



# Preparing Tax Rate and Annual Budget Calendar, Assuming a Tax Rate Under or Over the Voter-Approval Rate

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*Presented to the Finance Committee on April 21, 2025*

# Presentation Overview

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Property Tax Facts

Truth-In-Taxation Terms

Calendar

Review Next Steps

# Voter Approval Rate and Calendar

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- The annual budget and tax rate are filled with numerous notice periods and deadlines that necessitate the creation of a calendar
- If a City Council of a municipality with a population over 30,000 votes to adopt a tax rate that exceeds the voter-approval rate of 3.5%, the municipality must call an election at the November uniform election date
- The Texas Election Code has numerous additional legal requirements and deadlines when calling and conducting an election
- The calendar when adopting a tax rate that *does not* exceed the voter-approval rate and the calendar when adopting a tax rate that *does* exceed the voter-approval rate look vastly different
- Adopting a tax rate that *does* exceed the voter-approval rate pushes up many of the deadlines

# Terminology and Calculations for Taxing Units

*“No-New-Revenue Tax Rate”* means a rate expressed in dollars per \$100 of taxable value calculated to the following formula:



# Terminology and Calculations for Taxing Units Cont.

*“Voter-Approval Tax Rate”* means a rate expressed in dollars per \$100 of taxable value calculated as follows:

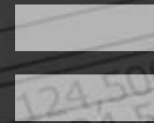
No new  
revenue  
rate x  
1.035



Current  
Debt Rate



Unused  
Increment  
Rate



Voter-  
Approval  
Tax Rate

Deadlines When  
Adopting Tax  
Rate that Exceeds  
the Voter  
Approval Rate

vs.

Tax Rate that  
Does Not Exceed  
the Voter  
Approval Rate

Deadlines When Adopting a Budget and Tax Rate for FY25-26		
	Exceeds Voter-Approval Rate	Does Not Exceed
File the Proposed Budget	July 19	August 11
Receive Tax Rolls	July 25	July 25
Submit Tax Rates to Council	August 7	August 7
Budget Publication Notice	August 7	August 22
Proposed Tax Rate Approval	August 11	August 18
Internet Notice	August 11	August 22
Tax Rate Publication Notice	August 13	August 22
Budget Public Hearing	August 17	September 2
Budget Adoption	August 18	September 15
Tax Rate Public Hearing	August 18	September 2
Tax Rate Adoption	August 18	September 15
Order Election	August 18	n/a

# Next Steps

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- Options:
  - Direct the City Manager to prepare a calendar for the orderly adoption of the property tax rate and annual operating budget for Fiscal Year 2025-2026, assuming a property tax rate that *does* exceed the voter-approval rate; or
  - Direct the City Manager to prepare a calendar for the orderly adoption of the property tax rate and annual operating budget for Fiscal Year 2025-2026, assuming a property tax rate that *does not* exceed the voter-approval rate.

**Staff recommendation is to direct the City Manager to prepare a calendar for the orderly adoption of the property tax rate and annual operating budget for Fiscal Year 2025-2026, assuming a property tax rate that *does not* exceed the voter-approval rate.**



# QUESTIONS/COMMENTS