

Budget Overview

~ Property Taxes Continued

Property Taxes

- Home Rule cities, like Nassau Bay, are authorized by the Texas Constitution to levy a tax on real and personal property up to a limit of \$2.50 per \$100 assessed valuation.
- The graph below details the changes in Property Tax Rates per the guidelines of Truth-in-Taxation for the preceding Five Year Period. Definitions for the various rates are listed below:

| Budget | Tax Year | Adopted Rate | Adopted Maintenance & Operations Rate | Adopted Debt Service Rate | Effective Tax Rate | Effective Maintenance & Operations Rate | Rollback Tax Rate |
|--------|----------|--------------|---------------------------------------|---------------------------|--------------------|---|-------------------|
| FY17 | 2016 | 0.742120 | 0.697300 | 0.044820 | 0.756713 | 0.658318 | 0.755803 |
| FY16 | 2015 | 0.742120 | 0.662834 | 0.079286 | 0.826413 | 0.737258 | 0.875524 |
| FY15 | 2014 | 0.742120 | 0.673173 | 0.068947 | 0.745228 | 0.672890 | 0.795668 |
| FY14 | 2013 | 0.732120 | 0.672120 | 0.060000 | 0.757910 | 0.709630 | 0.834861 |
| FY13 | 2012 | 0.732120 | 0.690788 | 0.041332 | 0.733702 | 0.686594 | 0.782853 |
| FY12 | 2011 | 0.692120 | 0.650720 | 0.041400 | 0.692434 | 0.646710 | 0.739300 |

Budget – From October 1 of the preceding year through September 30 of the named Fiscal Year

Tax Year – January 1 of the year that precedes the named Fiscal Year determines the value of property taxable for the Fiscal Year

Adopted Rate – The total tax rate adopted to provide funding for the activities of a Fiscal Year based on the values of the Tax Year

Adopted Maintenance & Operations Rate – The portion of the total adopted tax rate that is dedicated to funding the maintenance and operations activities of the City during the Fiscal Year

Adopted Debt Service Rate – The portion of the total adopted tax rate that is dedicated to funding the debt service obligations of the City during the Fiscal Year

Effective Tax Rate – The legally calculated tax rate established in Truth-in-Taxation that would provide the City the same amount of revenue it received in the previous year on properties taxed in both years

Effective Maintenance & Operations Rate - The legally calculated tax rate established in Truth-in-Taxation that would provide the City the same amount of revenue for maintenance and operations it received in the previous year on properties taxed in both years

Rollback Tax Rate – The legally calculated tax rate established in Truth-in-Taxation that would provide the City with about the same amount of tax revenue it spent the previous year for day-to-day operations, plus an 8 percent increase for those operations, in addition to sufficient funds to pay debts in the coming year