



Legislation Text

File #: 22-5739, **Version:** 1

Department: Management and Budget

Department Head/Elected Official: Daniel Ramos, Executive Director

Regular or Supplemental RCA: Regular RCA

Type of Request: Public Hearing

Project ID (if applicable): N/A

Vendor/Entity Legal Name (if applicable): N/A

MWDBE Contracted Goal (if applicable): N/A

MWDBE Current Participation (if applicable): N/A

Justification for 0% MWDBE Participation Goal: N/A - Goal not applicable to request

Request Summary (Agenda Caption):

Request by the Office of Management and Budget to hold a Public Hearing for the 2022 tax rates for Harris County, the Harris County Flood Control District, Harris County Hospital District dba Harris Health, and Port of Houston Authority, as discussed by the court on September 13, 2022.

Background and Discussion:

Commissioners Court must set the 2022 tax rates for Harris County, the Harris County Flood Control District, the Hospital District, and the Port of Houston. Setting rates is a multi-step process: Commissioners Court votes to propose rates (September 6 and September 13) then holds a hearing and formally votes to adopt rates (September 27).

The range of rates Commissioners Court can adopt is set by statute and cannot exceed the "Voter Approval Rate" without an election. If Commissioners Court fails to adopt rates, the rates revert to the "No New Revenue Rates".

The County Administrator and Office of Management and Budget (OMB) recommend a combined Maintenance and Operation (M&O) and Interest and Sinking (I&S) Harris County Rate of \$0.36035 per \$100 of assessed value: \$0.31762 for M&O and \$0.04273 for I&S. The proposed rate would be a reduction in the overall rate for the fourth consecutive year.

The County Administrator and OMB recommend a Flood Control District (FCD) rate of \$0.03476 per \$100 of assessed value: \$0.02463 for the M&O rate and \$0.01013 for the I&S rate. The proposed FCD budget is \$137M, which includes, an additional \$5M in sediment removal and channel erosion repairs and adds an additional \$790K for other repair projects to maintain current levels of necessary maintenance to maintain the capacity on existing infrastructure. The budget covers the debt service for flood control projects approved by

voters in the 2018 Bond Election.

The Port of Houston's proposed tax rate supports their debt service only and is \$0.00744 per \$100 of assessed value a 14.7% decrease from FY 2021.

The Harris County Hospital District, dba Harris Health's proposed tax rate is \$0.17253 per \$100 of assessed value: \$0.17100 for the M&O rate and \$0.00153 for the debt service rate.

Expected Impact:

The proposed rate and budget:

- Reduces the General Fund and FCD combined tax rate by 3.7%.
- Maintains current level of service for County departments and strategically invests in law enforcement, infrastructure, and flood resiliency.

Proposed Tax Rates				
\$ per 100 dollars	2022	Actual 2021	Change	as %
County M&O	0.31762	0.33500	(0.01738)	-5.2%
County Debt Service	0.04273	0.04193	0.00080	1.9%
Total	0.36035	0.37693	(0.01658)	-4.4%
Flood Control M&O	0.02463	0.02599	(0.00136)	-5.2%
Flood Control Debt	0.01013	0.00750	0.00263	35.1%
Total	0.03476	0.03349	0.00127	3.8%
Hospital M&O	0.17100	0.16047	0.01053	6.6%
Hospital Debt Service	0.00153	0.00174	(0.00021)	-12.1%
Total	0.17253	0.16221	0.01032	6.4%
Port	0.00744	0.00872	(0.00128)	-14.7%
Grand Total	0.57508	0.58135	(0.00627)	-1.1%

Alternative Options:

Commissioners Court could choose instead to implement the No New Revenue Rates, which would substantially decrease revenue when the County has growing needs for investments in infrastructure, health, public safety, and other areas. Over time, No New Revenue Rates are unlikely to support the County's rising service expenses due to inflation and a growing population. Commissioners Court could also negotiate a rate between the Voter Approval Rate and the No New Revenue Rates.

Alignment with Goal(s):

- ☒ Justice and Safety
- ☒ Economic Opportunity
- ☒ Housing
- ☒ Public Health

- ☒ Transportation
☒ Flooding
☒ Environment
☒ Governance and Customer Service

Prior Court Action (if any):

Date	Agenda Item #	Action Taken

Location:

Address (if applicable):

Precinct(s): Countywide

Fiscal and Personnel Summary			
Service Name			
	SFY 22	FY 23	Next 3 FYs
Incremental Expenditures (do NOT write values in thousands or millions)			
Labor Expenditures	\$	\$	\$
Non-Labor Expenditures	\$	\$	\$
Total Incremental Expenditures	\$	\$	\$
Funding Sources (do NOT write values in thousands or millions)			
Existing Budget			
Choose an item.	\$	\$	\$
Choose an item.	\$	\$	\$
Choose an item.	\$	\$	\$
Total Current Budget	\$	\$	\$
Additional Budget Requested			
Choose an item.	\$	\$	\$
Choose an item.	\$	\$	\$
Choose an item.	\$	\$	\$
Total Additional Budget Requested	\$	\$	\$
Total Funding Sources	\$	\$	\$
Personnel (Fill out section only if requesting new PCNs)			
Current Position Count for Service	-	-	-
Additional Positions Requested	-	-	-
Total Personnel	-	-	-

Anticipated Court Date: September 27, 2022

Anticipated Implementation Date (if different from Court date): October 1, 2022

Emergency/Disaster Recovery Note: Not an emergency, disaster, or COVID-19 related item

Contact(s) name, title, department: Daniel Ramos, Executive Director

Attachments (if applicable): N/A