

CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: Office of Management & Budget

AGENDA DATE: August 18, 2009

CONTACT PERSON/PHONE: David Almonte, OMB Director, 541-4777

DISTRICT(S) AFFECTED: All

SUBJECT:

APPROVE a resolution / ordinance / lease to do what? **OR AUTHORIZE** the City Manager to do what? Be descriptive of what we want Council to approve. Include \$ amount if applicable.

Second Public Hearing on the City of El Paso's proposed Property Tax Rate increase for FY2010.

BACKGROUND / DISCUSSION:

Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?

Pursuant to Sections 26.05 and 26.06, Texas Tax Code, the City of El Paso is required to hold two public hearings on Proposed Property Tax Rate Increase for FY2010.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

Yes. Public hearing on the FY 2009 City of El Paso's proposed Property Tax Rate Increase was held on August 19, 2008. The Ordinance levying 2010 Taxes was introduced on August 3, 2009.

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

BOARD / COMMISSION ACTION:

Enter appropriate comments or N/A

N/A

*****REQUIRED AUTHORIZATION*****

LEGAL: (if required) _____ **FINANCE:** (if required) _____

DEPARTMENT HEAD: _____

(Example: if RCA is initiated by Purchasing, client department should sign also)
Information copy to appropriate Deputy City Manager

APPROVED FOR AGENDA: _____

CITY MANAGER: _____

DATE: _____



FY2010 Proposed Tax Rate

2nd Public Hearing



**Tax Rate
Certified Values**

2009 Certified Values

Updated 7/28/2009

2008 Certified Value	28,694,073,454
Preliminary Certified Value Estimate 6/9/2009	30,851,683,579
Certified Values rec'd 7/28/09	29,650,666,918
increase from 2008	3.334%
change from prelim	-3.893%

Proposed Tax Rate

FY 2010 Proposed Tax Rate Calculation

	FY 2009 Adopted Budget		FY2010 Proposed Certified
Certified Value - 07282009	\$28,694,073,454		\$29,650,666,918
New Construction 2009			720,140,809
Adjusted Valuation			28,930,526,109
O&M Requirement	123,034,900		126,163,000
Debt Service Requirement	58,506,106		62,429,401
Total Revenue Requirement	181,541,006		188,592,401
O&M Tax Levy	0.429	a	0.425
Debt Tax Levy	0.204	b	0.211
Proposed Tax Rate	0.633	c	0.636
			f

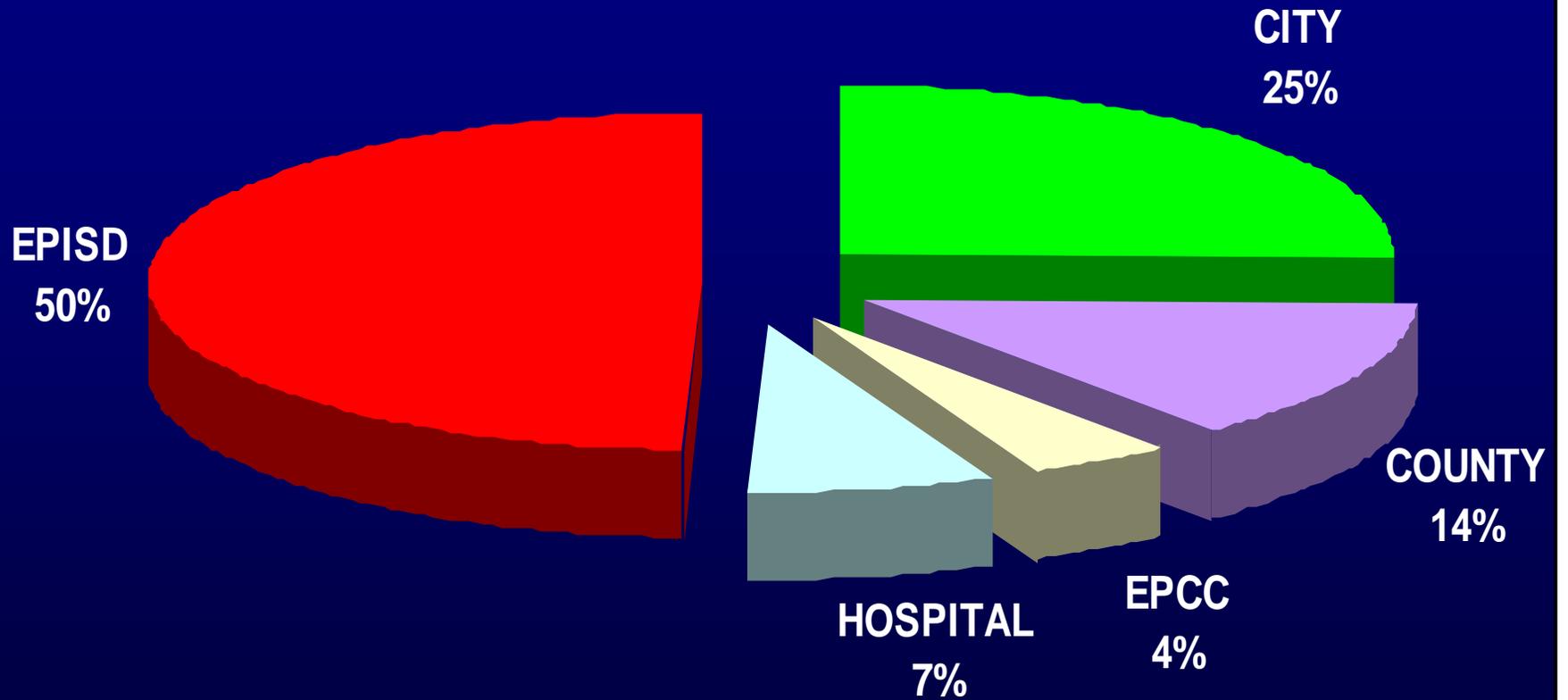
Effective Rate

Difference between Proposed Tax Rate & Current Tax Rate		0.003	f-c
Effective Tax Rate	g	0.627507	
Effective M&O Rate	h	0.425277	
Difference between Proposed Tax Rate & Effective Rate		0.008493	f-g
Difference between Proposed M&O Tax Rate & Effective M&O Rate		-0.000277	d-h
% Increase in Proposed M&O Tax Rate & Effective M&O Rate		-0.065%	(d-h)/h
% Increase in Proposed Tax Rate & Effective Tax Rate		1.353%	f/g-1
M&O Rollback Rate		45.9299	
Total Rollback Rate		67.0299	

Veterans Exemption

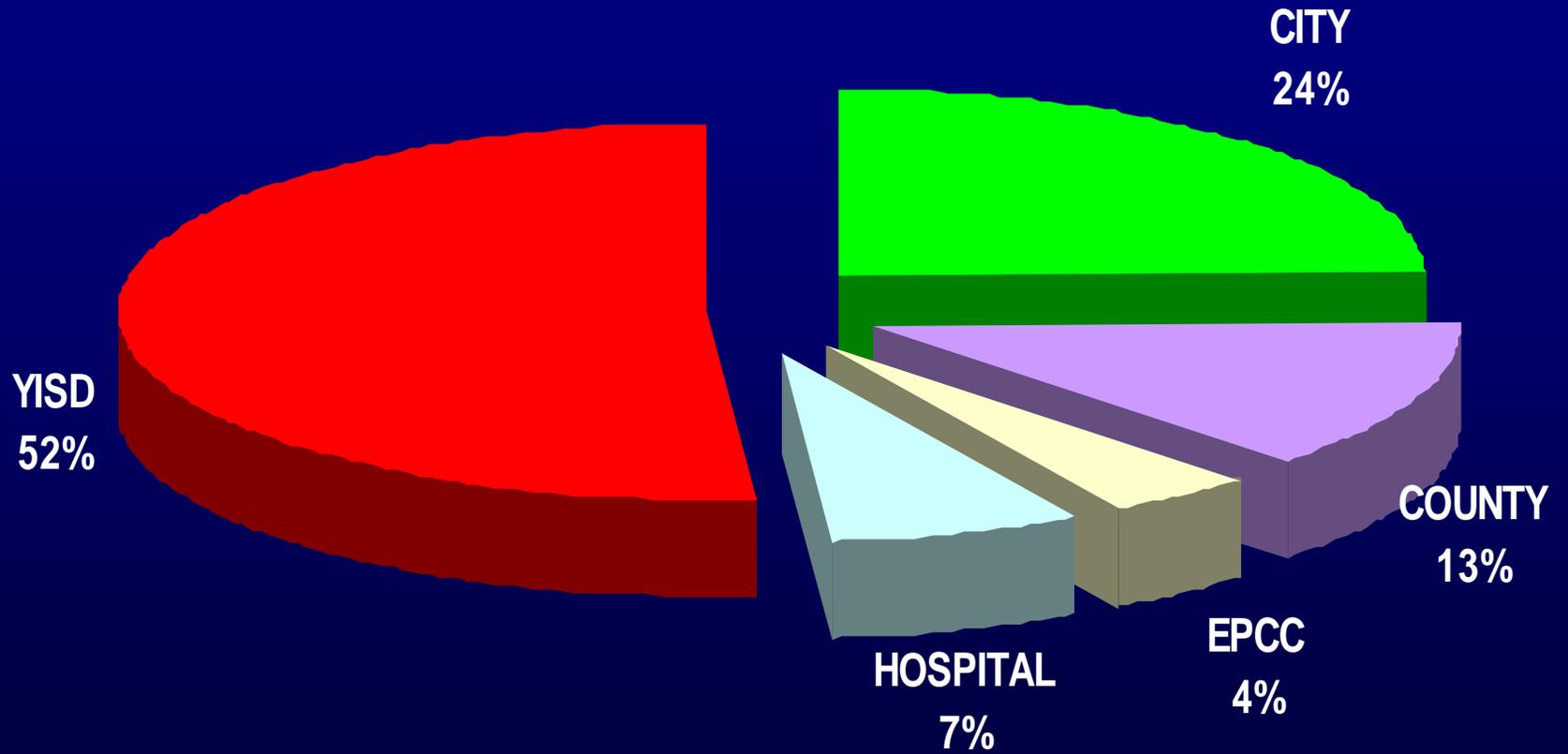
House Bill 3613 was passed during the 2009 legislative session. This bill completely exempts from ad valorem taxation a homestead owned by a disabled veteran who receives from the United States Department of Veterans Affairs or its successor 100 percent disability compensation due to a service-connected disability and a rating of 100 percent or of individual unemployability. This bill will go into effect September 1, 2009 for tax year 2009.

EPISD

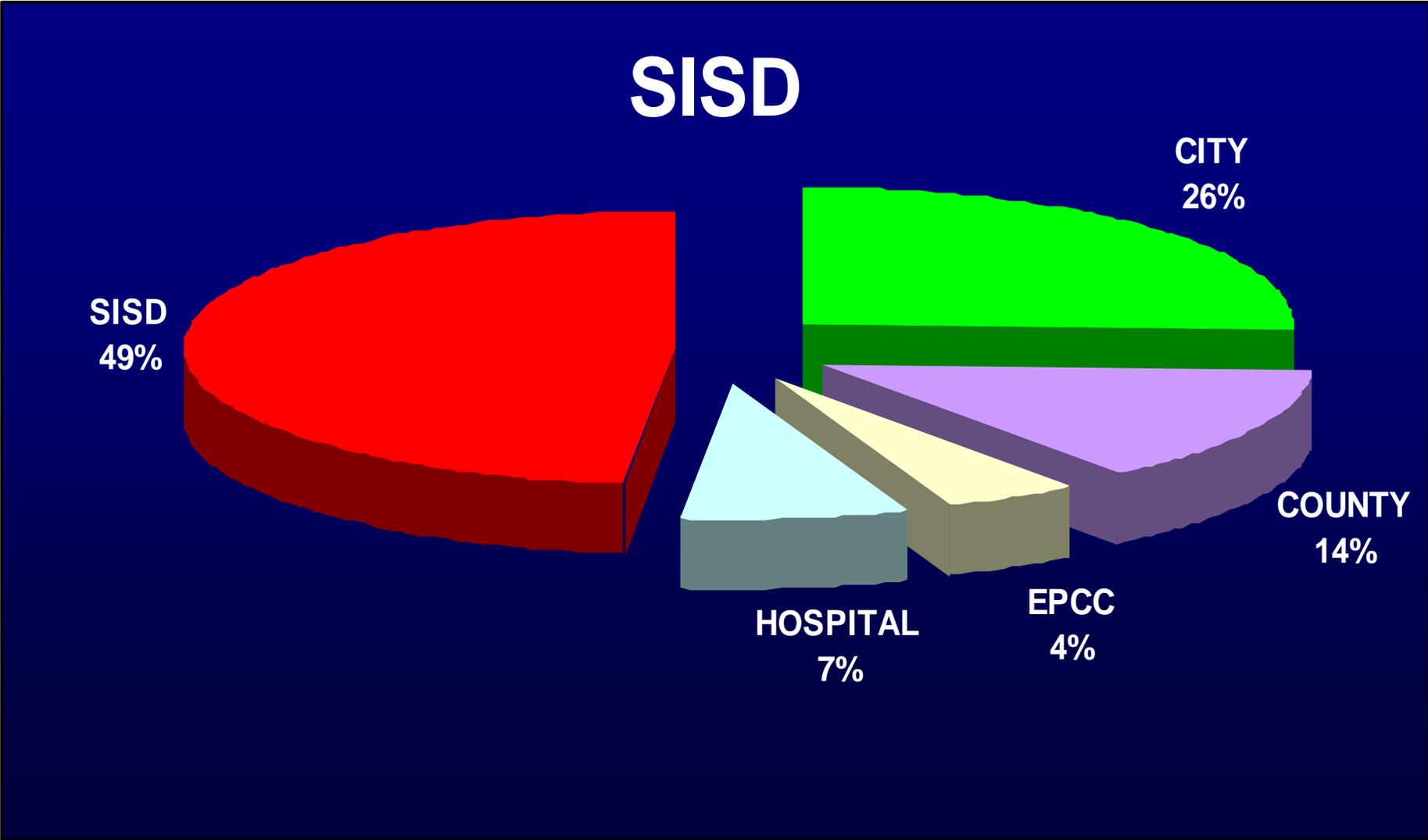


Residents within City Limits

YISD



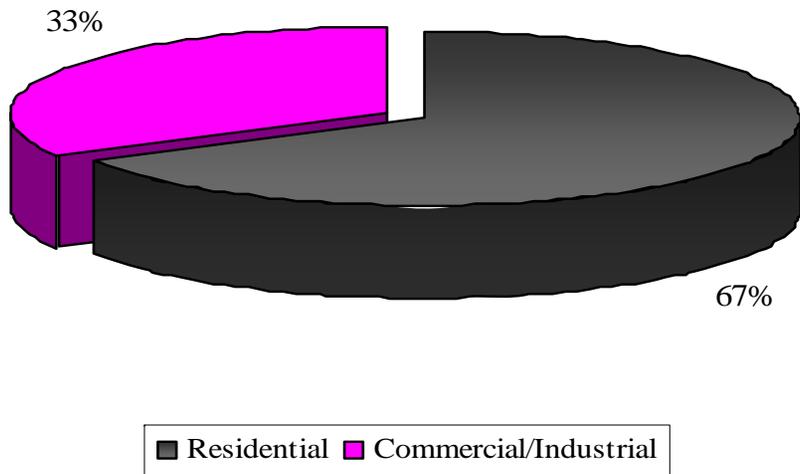
Residents within City Limits



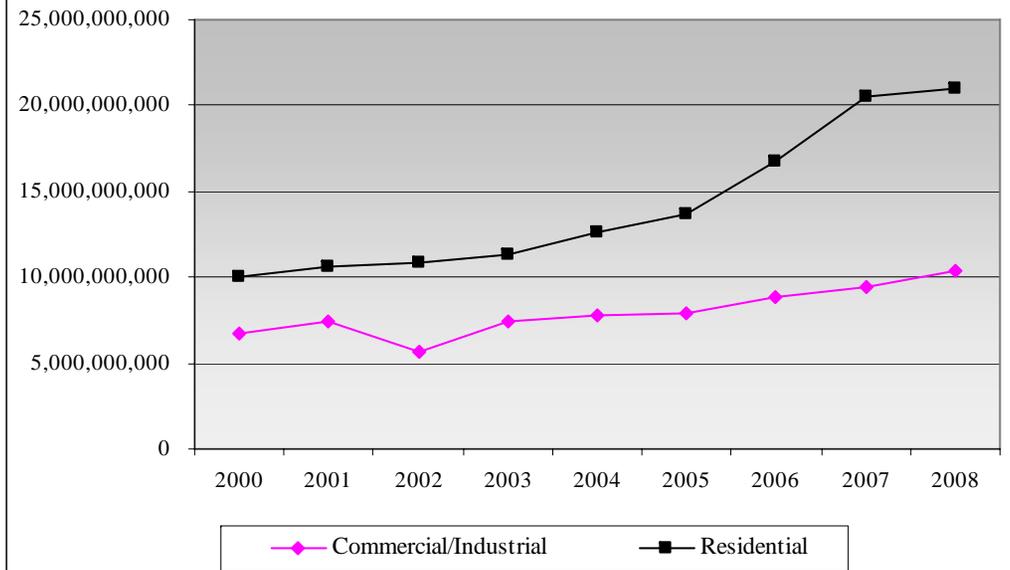
Residents within City Limits

2008 Assessed Valuation

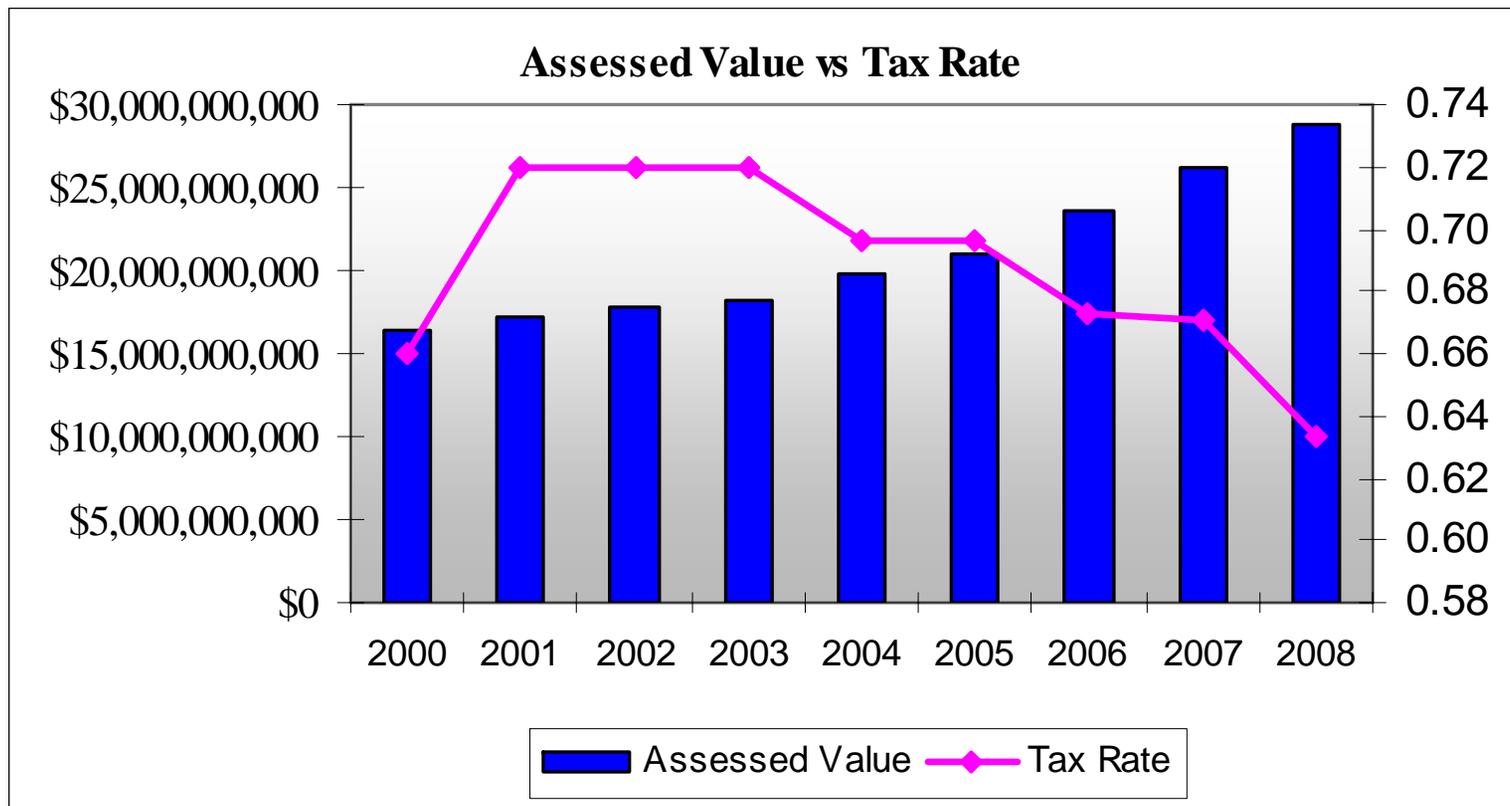
Assessed Valuation 2008



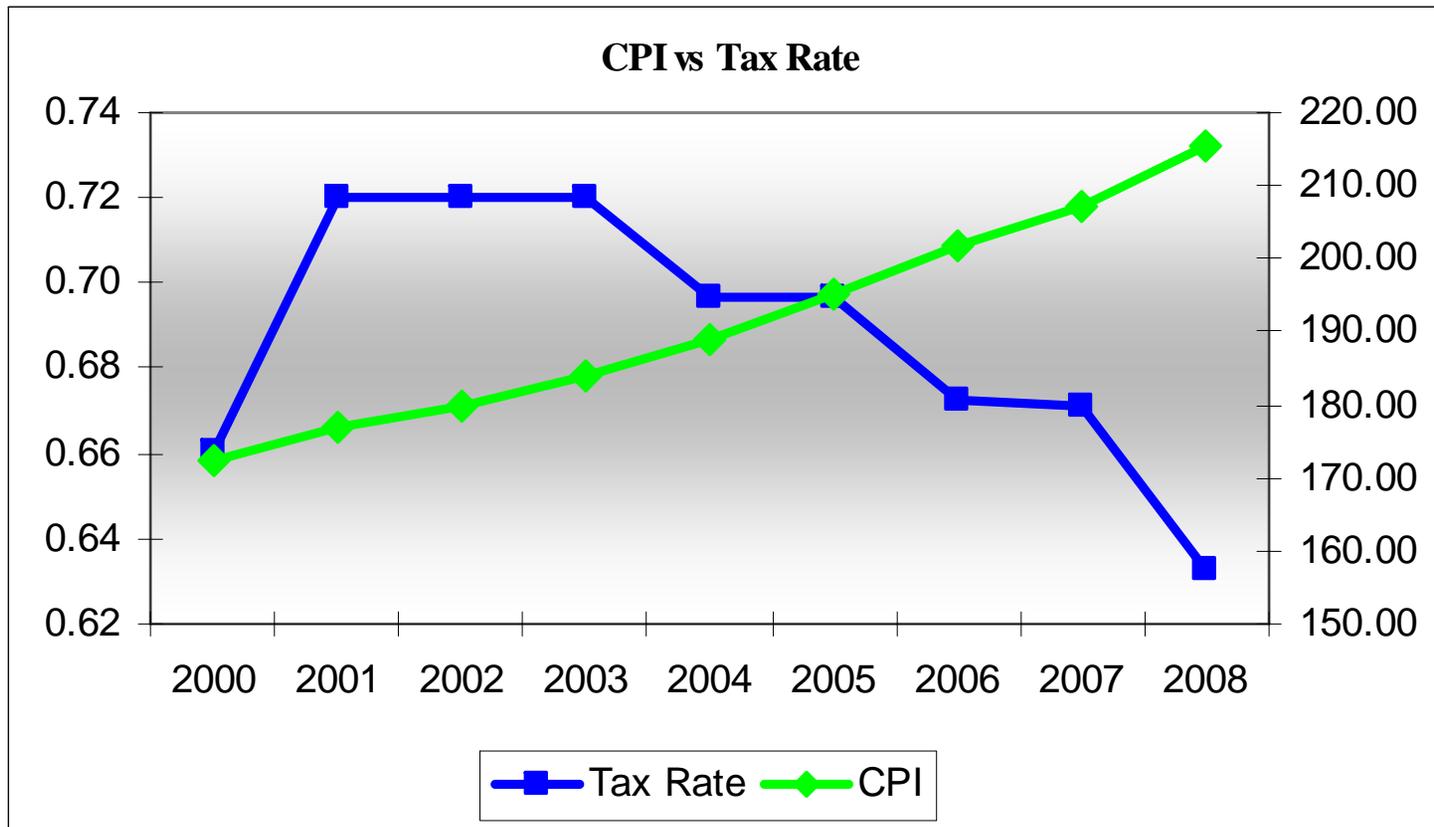
El Paso Property Valuation



Valuation vs. Tax Rate



CPI vs. Tax Rate



Questions Comments

Total Tax Burden: Percent of Avg Per Capita Income Paid in State and Local Taxes (Before Recession)

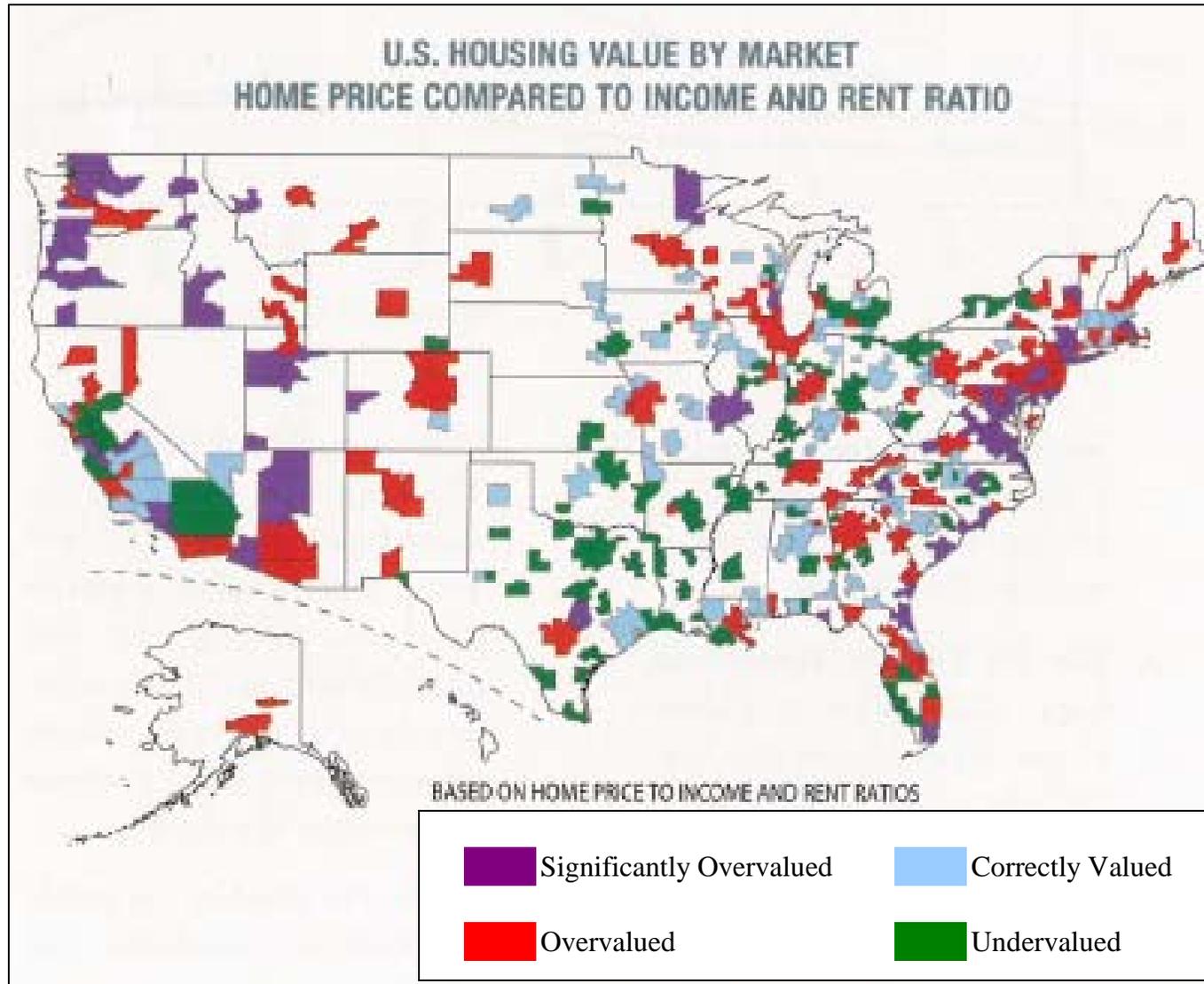
(#1 has the highest tax burden, #50 has the lowest)

	2008 Rank	2008	1998
Greatest			
New Jersey	1	11.8%	10.9%
New York	2	11.7%	11.4%
Connecticut	3	11.1%	11.4%
Maryland	4	10.8%	10.4%
Hawaii	5	10.6%	10.7%
California	6	10.5%	10.6%
Ohio	7	10.4%	9.8%
Vermont	8	10.3%	9.7%
D.C.	8	10.3%	11.3%
Wisconsin	8	10.2%	11.0%
Rhode Island	10	10.2%	10.5%
Least			
Arizona	41	8.5%	8.6%
Louisiana	42	8.4%	8.3%
Texas	43	8.4%	8.2%
Tennessee	44	8.3%	8.0%
South Dakota	45	7.9%	8.3%
New Hampshire	46	7.6%	7.7%
Florida	47	7.4%	8.1%
Wyoming	48	7.0%	7.2%
Nevada	49	6.6%	7.0%
Alaska	50	6.4%	6.1%

Source: Bureau of Economic Analysis, Tax Foundation. Texas Town & City, July 2009

U.S. Housing Value by Market

Home Price Compared to Income and Rent Ratio



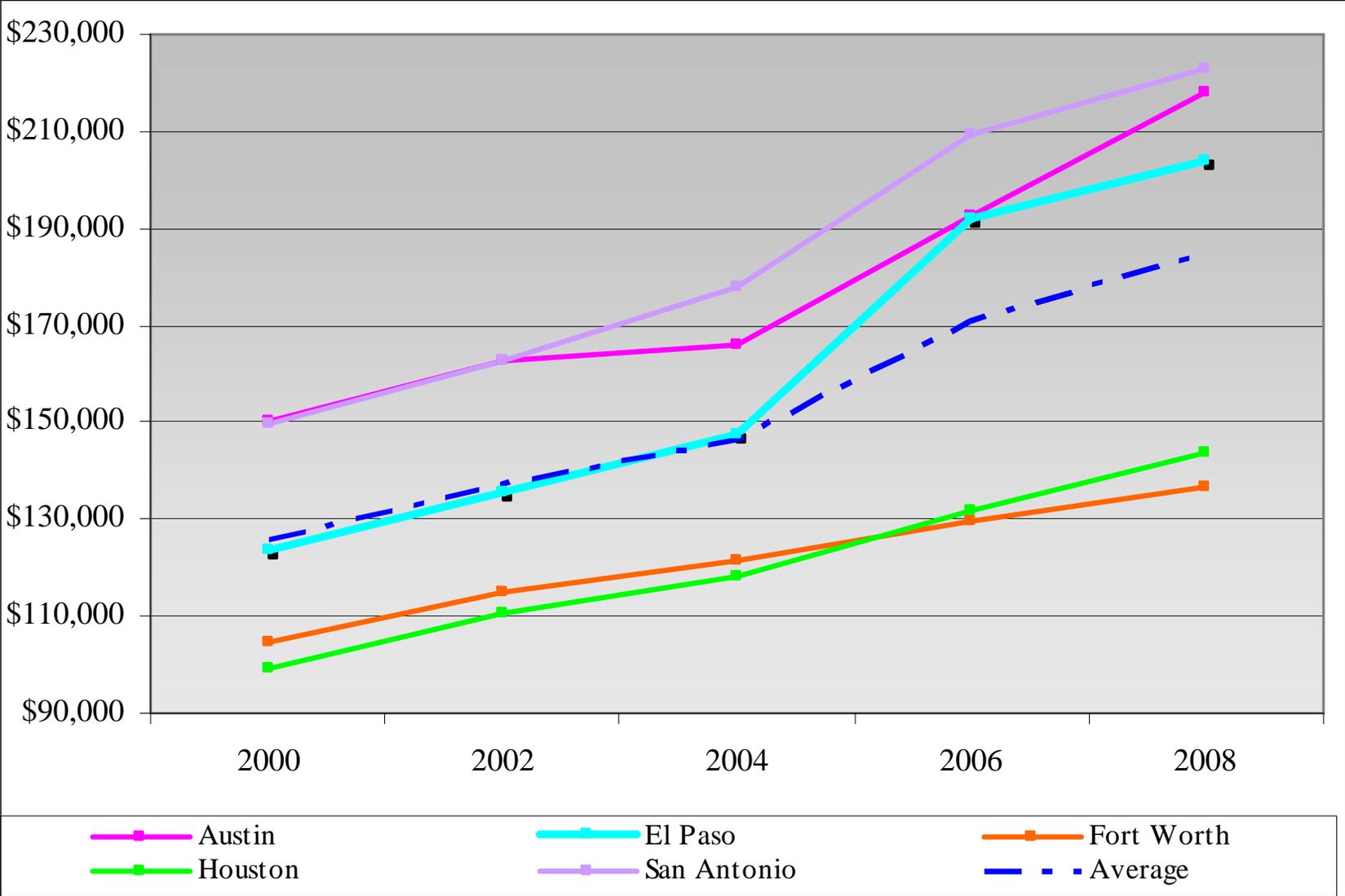
Source: Fiserv Lending Solutions, PPR, Moody's Economy.com. Texas Town & City, July 2009

Home Price Comparison: 2,200 Square Feet, 4 bedroom, 2.5 bath, family room, 2 car garage

	2000	2002	2004	2006	2008
Boston	\$882,765	\$1,123,173	\$1,381,369	\$1,453,450	\$1,356,015
Las Vegas	\$163,809	\$184,847	\$290,435	\$353,537	\$222,247
Phoenix	\$153,014	\$171,193	\$211,171	\$322,602	\$250,427
San Diego	\$295,176	\$386,767	\$570,929	\$625,314	\$476,506
San Francisco	\$889,160	\$1,002,270	\$1,280,556	\$1,470,034	\$1,332,411
Austin	\$150,470	\$162,670	\$165,887	\$192,670	\$218,269
Dallas	\$228,726	\$252,239	\$264,069	\$281,867	\$297,245
El Paso	\$123,689	\$135,324	\$147,786	\$191,838	\$203,967
Fort Worth	\$104,846	\$114,810	\$121,259	\$129,875	\$136,454
Houston	\$99,071	\$110,621	\$118,075	\$131,606	\$143,941
San Antonio	\$149,721	\$162,951	\$178,031	\$209,120	\$223,137

Source: Coldwell Banker Central city only, excludes suburbs. Texas Town & City, July 2009

Home Price Comparison



Source: Coldwell Banker Central city only, excludes suburbs. Texas Town & City, July 2009