



City of Grand Island

Tuesday, September 10, 2019

Council Session

Item E-1

Public Hearing on Setting the Property Tax Request for FY 2019-2020

Council action will take place under Resolutions item I-1.

Staff Contact: Patrick Brown

Council Agenda Memo

From: Patrick Brown, Finance Director

Meeting: September 10, 2019

Subject: General Property Tax Request for City and CRA

Presenter(s): Patrick Brown, Finance Director

Background

Legislative Bill 103 was signed into law in 2019 stating if the annual assessment of property would result in an increase in the total property taxes levied by a county, municipality, school district, learning community, sanitary and improvement district, natural resources district, educational service unit, or community college, as determined using the previous year's rate of levy, such political subdivision's property tax request for the current year shall be no more than its property tax request in the prior year, and the political subdivision's rate of levy for the current year shall be decreased accordingly when such rate is set by the county board of equalization pursuant to section 77-1601 of the Revised Statutes of Nebraska. If the City of Grand Island seeks to set its property tax request an amount that exceeds its property tax request from the prior year, it may do so after holding a public hearing and by passing a resolution or ordinance.

Discussion

2019 Valuations for the City of Grand Island increased over the 2018 valuation by \$106,550,320 or 3.41%. If the City applies the FY2018-2019 mill levy of 0.3979 to the current valuation of \$3,231,585,947, the City's Property Tax revenue would be \$12,858,610, a tax increase of \$423,968 over the prior year. The following is a breakdown of mill levies for City General and CRA property tax request.

Entity	Mill Levy
City General Property Tax Levy	0.3755
City General Property Tax Levy for CRA	0.0224
Total General Property Tax Levy	0.3979

If Council decides to not approve the \$423,968 Property Tax increase then the Proposed FY 2019-2020 Budget would need to decrease spending in order to stay balanced.

Recommendation

Administration makes no recommendation.

Alternatives

The Council's options are:

1. Approve the General Property Tax request of \$12,858,610 which includes a property tax increase in the amount of \$423,968 (3.41%) for FY 2019-2020 setting the mill levy at 0.3979; or
2. Reject the property tax increase such that the tax request for FY 2019-2020 is no more than the property tax request for the prior year of \$12,434,642 and setting the mill levy at 0.3848 (City 0.3631 and CRA 0.0217). If the Council rejects the property tax increase, the Administration recommends reducing appropriations for 7.75 FTE's that were approved on August 6, 2019.