

RESOLUTION NO. R20-_____

A RESOLUTION OF THE CITY COUNCIL (THE “COUNCIL”) OF THE TOWN OF ADDISON, TEXAS (THE “TOWN”) DIRECTING ITS CITY MANAGER TO CALCULATE THE TOWN’S 2021 VOTER-APPROVAL TAX RATE AS A SPECIAL TAXING UNIT BY USING AN 8% THRESHOLD FOR NEW REVENUE INSTEAD OF 3.5%, AS AUTHORIZED BY TEXAS TAX CODE SECTION 26.04(C-1), DUE TO THE GOVERNOR’S STATE-WIDE DECLARATION OF DISASTER AND THE TOWN’S RESULTING AND NECESSARY INCREASED EXPENDITURE OF MONEY; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, on March 13, 2020, the Governor of the State of Texas declared a disaster in every Texas county due to the novel COVID-19 pandemic (the “Pandemic”); and

WHEREAS, the Pandemic has impacted the Town of Addison and the Council foresees increased Pandemic-related expenditures of money by the Town as a necessary response to the governor-declared disaster; and

WHEREAS, when an increased expenditure of money by the Town is a necessary response to a governor-declared disaster area that includes any part of the Town, a tax rate approval election is not required under Section 26.07 of the Texas Tax Code for the year following the year in which the disaster occurs; and

WHEREAS, Section 26.041(c-1) of the Texas Tax Code authorizes the Council to direct a designated officer or employee to calculate the Town’s voter-approval tax rate in the manner provided for a special taxing unit when the governor declares any part of the Town a disaster area during the current tax year; and

WHEREAS, Section 26.041(c-1) of the Texas Tax Code provides that the designated officer or employee shall continue calculating the voter-approval tax rate in the same manner until the earlier of: (1) the second tax year in which the total taxable value of property taxable by the Town as shown on the appraisal roll submitted by the tax assessor exceeds the total taxable value of property taxable by the Town on January 1 of the tax year in which the disaster occurred; or (2) the third tax year after the tax year in which the disaster occurred; and

WHEREAS, this resolution is not intended to and does not obligate the Council to adopt a voter-approval tax rate in excess of 3.5%; and

WHEREAS, the Council finds and determines that the adoption of this Resolution is in the best interests of the residents of the Town of Addison.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS THAT:

SECTION 1. The above recitals set forth above are true and correct and are incorporated as if fully set forth herein.

SECTION 2. The City Council hereby directs the City Manager to calculate the voter-approval tax rate for the Town in the manner provided for a special taxing unit by using an 8% threshold for new revenue instead of a 3.5%, as authorized by Texas Tax Code Section 26.04(C-1) due to the governor's state-wide declaration of disaster and the Town's resulting and necessary increased expenditure of money.

SECTION 3. As set forth in the Texas Tax Code Section 26.04(c)(2)(A) the voter-approval rate for a special taxing unit is the Town's maintenance and operations rate multiplied by 1.08 plus the current debt service tax rate.

SECTION 4. The City Manager shall continue calculating the voter-approval tax rate in the manner provided by this resolution until the earlier of: (1) the second tax year in which the total taxable value of property taxable by the City as shown on the appraisal roll for submitted by the tax assessor exceeds the total taxable value of property taxable by the City on January 1 or the current tax year; or (2) the third tax year after the current tax year.

SECTION 5. This Resolution shall take effect from and after its date of adoption.

DULY RESOLVED AND ADOPTED by the City Council of the Town of Addison, Texas, on this the 14th day of JULY 2020.

TOWN OF ADDISON, TEXAS

Joe Chow, Mayor

ATTEST:

APPROVED AS TO FORM:

Irma Parker, City Secretary

Brenda N. McDonald, City Attorney