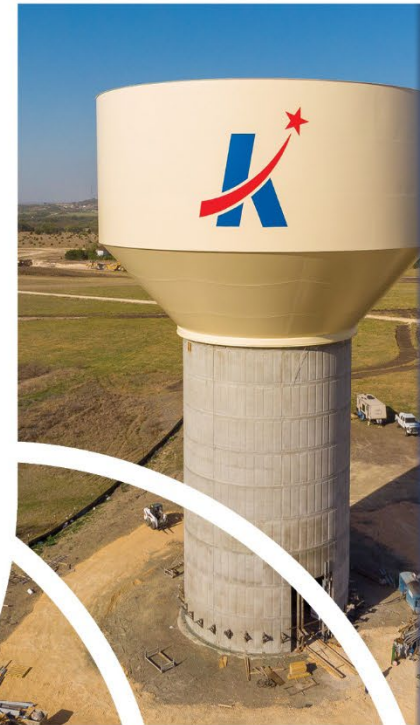


FY 2023 Proposed Budget Presentation



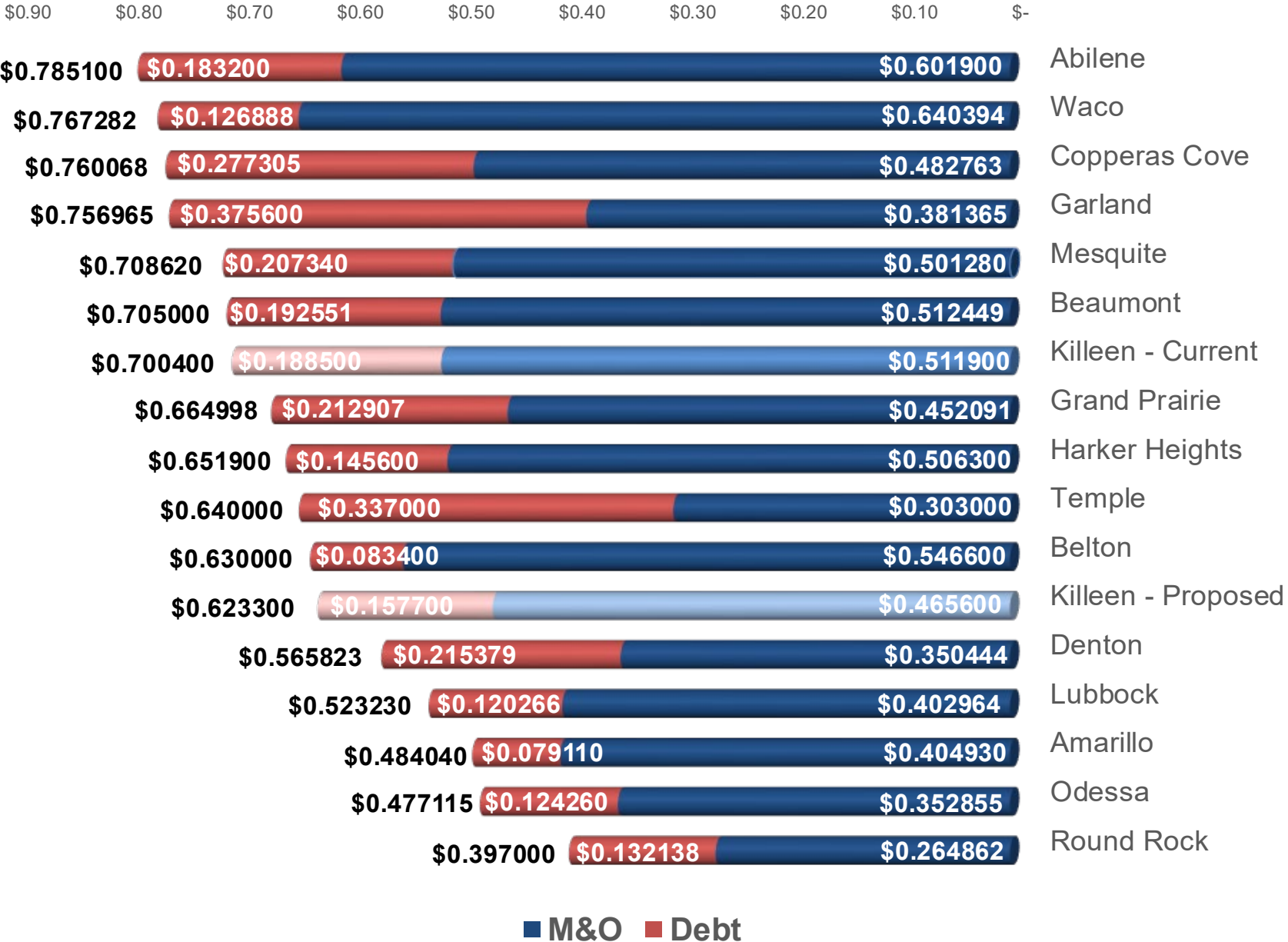
Setting Preliminary Tax Rate August 2, 2022

Dedicated Service - Every Day for Everyone!
Killeen, Texas

Fiscal Year	Tax Rate	Freeze Adjusted Taxable Value	Exemption Value	Tax Levy
2007	\$ 0.6950	\$ 3,504,499,234	\$ 350,942,363	\$ 24,356,270
2008	0.6950	3,972,782,440	370,590,698	27,610,838
2009	0.6950	4,400,933,543	389,272,462	30,586,488
2010	0.6950	4,393,080,749	481,935,337	31,931,424
2011	0.7428	4,395,993,060	535,751,159	34,075,719
2012	0.7428	4,520,459,969	553,300,701	35,040,072
2013	0.7428	4,599,097,718	606,059,551	35,663,378
2014	0.7428	4,795,024,710	662,109,123	37,110,950
2015	0.7498	4,811,164,418	755,476,941	37,579,399
2016	0.7498	4,943,248,641	840,029,405	38,659,704
2017	0.7498	5,105,756,819	943,288,983	39,950,656
2018	0.7498	5,495,220,469	1,110,668,560	42,948,762
2019	0.7498	5,558,236,084	1,319,944,348	43,412,292
2020	0.7498	6,146,321,192	1,495,394,748	47,920,111
2021	0.7330	6,546,250,278	1,664,950,466	50,184,181
2022	0.7004	7,332,662,381	2,151,287,337	53,800,867
2023 ¹	0.6233	8,795,104,770	2,557,328,815	57,370,259

¹ - Proposed tax rate for FY 2023

FY 2022 Peer City Benchmark Tax Rates



Property Tax Rate Description

- No-New-Revenue Rate – the tax rate that will generate the same amount of tax revenue as the previous fiscal year on properties taxed in both fiscal years
 - FY 2023 - \$ 0.6059
- Budgeted Rate – the tax rate used to prepare the FY 2023 Proposed Budget
 - FY 2023 - \$0.6233
- Current Rate – the tax rate levied for the current fiscal year
 - FY 2022 - \$0. 7004
- Voter-Approval Rate – the tax rate that is calculated by increasing the maintenance and operation component of the No-New-Revenue Rate by 3.5% plus any unused increment rate
 - FY 2023 - \$ 0.7559
 - Automatic election if exceeded

Property Tax Levy Comparison

	<u>Tax Rate</u>	<u>Total Levy</u>	<u>Difference from Budgeted Rate</u>
No-New-Revenue Rate	\$ 0.6059	\$ 55,012,173	\$ (1,508,203)
Revised Proposed Rate*	\$ 0.6233	\$ 56,520,376	\$ -
Current Rate	\$ 0.7004	\$ 63,145,320	\$ 6,624,944
Voter-Approval Rate	\$ 0.7559	\$ 67,921,929	\$ 11,401,553

*0.93¢ decrease in tax rate after receipt of certified tax roll on July 15, 2022 and tax rate calculations on July 29, 2022

Property Tax – Tax Rate Comparison

	<u>FY 2022 Amount</u>	<u>FY 2023 Amount</u>	<u>Increase/ (Decrease)</u>
Operations	\$ 0.5119	\$ 0.4656	\$ (0.0463)
Debt	0.1885	0.1577	(0.0308)
Total	<u>\$ 0.7004</u>	<u>\$ 0.6233</u>	<u>\$ (0.0771)</u>

Property Tax – Average Taxable Homestead Value Comparison

	Proposed FY 2023	Current FY 2022	Difference
Taxable Value	\$ 178,761	\$ 158,338	\$ 20,423
Tax Rate	0.6233	0.7004	\$ (0.0771)
Annual Tax Levy*	\$ 1,114.22	\$ 1,109.00	\$ 5.22
Monthly Cost	\$ 92.85	\$ 92.42	\$ 0.43

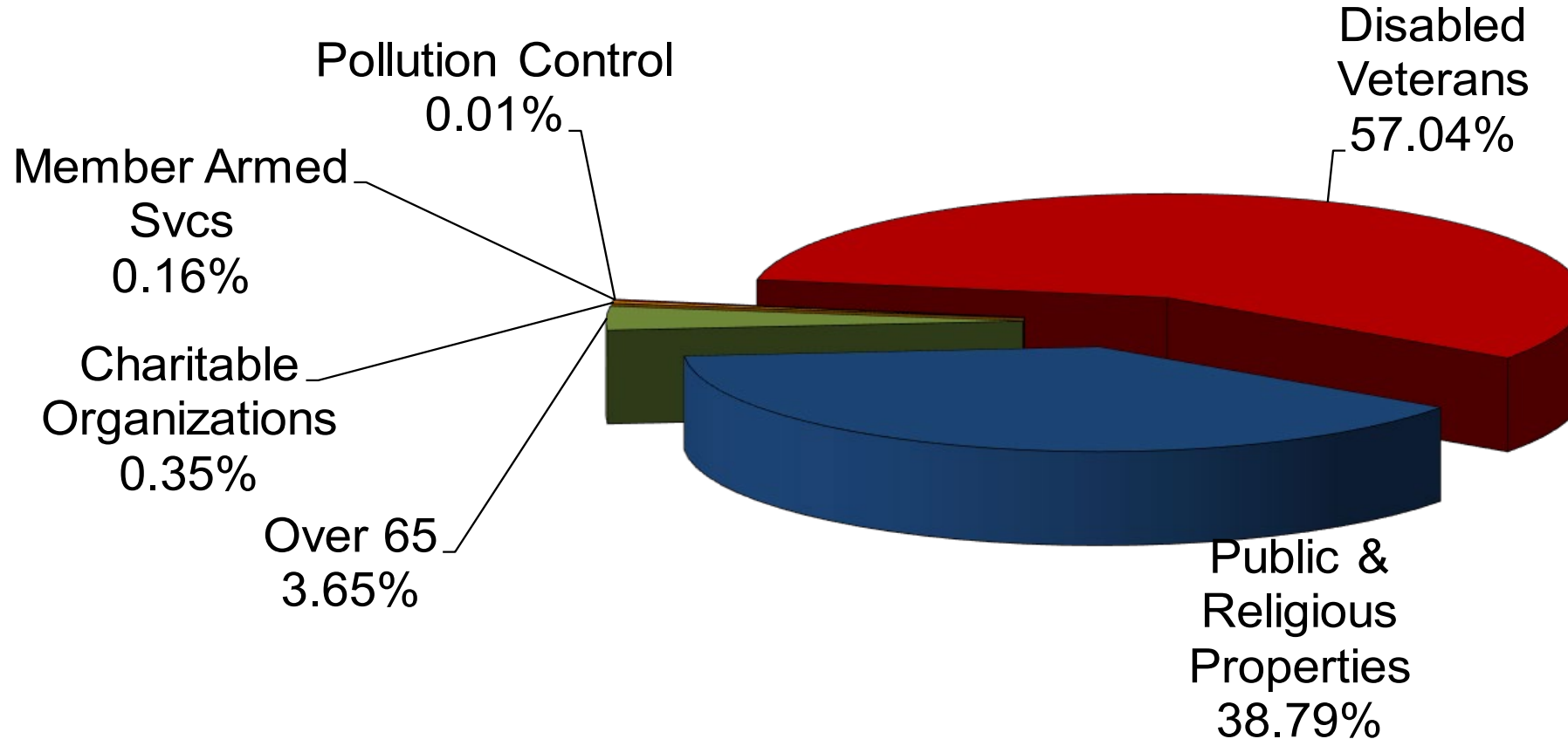
*Taxable Value / 100 x Tax Rate = City Taxes Paid

PROPERTY TAX HISTORY

Fiscal Year	Tax Rate	Net Taxable Value	Tax Levy	Exemption Value
2010	\$ 0.6950	\$ 4,597,388,192	\$ 31,931,424	\$ 481,935,337
2011	0.7428	4,600,996,317	34,075,719	535,751,159
2012	0.7428	4,732,551,512	35,040,072	553,300,701
2013	0.7428	4,818,504,794	35,663,378	606,059,551
2014	0.7428	5,012,906,385	37,110,950	662,109,123
2015	0.7498	5,028,425,890	37,579,399	755,476,941
2016	0.7498	5,175,292,421	38,659,704	840,029,405
2017	0.7498	5,352,339,761	39,950,656	943,288,983
2018	0.7498	5,772,164,539	42,948,762	1,110,668,560
2019	0.7498	5,834,474,313	43,412,292	1,319,944,348
2020	0.7498	6,461,868,238	47,920,111	1,495,394,748
2021	0.7330	6,942,146,436	50,184,181	1,664,950,466
2022	0.7004	7,810,296,015	53,800,867	2,151,287,337
2023 ¹	0.6233	9,355,940,924	57,370,259	2,557,328,815

¹ - Proposed tax rate and certified values for FY 2023

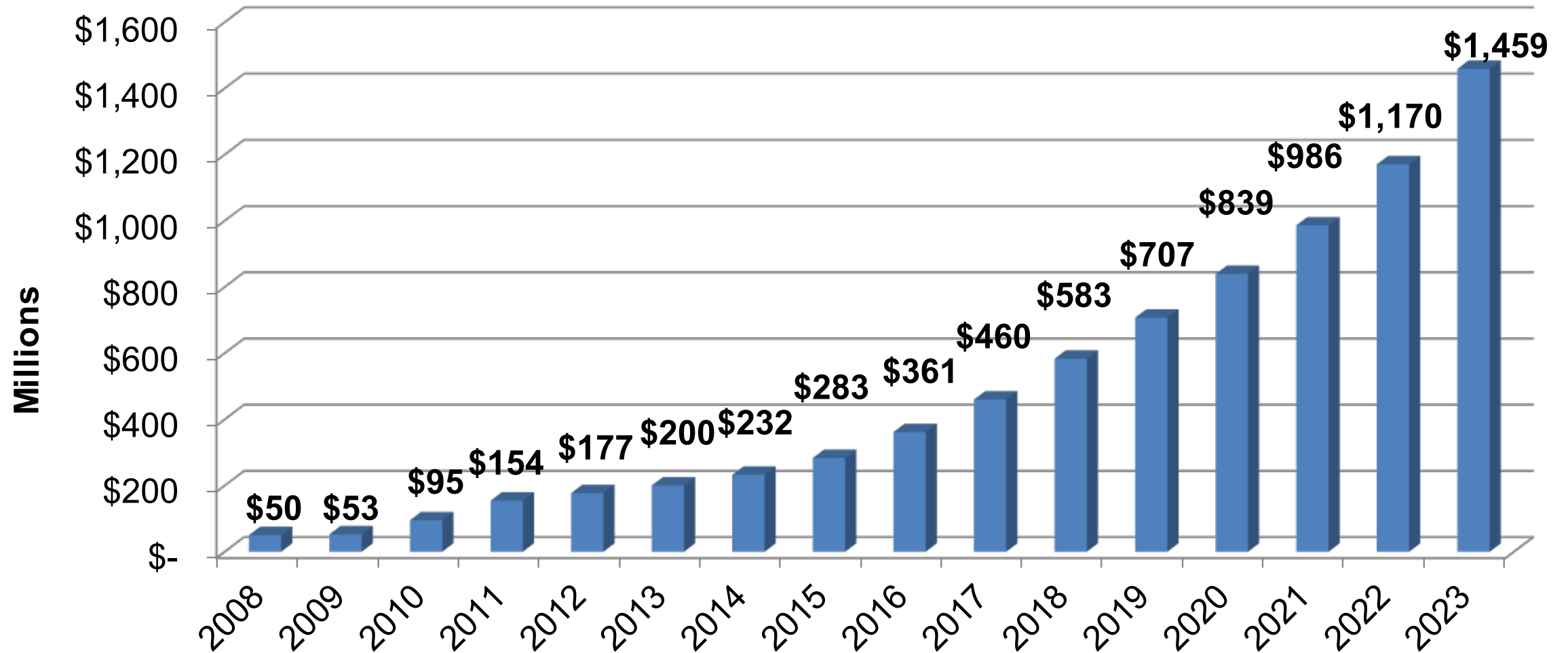
City of Killeen FY 2022 Exemptions (1)



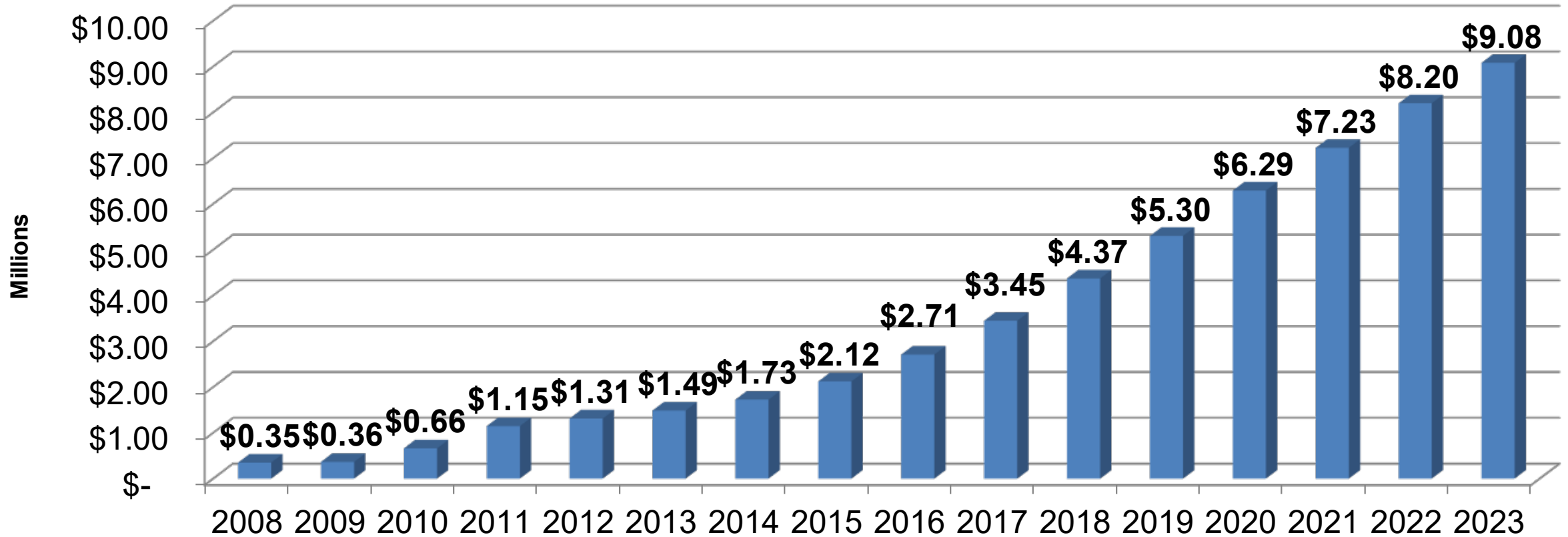
(1) Source Document: Tax Appraisal District of Bell County - July 15, 2022 Certified Tax Roll

Total Exemptions: \$2,557,328,815

Property Tax – Disabled Veteran's Exemptions

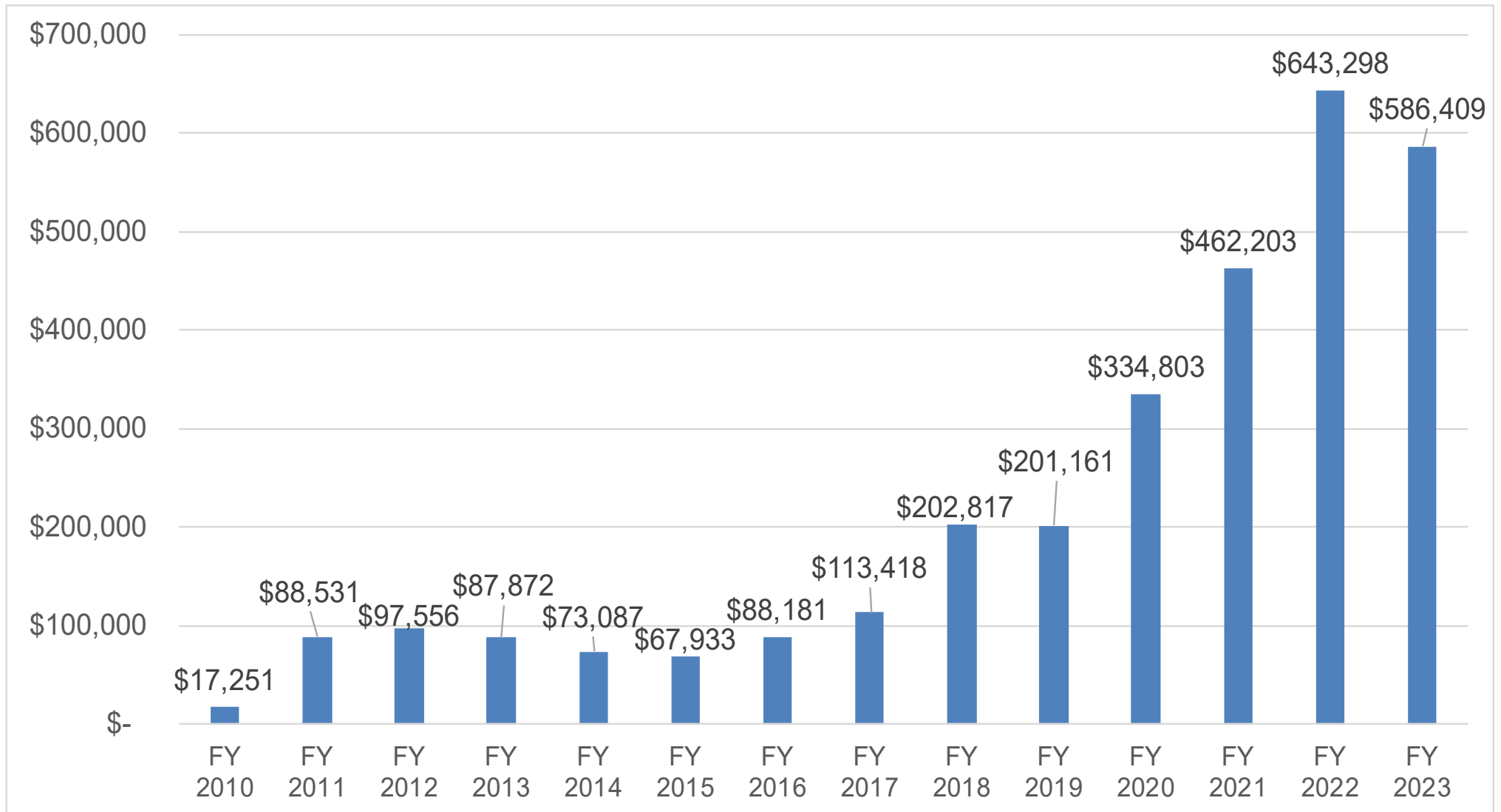


Property Tax – Disabled Veteran's Exemptions – Revenue Loss*



*Gross revenue loss, does not include \$3.36M reimbursement from the State

Property Tax – Revenue Loss from Over 65/Disabled Frozen Value



Summary of Tax Rate Process

- City Council sets a preliminary tax rate
 - This establishes a “ceiling” for the tax rate
 - Adopted tax rate cannot exceed preliminary tax rate
- Tax Rate Public Hearing
 - September 13th
- Set the tax rate (may be lower than preliminary tax rate)
 - September 13th

Alternatives

	<u>Tax Rate</u>	<u>Total Levy</u>	<u>Difference from Budgeted Rate</u>
No-New-Revenue Rate	\$ 0.6059	\$ 55,012,173	\$ (1,508,203)
Revised Proposed Rate*	\$ 0.6233	\$ 56,520,376	\$ -
Current Rate	\$ 0.7004	\$ 63,145,320	\$ 6,624,944
Voter-Approval Rate	\$ 0.7559	\$ 67,921,929	\$ 11,401,553

*0.93¢ decrease in tax rate after receipt of certified tax roll on July 15, 2022 and tax rate calculations on July 29, 2022

Recommendation

- Set the preliminary tax rate at \$0.6233

Property Tax – Next Steps

- Set the preliminary tax rate
- Required to take a record vote
- Set the date, time, and place of the tax rate public hearing and vote to set the tax rate:
 - Public hearing and vote to set tax rate on September 13, 2022