

Mayor and Council Communication

DATE: 02/14/23

M&C FILE NUMBER: M&C 23-0057

LOG NAME: 03APPRAISAL DISTRICT COSTS 2023

SUBJECT

(ALL) Authorize Payment of the City of Fort Worth's Assessed Pro-Rata Allocation of the Tarrant Appraisal District and Denton Central Appraisal District Budgets for January through December 2023 in an Amount Up to \$3,300,587.00

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize payment of the City of Fort Worth's pro-rata allocation of the Tarrant Appraisal District's 2023 budget for the months of January through December 2023 in an amount up to \$3,095,294.00; and
2. Authorize payment of the City of Fort Worth's pro-rata allocation of the Denton Central Appraisal District's 2023 budget for the months of January through December 2023 in an amount up to \$205,293.00.

DISCUSSION:

All local jurisdictions are required by Section 6.06(d) of the Texas Property Tax Code to fund the local county appraisal district. The City of Fort Worth currently funds four appraisal districts, although only two, Tarrant Appraisal District (TAD) and Denton Central Appraisal District (DCAD), require M&C approval for payment under the City's contracting procurement policy (the other two, Parker and Wise County Appraisal Districts, are included in the table below). The City of Fort Worth's pro-rata share for each district is based on the City's percentage of total property taxes imposed in each district.

The table below compares the last year's budget to the current budget for all the appraisal districts under the City of Fort Worth. Also included is the City's share of the appraisal district budgets.

Appraisal District Budgets and the City's Allocation						
	2022			2023		
Appraisal District	District Budget	CFW Allocation	% of Total	District Budget	CFW Allocation	% of Total
TAD	26,790,117	2,888,711	10.78%	28,631,389	3,095,294	10.81%
DCAD	15,324,294	171,022	1.12%	17,809,792	205,293	1.15%
PCAD	5,348,788	23,125	0.43%	5,811,428	32,960	0.57%
WCAD	2,498,692	142	0.01%	2,881,712	268	0.01%

TAD's 2023 budget reflects an increase of 6.87% over the previous year. This increase was primarily due to Payroll expenses, as Salary & Benefit costs increased by \$1.4M, or 7.7%, in 2023. This includes a 9% Merit/Equity/COLA Pool and the addition of two full time equivalent positions, increasing TAD's total to 214 positions. The remainder of the budget increase is attributable mostly to capital computer equipment for a new storage device and replacement tape backup system.

The final budget from DCAD was submitted September 16, 2022, after a majority of taxing entities rejected the original budget. DCAD's 2023 Budget reflects an increase of 16.22% over the previous year. Most of the increase is due to the addition of 17 new full-time equivalent positions resulting in a new total of 104. The remainder of the budget increase is attributable to technology along with increases in legal notices, subscription and contract costs as a result of rising costs and inflation.

The appraisal districts operate on a January through December fiscal year. The City will make quarterly payments to TAD and DCAD in the amount up to \$773,824.00 and \$51,324.00 respectively. This Mayor and Council Communication covers the calendar months of January 1, 2023 through December 31, 2023 with nine months falling in the City's current Fiscal Year 2023 and the remaining three months in the City's Fiscal Year 2024.

Funding is budgeted in the Consultant & Other Professional Services account of the Planning & Data Analytics Department's General Fund, and the Department is responsible for validating the availability of funds.

A Form 1295 is not required because: This contract will be with a governmental entity, state agency or public institution of higher education: Tarrant Appraisal District and Denton Central Appraisal District

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendations, funds are available in the current operating budget, as previously appropriated, in the General Fund, and that upon adoption of the Fiscal Year 2024 Budget by the City Council, funds will be available in the Fiscal Year 2024 Operating Budget, as appropriated, of the General Fund. Prior to an expenditure being incurred, the Planning and Data Analytics Department has the responsibility to validate the availability of funds.

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Additional Information Contact: