



TOWN COUNCIL COMMUNICATION

DATE: August 18, 2026

FROM: Kirk Riggs, Town Administrator

AGENDA ITEM: Discuss and consider the acceptance of the submission of the no-new revenue, voter-approval, and De minimis tax rate calculations; take action to consider a proposed tax rate, set a date for public hearing, consideration, and adoption of a tax rate at the September 15, 2026 Regular Town Council meeting.

SUMMARY:

This item asks Council to set a preliminary maximum tax rate for the 2026 tax year. ***During final adoption in September, Council may approve a lower rate but cannot adopt a higher rate.***

Chapter 26 of the Property Tax Code requires the Town to:

- Determine and publish the no-new-revenue and voter-approval tax rates
- Set the needed revenue and calculate the required rate
- Publish required notices and, if the rate exceeds the no-new-revenue rate, hold one public hearing
- Adopt a tax rate

On August 5, 2026, the Town received the 2026 no-new-revenue, voter-approval, and de minimis rate calculations from the Denton County Tax Assessor/Collector.

The no-new-revenue rate generates about the same revenue as the prior year from properties taxed in both years. The voter-approval rate is the maximum rate allowed without voter approval.

Property Tax Rate Per \$100 of valuation:

Current Rate	\$0.173646
No-new-revenue Rate	\$0.165054
Voter-approval Rate	\$0.172653
De minimis Rate	\$0.231003

Under Texas Tax Code Chapter 26, a public hearing is required if the proposed tax rate is higher than either the no-new-revenue tax rate or the voter-approval tax rate. The State requires specific wording for the public notice, and that wording cannot be changed or expanded to include additional information.

RECOMMENDED MOTION OR ACTION:

Move to approve a maximum tax rate of \$0.173646 per \$100 valuation for the Fiscal Year beginning October 1, 2026, and ending September 30, 2027; scheduling September 15, 2026 for the Public Hearing on the tax rate and for the adoption of said tax rate.

ATTACHMENTS:

- Tax Calculation Work Sheet