

Ordinance 2024-04-01

Ad Valorum Restrictions Ordinance

AN ORDINANCE OF THE TOWN OF POETRY, TEXAS ESTABLISHING A POLICY OF TRANSPARENCY; ESTABLISHING AMENDMENT OF MODIFICATION REQUIRMENTS; REQUIRING A NOTICE OF MODIFICATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Poetry is a Type A General Law municipality, created in accordance with the provisions of Chapter 6 of the Texas Local Government Code and operating pursuant to the enabling legislation of the State of Texas; and

WHEREAS, State of Texas Tax Code Section 302.001 allows municipalities to levy property tax (ad valorem taxes) within the municipality's jurisdiction; and

WHEREAS, as the first governing body of the Town of Poetry desires to enshrine a doctrine of light governance in an official ordinance;

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF POETRY, TEXAS:

Section 1. Establishment of Property Tax Communication

The Town of Poetry establishes a policy of transparency and community feedback in matters pertaining to property tax.

Section 2. Amendment of Modification

Modifications, changes, amends, overturning, or by any other means altering this ordinance requires proper notice be given to the Town. Such modification must be:

A. Discussed in no fewer than three (3) consecutive Town Meetings which are:

1. Separated by no less than twenty-eight (28) consecutive calendar days,

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2. Separated by no more than thirty-seven (37) calendar days,
3. Fully compliant with Texas Open Meeting Acts (as amended) rules, laws or regulations,
4. Regular open meetings of the Town of Poetry and not a special meeting,
5. Open to comments by citizens and owners of property within the Town of Poetry who would be subject to such modification, regardless of citizenship in the Town or residence within the Town, regardless of whether discussion of specific agenda items is disallowed otherwise by ordinance, custom, or tradition,
6. For property tax implementation or changes, written notice of the date, time, and location of a public hearing shall be sent to all the owner of the property that may be affected or his/her agent, such notice, mailed first-class postage prepaid, to be given at least thirty (30) days before the date of such hearing and posted on the Town's website continuously for at least thirty (30) days prior to the public hearing.

Section 3. Notice of Modification

Proper notice must be provided of the intent to modify this ordinance. Such notice must be:

- A. Posted in any official information delivery medium (print, video, broadcast, web site, and similar, as applicable) of the Town in a manner that is reasonably accessible to a significant portion of the consumers of that medium, to include:
 1. As a bolded item in the agendas for the Town meetings where discussions will be held;
 2. Published in the official newspaper of the Town or another newspaper of general circulation;
 3. Included at least once in a printed delivery medium such as the Poetry Post or any other monthly periodical of general Town information which is publicly distributed;
 4. On the official Town website in a prominent place such as the home page and/or pages devoted to public notifications;
 5. Repeated at least twice daily on any official broadcast medium (such as radio, television or equivalent communication medium), if applicable, during the most consumed hours of that broadcast day and separated by no less than five (5) hours;

6. As a public announcement on each podcast, video, or equivalent communication medium of information distribution if any, should it be used for general Town information or be used to announce the meeting.
7. For property tax implementation or changes, written notice of the date, time, and location of a public hearing shall be sent to all the owner of the property that may be affected or his/her agent, such notice, mailed first-class postage prepaid, to be given at least thirty (30) days before the date of such hearing and posted on the Town's website continuously for at least thirty (30) days prior to the public hearing. mailing list be the most current as supplied by the respective CAD tax rolls

B. Included in the meeting agenda of the meeting where the modification is to be discussed, and

C. Announced with verbiage which includes the sentence, "This item may impact your taxes and rights as a property owner in the Town of Poetry" as either or both the first and/or last sentence of the announcement, and must be in 14-point bold type, and

D. Must post a minimum of eight (8) signs throughout the town with a minimum size of 4' by 4'.

Section 4. Applicability to Property Tax Rate

Modifications, changes, amends, overturning, or by any other means altering the Town's ad valorem rate is subject to the notification requirements as stated in Section 2 and Section 3 of this ordinance.

Section 5. Implementation Date

Should a Modification as described in Section 2 be implemented, the implementation date is no sooner than ninety (90) days after the swearing-in of the governing body after the general election following the modification ratification.

Section 6. Engrossment and Enrollment

The mayor is hereby directed to engross and enroll this Ordinance by copying the exact Caption and Effective Date clause in the minutes of the Town Council and by filing this Ordinance in the Ordinance records of the Town.

Section 7. Limitations on the Use of Property Tax Revenue

If property taxes are ever implemented, the use of property tax revenue shall be restricted exclusively for maintenance, repair, or construction of town infrastructure within the Town, as determined and prioritized by the Town Council.

Section 8. Supermajority Vote Requirement

Any modification, change, or amendment related to implementing or increasing property taxes, or to this ordinance, shall require the affirmative vote of at least two-thirds of the total voting members of the Town Council, i.e. four (4) affirmative votes.

Section 9. Sunset Clause for Property Taxes

If property taxes are ever implemented, this provision requiring a reevaluation and renewal of the property tax ordinance every year by the town council during their annual budget discussions and decision-making processes. A super majority of two-thirds of the total voting members of council, i.e. four (4) affirmative votes, is required to keep the property tax in effect.

Section 10. Elderly, Fixed-Income, or Other Exemptions

Any future property tax implementation must include an exemption or deferral option for veterans, surviving spouse of certain first responders, those with qualified disabilities, elderly residents, those on fixed incomes, and low income as defined by State guidelines. The process for establishing and administering these exemptions or deferrals shall include, but not be limited to, the following:

- A. The establishment of clear and objective eligibility criteria for veterans, surviving spouse of certain first responders, those with qualified disabilities, elderly residents, those on fixed incomes, low income or deferrals, including age, income, and asset thresholds.

Section 12. Mandatory Public Referendum

Any proposal to implement or increase property taxes must be approved by a majority of the registered voters of the Town of Poetry in a public referendum. The process for conducting a public referendum shall include, but not be limited to, the following:

- A. A detailed proposal outlining the reasons for implementing or increasing property taxes, including the expected impact on the Town's budget, services, and community members.
- B. A public information campaign to educate the community on the proposed property tax implementation or increase, including the distribution of informational materials, public meetings, and online resources.
- C. The scheduling of the public referendum at a time that maximizes voter participation, such as during a general or primary election, or on a date when no other elections are taking place.
- D. The use of a clear and concise ballot question that accurately reflects the proposal and the decision facing the voters, along with any related instructions or explanations.
- E. The establishment of polling locations and hours that ensure accessibility and convenience for all registered voters, including those with disabilities or limited transportation options.
- F. The proper counting, tabulation, and certification of referendum results by an impartial and qualified entity or individual, in accordance with applicable laws and regulations.
- G. A requirement that the Town Council abide by the outcome of the public referendum, taking appropriate actions to implement the approved property tax changes or explore alternative revenue sources if the referendum fails.
- H. The incorporation of any necessary amendments or modifications to the Town's ordinances, codes, or policies to reflect the outcome of the public referendum, with due consideration given to the legal requirements and limitations for Type A general law municipalities in Texas.

- B. A transparent and accessible application process for eligible residents to request and receive exemptions or deferrals, including the provision of assistance for those who may have difficulty completing the required forms or providing the necessary documentation.
- C. Regular communication and outreach efforts to ensure that eligible residents are aware of the availability and benefits of the exemptions or deferrals, as well as any applicable deadlines or requirements.

Section 11. External Financial Review

An independent, external financial review of the Town's budget and spending shall be conducted and presented to the Town Council and the public before any proposal to implement or increase property taxes can be considered. The external financial review shall include, but not be limited to, the following:

- A. An assessment of the Town's current financial position, including an analysis of revenues, expenditures, and fund balances.
- B. A review of the Town's financial policies, procedures, and controls to ensure compliance with Generally Accepted Accounting Principles (GAAP) and applicable laws and regulations.
- C. A detailed analysis of the Town's revenue sources, identifying any potential opportunities for increasing non-property tax revenues or optimizing existing revenue streams.
- D. An examination of the Town's expenditure patterns and trends, highlighting any areas of inefficiency, potential cost savings, or opportunities for improved resource allocation.
- E. Recommendations for short-term and long-term financial planning strategies to address any identified fiscal challenges, including alternative funding mechanisms, budget adjustments, and policy changes.
- F. The external financial review shall be conducted by a qualified, independent accounting firm or financial consultant with experience in municipal finance and budget analysis.
- G. The results of the external financial review shall be presented in a written report and a public presentation to the Town Council, with ample opportunity for public questions and comments.

Section 13. Property Tax Rate Cap

If a property tax is implemented, a maximum property tax rate shall be established, as determined by the Town Council, that cannot be exceeded without an additional public referendum.

Section 14. Severability

Should any sentence, paragraph, subdivision, clause, phrase or section of this Ordinance be adjudged or held to be unconstitutional, illegal or invalid, the same shall not affect the validity of this Ordinance as a whole or any part or provision hereof other than the part so decided to be invalid, illegal or unconstitutional, and shall not affect the validity of the ordinances of the Town as a whole.

Section 14. Effective Date

This Ordinance shall be effective upon its passage and approval.

PASSED AND APPROVED on this 18th day of April, 2024.

APPROVED:

Tara Senkevech

Tara Senkevech, Mayor

ATTEST:

Carrie Hal

Town Secretary



4/8/2024