

Mayor and Council Communication

DATE: 12/15/20

M&C FILE NUMBER: M&C 20-0913

LOG NAME: 03TAD 2021

SUBJECT

(ALL) Authorize Payment of the City of Fort Worth's Assessed Pro-Rata Allocation of the Tarrant Appraisal District's Budget for January through December 2021 in an Amount Up to \$2,692,298.10

RECOMMENDATION:

It is recommended that the City Council authorize a payment of the City of Fort Worth's pro-rata allocation of the Tarrant Appraisal District's 2021 budget for the months of January through December 2021 in an amount up to \$2,692,298.10.

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's pro-rata share for Tarrant Appraisal District's (TAD) 2021 calendar budget is 10.5 percent based upon the City's portion of property taxes imposed in the District. The total annual 2021 budget for TAD is \$25,592,687.00, bringing the City's allocation of expenses to \$2,692,298.10. The allocation to Fort Worth is slightly lower due to changes in tax rates from other taxing entities, primarily from several school districts.

In 2020, The City's pro-rata share was \$2,741,317.00.

The 2021 budget equates to a 0.91 percent decrease from the prior year. The primary change is in postage costs. Beginning in 2020 the Texas Legislature added an additional notification letter that appraisal districts were required to send to every property owner as part of the Texas Property Tax Reform and Transparency Act of 2019. At the time of the budget last year, the specifications for such a mailing were unknown. It is now known that a postcard is the acceptable method of mailing rather than a letter, which resulted in lower costs. This budget includes the same number of personnel as 2020 at 211 full time positions.

TAD Costs Comparison 2020 to 2021			
	TAD Total Budget	CFW Allocation	% of Total
2020	25,828,993.00	2,741,317.00	10.6%
2021	25,592,687.00	2,692,298.10	10.5%
Increase (decrease)	(236,306.00)	(49,018.90)	
Increase (decrease) from PY	(0.91%)	(1.8%)	

TAD operates on a January through December fiscal year. The City will make quarterly payments in the amount up to \$673,074.53. This Mayor and Council Communication covers the calendar months of January 1, 2021 through December 31, 2021 with nine months falling in the City's current Fiscal Year 2021 and the remaining three months in the City's Fiscal Year 2022.

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

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendation, funds are available in the current operating budget, as previously appropriated, in the General Fund, and that upon adoption of the Fiscal Year 2022 Budget by the City Council, funds will be available in the Fiscal Year 2022 Operating Budget, as appropriated, the General Fund. Prior to an expenditure being incurred, the Planning and Data Analytics Department has the responsibility to validate the availability of funds. expenditure being incurred, the Performance & Budget Department has the responsibility to validate the availability of funds.

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