



# City of Grand Island

Tuesday, September 8, 2020

Council Session

## Item E-2

### Public Hearing on Setting the Property Tax Request for FY 2020-2021

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

Staff Contact: Patrick Brown

# Council Agenda Memo

**From:** Patrick Brown, Finance Director  
**Meeting:** September 8, 2020  
**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

2020 Valuations for the City of Grand Island increased over the 2019 valuation by \$175,134,715 or 5.42%. If the City applies the FY2019-2020 mill levy of 0.3848 to the current valuation of \$3,406,720,662, the City's Property Tax revenue would be \$13,108,533, a tax increase of \$673,891 over the prior year. If the City applies the FY2019-2020 Property Tax Request to the current valuation there would be no tax increase and the mill levy would decrease to 0.3675. The following is a breakdown of mill levies for City General and CRA property tax request.

<b>Entity</b>	<b>2020 Mill Levy</b>	<b>2021 Proposed Mill Levy</b>
City General Property Tax Levy	0.3631	0.3470
City General Property Tax Levy for CRA	0.0217	0.0205
Total General Property Tax Levy	0.3848	0.3675

## **Recommendation**

Administration recommends to decrease the mill levy to 0.3675 in order to request the same amount of Property Tax requested for FY2020.

## **Alternatives**

The Council's options are:

1. Approve the property tax request such that the tax request for FY 2020-2021 is no more than the property tax request for the prior year of \$12,434,642 and setting the mill levy at 0.3675 (City 0.3470 and CRA 0.0205); or
2. Reject the General Property Tax request of \$12,434,642 and approve the General Property Tax request of \$13,108,533.00 which includes a property tax increase in the amount of \$673,891.23 (5.42%) for FY2020-2021 setting the mill levy at 0.3848 (City 0.3631 and CRA 0.0217).