

FY23 Proposed Budget: Question 4

Ex Officio Watkins: Pg. 18 fails to describe how the proposed budget for property tax was calculated. It appears to be just over 1% more than the estimate for FY22. Given previous explanations of the property tax, this seems low. I was expecting something closer to 3 ½ or 4% as an annual rate of increase.

Response:

Calculations for the estimated and projected property tax revenue come from the City of Austin. In most cases the City O&M property tax revenue will grow by 3.5%. However, in FY22 the City adopted a tax rate that was higher than the 3.5% revenue cap which was allowed due to the State of Emergency in place at that time. Per State law, this FY22 increase can only be a one-time bump that is necessarily reset as part of the FY23 revenue calculations.