



TOWN COUNCIL COMMUNICATION

DATE: September 16, 2025

FROM: Patricia Adams, Town Attorney

AGENDA ITEM: Discuss and consider a Resolution acknowledging and ratifying that the adoption of the Fiscal Year 2025-2026 Annual Budget will require raising more revenue from property taxes than in the previous Fiscal Year and ratifying the property tax increase reflected in the budget; and providing an effective date.

SUMMARY:

Ratification of the tax rate increase in the budget is required by Tex. Loc. Gov't Code Ann. § 102.007(c).

Section 102.007(c) provides as follows:

- (c) Adoption of a budget that will require raising more revenue from property taxes than in the previous year requires a separate vote of the governing body to ratify the property tax increase reflected in the budget. A vote under this subsection is in addition to and separate from the vote to adopt the budget or a vote to set the tax rate required by Chapter 26,1 Tax Code, or other law.

When the budgeted expenditures in an adopted budget require more property tax revenue than were required to fund the budget adopted in the preceding year, Section 102.007 requires a separate vote in addition to the vote on the Budget and the vote on the tax rate. The order of adoption is: (1) Budget; (2) Tax Rate; and (3) Ratify Property Tax Increase. This section applies to the Town because the ad valorem tax revenues have increased (due to increased valuation and new value), and the Town is including those increased funds in its budget to pay for more goods and services than it paid for in the prior budget.

FISCAL INFORMATION: N/A

RECOMMENDED MOTION OR ACTION:

Motion to approve a Resolution acknowledging and ratifying that the adoption of the Fiscal Year 2025-2026 Annual Budget will require raising more revenue from property taxes than in the previous Fiscal Year and ratifying the property tax increase reflected in the budget as presented.

ATTACHMENTS:

- RES 2025-11 Tax Rate Ratification