

FY 2021 Sales Tax and Property Tax Report Finance and Fiscal Affairs Committee October 19, 2021



Mike Loftin
Assistant City Manager – Finance”



Sales Tax Revenue

FY 2021 Sales Tax

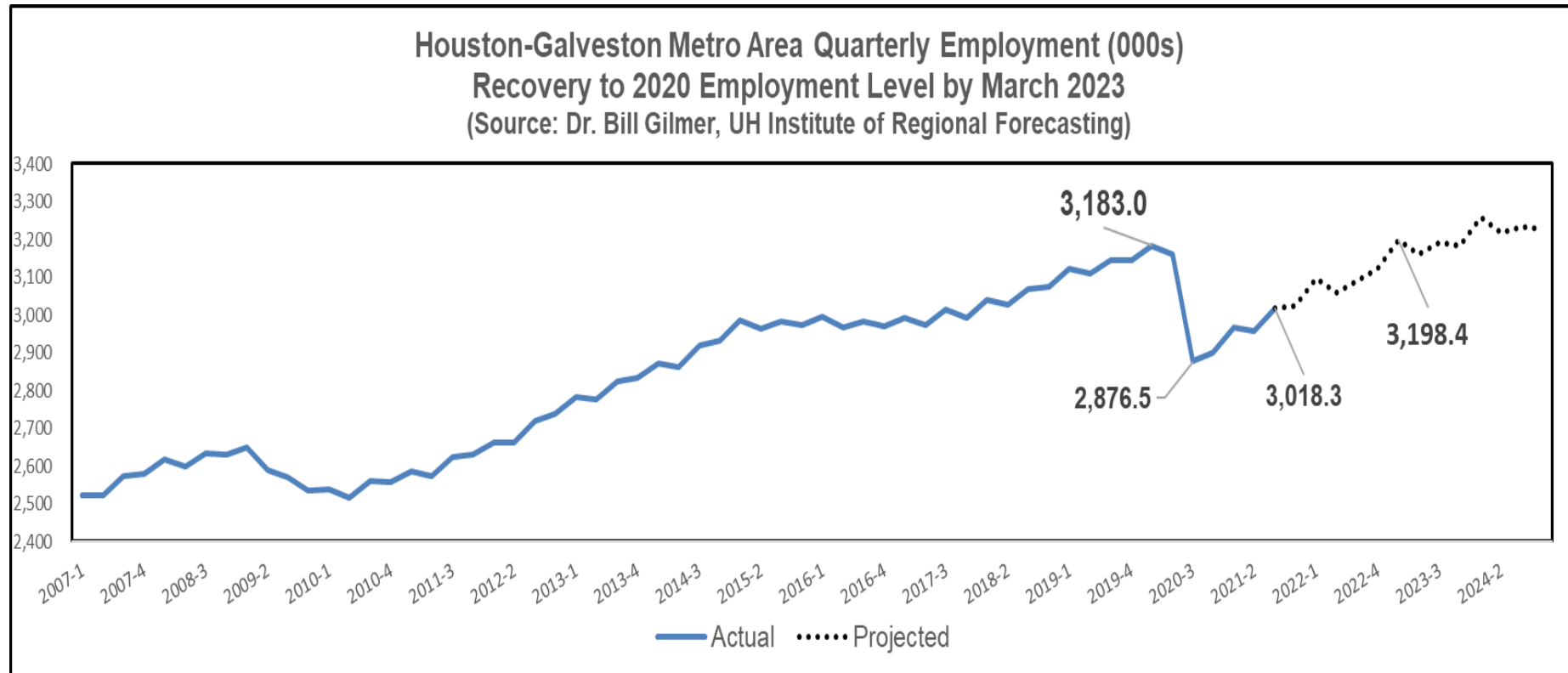


MONTH TAX COLLECTED BY RETAILER	2018 (Full 2% Receipts)	2019 (Full 2% Receipts)	2020 (Full 2% Receipts)	2021 (Full 2% Receipts)	Pct Over Same Mo FY19	General Fund Share (75% of Total Receipts)
October	1,583,869.29	1,618,015.12	1,634,553.31	1,732,065.87	7.05%	1,299,049.40
November	1,508,187.73	1,549,058.16	1,531,731.60	1,637,150.25	5.69%	1,227,862.69
December	1,898,024.07	1,904,785.84	2,144,281.50	1,989,862.73	4.47%	1,492,397.05
January	1,338,215.41	1,483,226.85	1,597,010.15	1,501,095.68	1.20%	1,125,821.76
February	1,355,370.24	1,494,810.37	1,507,781.44	1,346,457.38	-9.92%	1,009,843.04
March	2,016,199.59	2,039,770.58	1,808,268.53	2,534,437.12	24.25%	1,900,827.84
April	1,628,106.23	1,871,434.34	1,393,457.90	2,074,311.05	10.84%	1,555,733.29
May	1,790,834.04	1,777,842.73	1,887,222.74	2,024,717.32	13.89%	1,518,537.99
June	2,335,983.24	2,373,395.72	2,434,783.43	2,771,117.12	16.76%	2,078,337.84
July	2,147,580.24	2,272,459.96	1,894,070.23	2,662,668.50	17.17%	1,997,001.38
August	1,851,919.35	2,029,978.03	1,817,909.07	2,163,117.95	6.56%	1,622,338.46
September	1,850,497.99	2,097,694.19	2,038,643.14	2,148,346.88	2.41%	1,611,260.16
	21,304,787.42	22,512,471.89	21,689,713.04	24,585,347.85		18,439,010.90

FY21 GF Budget	16,300,000
FY21 Est. in Budget	17,250,000
FY21 Est. 10.15.21	18,439,000

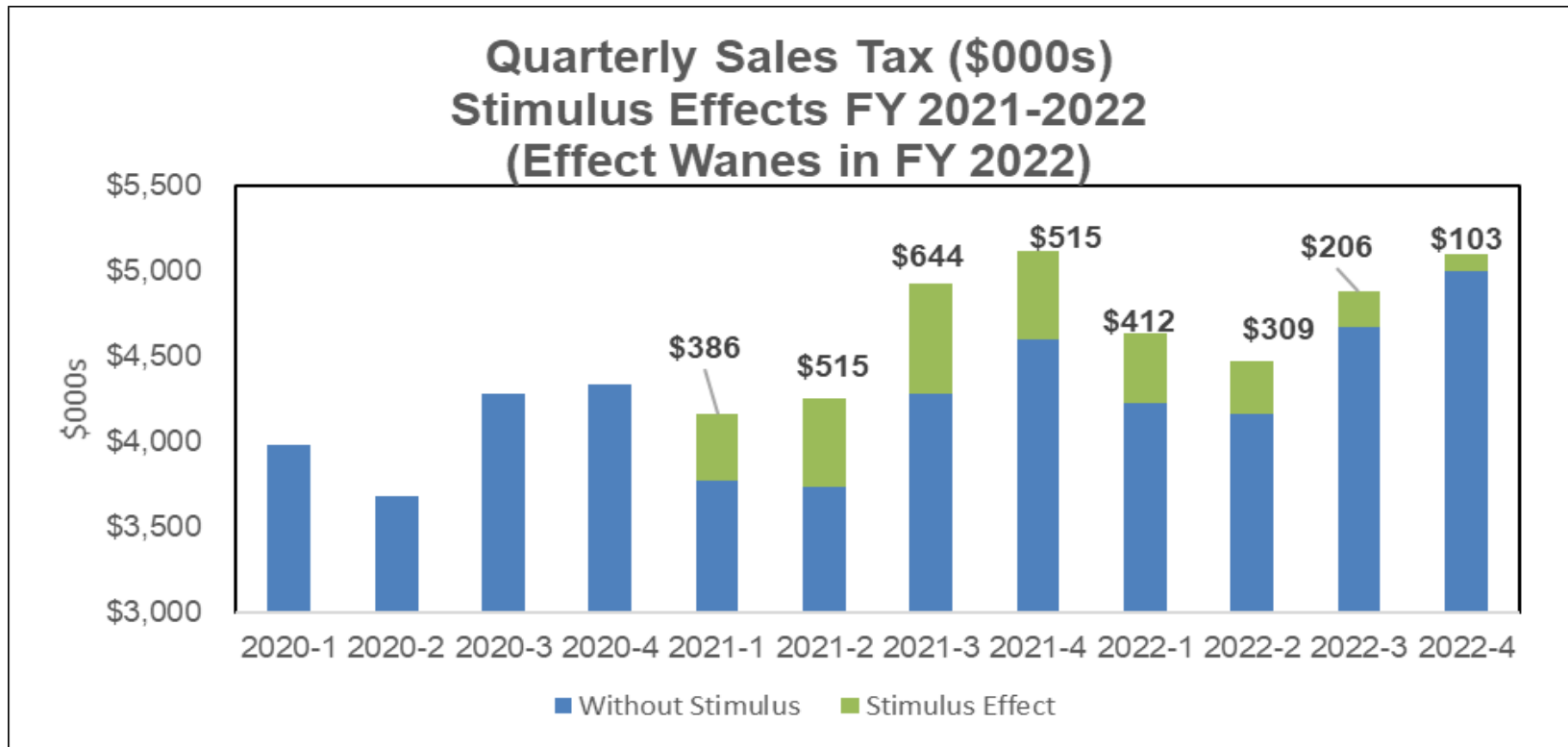
September results (estimated here) to be provided to City in early November.

Sales Tax Depends on Regional Employment Which Hasn't Fully Recovered



The region lost over 300,000 jobs in March and April of 2020: About half have been Recovered with recovery of the remainder projected by Spring of 2023.

Strong Sales Tax Revenue is Attributable to Government Stimulus (as of September 9)



Comment on 9/9/21:
With \$2M of stimulus
“Effect in FY21, total will
be around \$18M;
notice how the “without
Stimulus” blue bars look like
the employment line graph
on the previous page.
FY21 Est. is \$17.25M
And FY22 Proposed is
\$18.2M; model projects
\$18.4M in FY21 and
\$19.1M in FY22.”

“Without Stimulus” is actuals through FY 2021-3 and modeled estimates thereafter. See pdf pages 55-58 in FY 2022 Proposed Budget.



Property Taxes

FY21 Taxable Value (Freeze Adjusted)



DESCRIPTION	FY19 ACTUAL	FY20 ACTUAL	FY21 BUDGET	FY21 PRELIM ACTUAL	FY22 BUDGET
NET PROPERTY TAX LEVY					
Total Taxable Value (\$millions)	\$6,334.9	\$6,677.7	\$7,324.0	\$7,252.7	\$8,728.6
Less TIRZ	(\$310.2)	(\$314.3)	(\$106.2)	(\$110.5)	(\$134.1)
MUD 30 Using Debt Svc Amts vs 60% of Value	(\$64.7)	(\$64.6)	(\$75.8)	(\$68.4)	(\$64.6)
Net Taxable Value	\$5,960.0	\$6,298.8	\$7,142.0	\$7,073.8	\$8,529.9
Times Tax Rate per \$100 of Taxable Value	\$0.561000	\$0.579885	\$0.560000	\$0.560000	\$0.498500
Total Tax Levy (\$Thousands Revenue)	\$35,538.8	\$38,723.0	\$41,014.4	\$40,615.1	\$43,512.1
Less: Freeze Acct Total Value Revenue Equivalent (Over 65 and Disabled)	(\$3,732.9)	(\$4,236.9)	(\$4,569.5)	(\$4,528.8)	(\$4,476.0)
Plus: Freeze Acct collectible Revenue (Over 65 & Disabled)	\$2,575.8	\$2,788.6	\$3,154.3	\$3,114.9	\$2,965.7
Less: Taxes Lost to Tax Freeze	(\$1,157.1)	(\$1,448.3)	(\$1,415.2)	(\$1,413.9)	(\$1,510.3)
Net Current Year Tax Levy (\$000's Revenue)	\$34,381.7	\$37,274.7	\$39,599.2	\$39,201.2	\$42,001.8
Effective Taxable Value (\$millions)	\$6,128.6	\$6,427.9	\$7,071.3	\$7,000.2	\$8,425.6
Effective Freeze Accounts Taxable Value (\$millions)	\$1,092.4	\$1,108.5	\$1,262.7	\$1,250.0	\$1,387.4
Less TIRZ Incremental Values (\$millions)	(\$310.2)	(\$314.3)	(\$106.2)	(\$110.5)	(\$131.0)
Effective Taxable Value Retained by City (\$millions)	\$5,818.4	\$6,113.6	\$6,965.1	\$6,889.7	\$8,294.6

Net FY21 Property Tax Levy Distributed to General, Debt and Library Funds



DESCRIPTION	FY19 ACTUAL	FY20 ACTUAL	FY21 BUDGET	FY21 PRELIM ACTUAL	FY22 BUDGET
Net Current Year Levy (\$000's)	\$34,381.7	\$37,274.7	\$39,599.2	\$39,201.2	\$42,001.8
Less TIRZ Increment	(\$1,740.2)	(\$1,671.0)	(\$594.7)	(\$618.8)	(\$653.0)
Net Current Year Levy Retained by the City	\$32,641.5	\$35,603.7	\$39,004.5	\$38,582.4	\$41,348.8
General Fund Share (including MUD 30) of NCL	\$26,677.4	\$29,310.4	\$31,865.3	\$31,520.4	\$32,846.8
Debt Service Share of NCL	\$3,054.7	\$3,223.4	\$3,656.7	\$3,617.1	\$4,354.7
Library Fund Share of NCL	\$2,909.2	\$3,069.9	\$3,482.5	\$3,444.9	\$4,147.3
Net Current Year Levy Retained by the City	\$32,641.3	\$35,603.7	\$39,004.5	\$38,582.4	\$41,348.8

FY21 Preliminary Actual



Estimated/Actual Collections	FY19 ACTUAL	FY20 ACTUAL	FY21 BUDGET	FY21 PRELIM ACTUAL	FY22 BUDGET
General Fund Current Collection Total	\$27,812.9	\$30,382.4	\$31,681.0	\$31,577.4	\$32,829.8
General Fund Delinquent Taxes	\$402.2	\$459.8	\$390.0	\$540.8	\$500.0
General Fund Penalty & Interest	\$335.7	\$413.1	\$330.0	\$532.3	\$450.0
Less TIRZ Increment	(\$1,717.0)	(\$1,746.2)	(\$594.7)	(\$597.9)	(\$640.0)
MUD 30 Using Debt Svc Amts vs 60% of Value	(\$350.1)	(\$406.9)	(\$424.7)	(\$410.8)	(\$405.8)
General Fund Total	\$26,483.7	\$29,102.2	\$31,381.6	\$31,641.8	\$32,734.0
Debt Service Net Current Levy Total	\$2,987.6	\$3,152.3	\$3,568.9	\$3,563.4	\$4,267.6
Debt Service Delinquent Taxes	\$51.1	\$52.6	\$40.0	\$59.2	\$50.0
Debt Service Fund Total	\$3,038.7	\$3,204.9	\$3,608.9	\$3,622.6	\$4,317.6
Library Net Current Levy Total	\$2,843.9	\$2,997.9	\$3,398.9	\$3,394.7	\$4,064.4
Library Delinquent Taxes	\$43.1	\$48.4	\$40.0	\$55.4	\$50.0
Library Fund Total	\$2,887.0	\$3,046.3	\$3,438.9	\$3,450.1	\$4,114.4
BUDGET TOTAL COLLECTIONS	\$32,409.4	\$35,353.4	\$38,429.4	\$38,714.5	\$41,166.0
Estimated Current Collection Rate (of Gross Current Year Taxes)	97.9%	98.0%	97.6%	98.3%	98.0%
Estimated Total Collection Rate (of gross taxes)	100.3%	100.6%	99.6%	101.3%	100.5%
Percent Change in Grand Total Collections	1.7%	9.1%	7.5%	8.3%	6.3%
Tax Rate					
General Fund Operations and Maintenance	\$0.458500	\$0.477385	\$0.457500	\$0.457500	\$0.396000
Debt Service Fund Interest and Sinking	\$0.052500	\$0.052500	\$0.052500	\$0.052500	\$0.052500
Library Fund	\$0.050000	\$0.050000	\$0.050000	\$0.050000	\$0.050000
Total Rate	\$0.561000	\$0.579885	\$0.560000	\$0.560000	\$0.498500

Property Tax Revenue (page 49 online)



**PROPERTY TAX REVENUE GROWTH
PROPOSED FY 2022 BUDGET
Net of Tax Rebates to TIRZ 13 and MUD 30**

By Fund	FY 2021 Estimate	FY 2022 Proposed	Amount of Increase	Percent Increase Over FY 2021
General Fund Operations	\$31,668,800	\$32,734,000	\$1,065,200	3.36%
Rosenberg Library	\$3,444,100	\$4,114,400	\$670,300	19.46%
Debt Service Fund	\$3,617,400	\$4,317,600	\$700,200	19.36%
Total	\$38,730,300	\$41,166,000	\$2,435,700	6.29%

Based on the requirement to maintain the Library's five cent tax rate allocation, and the requirement to reduce the overall tax rate, **the General Fund share of total property tax revenue is increasing 3.36% while the Library share is going up 19.46%. The entire 6.15 cent tax rate cut is coming off of the General Fund's share of the tax rate and reducing it from 45.75 cents to 39.6 cents while the Library rate stays at 5 cents.**

The proposal to the Rosenberg Library, if accepted, would result in a payment by the Library of \$453,000. **The Library would then net \$3,660,700, a \$216,600 increase (6.29%) over FY 2021.** The Library has made a counterproposal that limits the use of these funds to Library purposes.