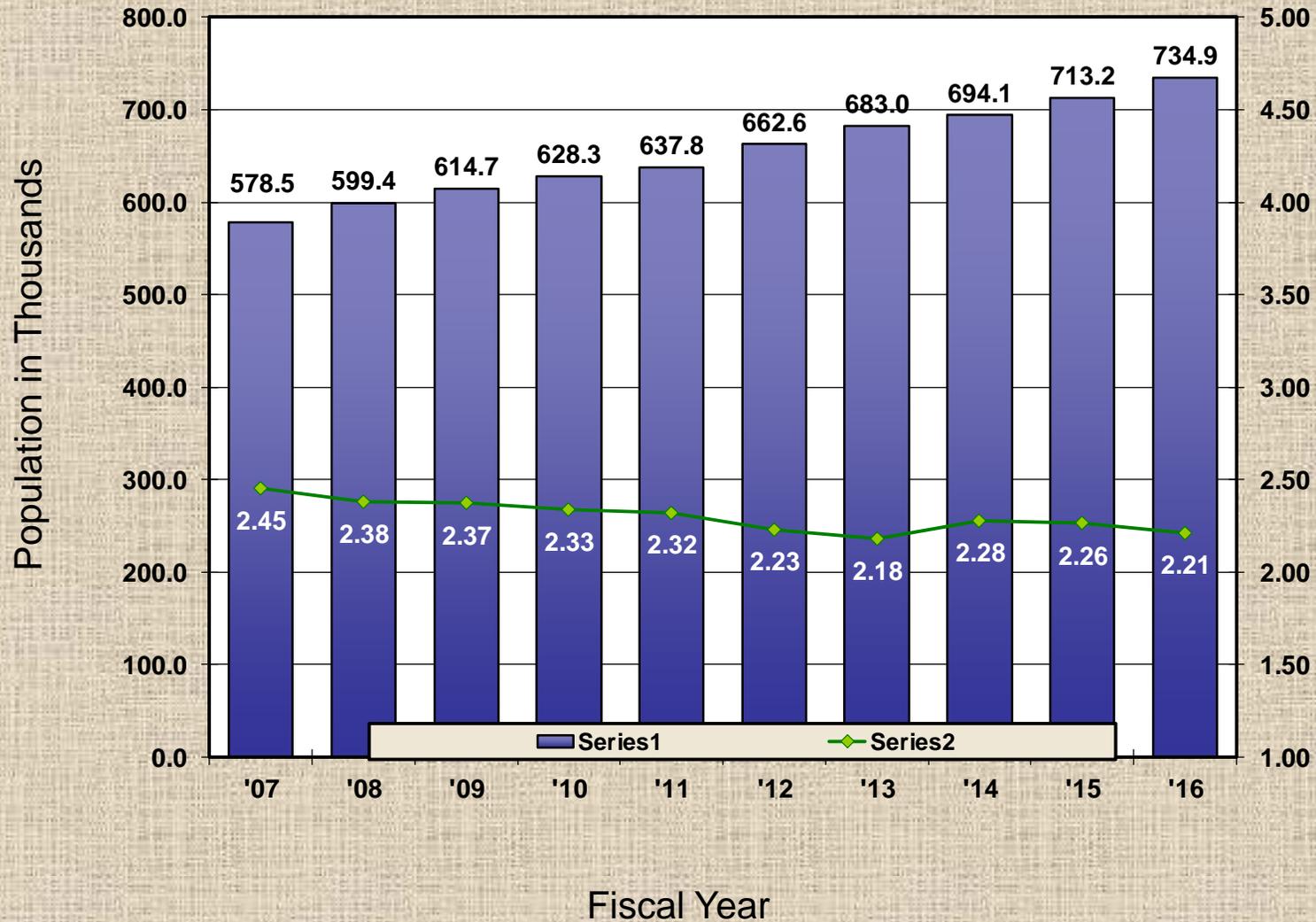
# Top 15 Counties Population/Employee

County	Population	# Employees	# Emp Per 1000 Population
Harris	4,422,000	15,353	3.47
Dallas	2,480,331	6,109	2.46
Tarrant	1,884,620	4,710	2.50
Bexar	1,817,610	4,751	2.61
Travis	1,170,203	5,046	4.31
Collin	906,998	1,815	2.00
El Paso	846,175	2,743	3.24
Hidalgo	815,996	3,015	3.69
Denton	734,940	1,626	2.21
Fort Bend	652,365	2,240	3.43
Williamson	538,206	1,568	2.91
Montgomery	502,920	2,156	4.29
Cameron	423,868	1,613	3.81
Nueces	345,691	1,227	3.55
Brazoria	330,442	1,470	4.45

Denton County information is based on the proposed FY16 budget. Information for other counties is based on FY15 survey data.

# Denton County, Texas

## Number of Employees per Capita



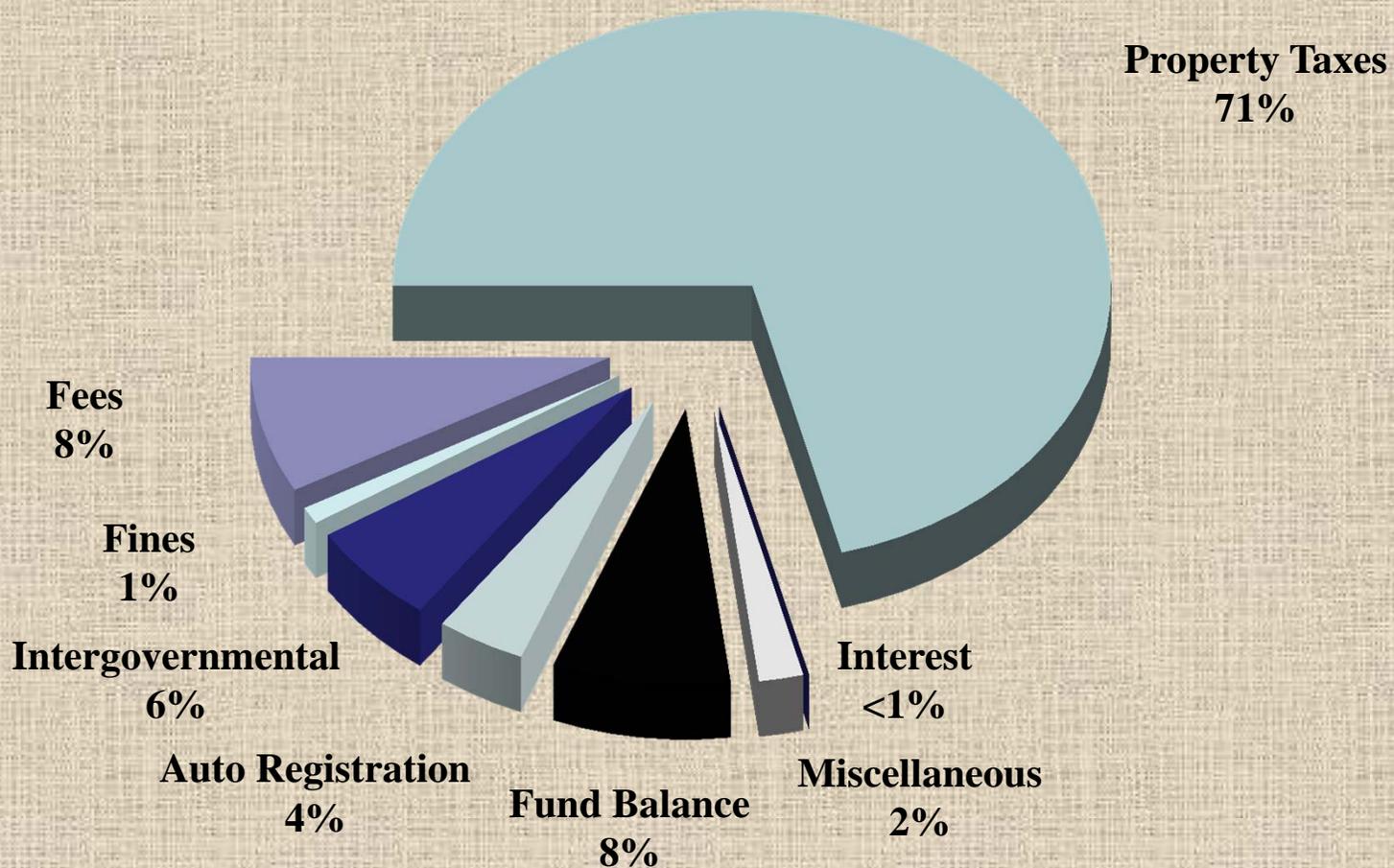
# Summary of Budget Process

- **February 17th** – court establishes goals and kicks off the budget process
- **March-April** – departments prepare budget requests
- **May-June** – Budget Office prepares Recommended Budget
- **July 14th** – Budget Office presents Recommended Budget to Commissioners Court
- **July 28<sup>th</sup>-August 4th** – Budget Workshops
- **August 18<sup>th</sup> and August 25<sup>th</sup>** – Public Hearings on Proposed Tax Rate
- **September 1<sup>st</sup>** – Adoption of Budget and Tax Rate

# Denton County, Texas

## Revenue Summary by Function

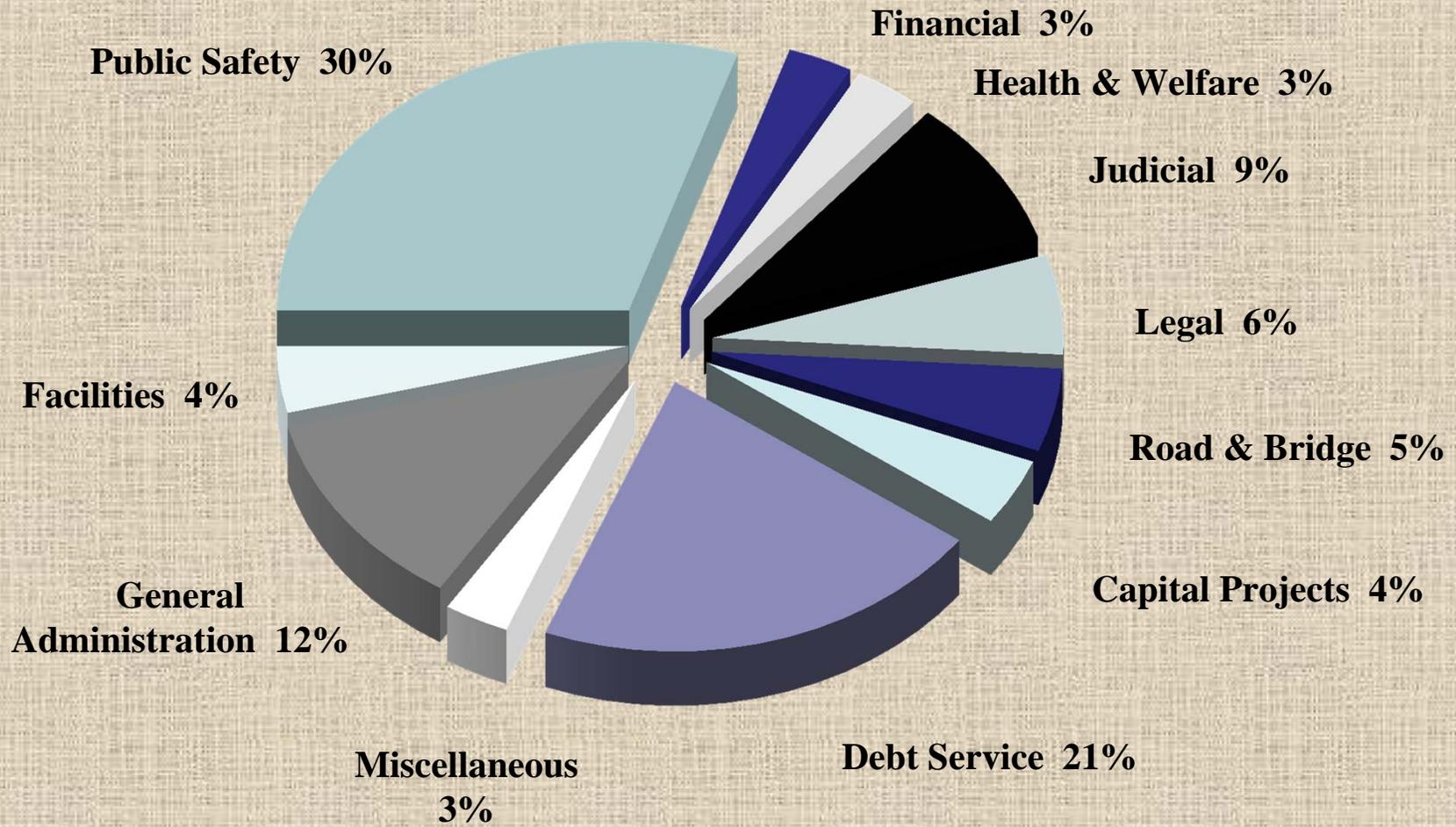
**\$254,890,520**



# Denton County, Texas

## Expense Summary by Function

**\$254,890,520**



# Functions of Denton County

- **Public Safety**
  - County Jail and Jail Health
  - Sheriff's Department
  - Adult and Juvenile Probation
  - (6) Constables
  - Fire and Ambulance Services
  - Emergency Management/Homeland Security
- **County Roads and Bridges**
- **Judicial/Legal** - Criminal Justice System
  - (22) District, County, & Justice of the Peace Courts
  - Criminal District Attorney
  - District Clerk and Jury Services
  - Medical Examiner Services
  - Security Services
- **Debt Service** – Long Term Debt
  - Roads and Bridges
  - County Facilities
- **Capital Projects**
- **Miscellaneous**
- **Health and Welfare**
  - Health Dept-Clinical & Environmental
  - Child Protective Services
  - Indigent Health Care
- **Financial**
  - County Auditor
  - County Treasurer
  - Tax Assessor/Collector
    - Motor Vehicle Registration/Property Taxes
  - Budget Office
- **General Administration**
  - County Clerk
  - Commissioners Court
  - Human Resources
  - Purchasing
  - Information Services
  - Elections
  - Veterans Service
  - Public Works
- **Facilities Management**

# Summary of Major Changes

<b>2% Market Adjustment/3% Merit Increase/Reclassifications</b>	<b>\$ 3,637,000</b>
<b>New Building Expenses - Capital Replacement Funds</b>	<b>\$ 3,600,000</b>
<b>Increase in Debt Service Payments</b>	<b>\$ 2,856,000</b>
<b>Increased Repairs and Maintenance</b>	<b>\$ 1,784,000</b>
<b>New Hires</b>	<b>\$ 1,115,000</b>
<b>Radios/Operating Equipment/Video Equipment</b>	<b>\$ 843,000</b>
<b>Increased Computer Equipment/Software</b>	<b>\$ 782,000</b>
<b>Miscellaneous Court Expenses</b>	<b>\$ 660,000</b>
<b>Increased Utility Expenses</b>	<b>\$ 433,000</b>
<b>Other Miscellaneous Expenses</b>	<b><u>\$ 268,000</u></b>
<b>Total Proposed Budget Increase</b>	<b><u>\$ 15,978,000</u></b>

# **Denton County, Texas**

## **Summary of New/Deleted Positions - FY 2016**

- **New Employees Requested = 36.5**
- **New Employees Proposed = 17.5**
  - **County Clerk – (2) Deputy Clerk II's and (1) Deputy Clerk III**
  - **Technology Services – Network Engineer and Technical Services Administrator**
  - **Department of Public Works – Construction Project Manager**
  - **District Clerk – (2) Senior Clerks**
  - **Death Investigations/Medical Examiner - Medical Investigator (Part-Time to Full-Time)**
  - **County Auditor – Internal Auditor**
  - **Facilities Management – Electronics Technician**
  - **County Jail – Deputy Sheriff/Transport**
  - **Jail Health – (2) Health Services Specialists**
  - **Sheriff's Department – Laboratory Manager**
  - **Ag Extension – 4-H Program Coordinator**
  - **Road and Bridge, Pct. #1 – Driver/Equipment Operator III**
  - **Road and Bridge, Pct. #4 – Lead Mechanic**
- **Deleted Slots:**
  - **Technology Services – Help Desk Manager**
  - **Veteran's Court Grant – Program Manager (pending grant award notification)**

**Denton County, Texas**  
**Increased Debt Service Payments for FY2016**  
**Voter Approved Road Projects**

– <b>TRIP ‘08 Roads, County Judge</b>	<b>\$ 10,178,594</b>
– County Roads, Pct #1	1,281,874
– TRIP ‘08 Roads, Pct #1	<u>3,214,447</u>
– <b>Sub-Total, Roads, Pct #1</b>	<b>4,496,321</b>
– <b>TRIP ‘08 Roads, Pct #3</b>	<b>1,500,000</b>
– County Roads, Pct #4	10,655,000
– TRIP ‘08 Roads, Pct #4	<u>1,500,000</u>
– <b>Sub-Total, Roads, Pct #4</b>	<b>12,155,000</b>
– <b><i>TOTAL ROAD PROJECTS</i></b>	<b><u>\$ 28,329,915</u></b>

**Denton County, Texas**  
**Increased Debt Service Payments**  
**Voter Approved Technology and Building Projects for FY2016**

– Loop 288-Phase III (architect)	<b>\$ 3,375,828</b>
– Sheriff’s Operations Center/Crime Lab (architect)	<b>3,000,000</b>
– Fiber Optic Construction	<b><u>1,757,648</u></b>
– <i>Grand Total-Technology/Building Projects</i>	<b><u>\$ 8,133,476</u></b>

**Denton County, Texas**  
**Summary of Voter Approved Projects**  
**Included in Debt Service Payments for FY2016:**

– County Roads	\$ 11,936,874
– TRIP ‘08 Roads	\$ 16,393,041
– Building/Technology Projects	<u>\$ 8,133,476</u>
– <i>TOTAL VOTER APPROVED PROJECTS</i>	<u>\$ 36,463,391</u>

# **Denton County, Texas**

## **November 4, 2008 Bond Election Results**

### **Proposition #1**

**Road Projects @ \$310 million received 68.22% voter approval  
(Issued to-date \$259,560,447 - Balance to Issue \$50,439,553)**

### **Proposition #2**

**Building/Technology Projects @ \$185 million received 52.25% voter approval**

**(Issued to-date \$126,726,882 - Balance to Issue \$58,273,118)**

**Total Projects approved by the voters totaled \$495 million**

# Denton County, Texas

## Summary of Tax Note Projects

- **Approved Projects:**

– County-Wide Network and Telephone Refresh	\$ 3,405,542
– Security Electronic Upgrades – County Jail	\$ 1,663,000
– Lee Walker Government Center	\$ 3,000,000
– Pre-Trial Inmate and Transport Remodel	\$ 1,066,000
– Jail Core Support Renovation	\$ 741,067
– Emergency Services Building Repairs	\$ 460,000
– Precinct #4 Government Center	<u>\$ 1,600,000</u>
– <i>TOTAL TAX NOTE PROJECTS</i>	<u>\$ 11,935,609</u>

# **Additional Information**

**Proposed budget will be on file in the Budget Office, County Clerk and County Auditor's Office and will be posted on the main page of the web site by Thursday, August 27, 2015.**

**Public Hearing on the Proposed Budget - 10:00am on Tuesday September 1, 2015 at the Courthouse-on-the-Square in the Commissioners Courtroom.**

**Adoption of the budget is scheduled immediately following the public hearing.**

**Adoption of the tax rate will follow adoption of the budget at approximately 10:15am on September 1, 2015.**

# Questions / Comments

## Public Participation

- Questions or comments
- Invite public input on the proposed tax rate

# **At the Conclusion of the Public Hearing**

- **Announce the date, time and place that the proposed tax rate will be scheduled for adoption.**
- **Schedule adoption of the tax rate for Tuesday, September 1, 2015 at 10:15am at the Courthouse on the Square, in the Commissioners Courtroom, 110 West Hickory, Denton, Texas.**