THE CITY OF BURLESON TEXAS

Department Memo

City Council Special Meeting

DEPARTMENT: **Finance**

FROM: **Kevin Hennessey, Director of Finance**

MEETING: **August 10, 2026**

SUBJECT:

Consider and take possible action on a minute order setting the date and time of the public hearings on the proposed 2026 tax rate and Fiscal Year 2026-2027 Proposed Budget to occur during the regular City Council meeting scheduled for Tuesday, September 8, 2026, at 5:30 p.m. (Staff Contact: Kevin Hennessey, Director of Finance)

STRATEGIC PRIORITY AND GOAL(S):

Strategic Priority	Strategic Goal
High Performing City Organization Providing Exceptional, People Focused Services	1.4 Be a responsible steward of the city's financial resources by providing rates and fees that represent a strong value to our citizens; providing timely, accurate and transparent financial reporting; and utilizing long-range planning.

SUMMARY:

Section 26.05 of the Texas Tax Code requires that the City hold a public hearing on the proposed tax rate prior to its adoption by the City Council in certain situations. Section 102.006 of the Texas Local Government Code requires that the City hold a public hearing on the proposed budget prior to its adoption by City Council. State law also requires that the City give specific notices to the public that publicize the public hearings or public meetings. The City must give the notices within specified periods prior to the public hearings or meetings. By adopting the proposed minute order, the City Council will provide staff with the direction it needs to prepare the notices. The minute order will set the tax rate and budget public hearings to occur during the regular City Council meeting scheduled for Tuesday, September 8, 2026.

Senate Bill 2 went into effect in 2020. One key focus of this bill was placing a 3.5% cap on the Maintenance and Operations No New Revenue Rate (M&O NNRR) without going to the voters for approval. On June 15, 2026, the City Council approved a resolution directing the City Manager to prepare a budget calendar for the orderly adoption of the property tax rate and annual budget for FY 2026-2027, assuming a property tax rate that does not exceed the voter-approval rate. the Johnson County Tax Assessor's Office shall submit the City of Burleson's 2026 Tax Rate Calculation Worksheet (Comptrollers Form 50-856), to be reviewed by the Finance Department. This worksheet determines the following:

- **No New Revenue Rate (NNRR)** - total tax rate that would generate the same tax revenue from the same properties as the previous year
- **M&O NNRR** - M&O tax rate that would generate the same tax revenue from the previous year – General Fund
- **M&O Voter Approval Rate** - 3.5% of M&O NNRR
- **Debt Rate** - The debt service rate portion is the tax rate necessary to pay the taxing unit's debt payments in the coming year
- **Unused Increment Rate** - A taxing unit that did not use all its revenue growth may bank that unused growth as long as the taxing unit averaged below 3.5 percent of the voter-approval rate over three years
- **Voter Approval Rate (M&O Voter Approval Rate plus Debt Rate**) - NNRR times 1.035 plus the current Debt Tax Rate plus Unused Increment Rate

This presentation will cover the various rates calculated by the Johnson County Tax Assessor's Office.

RECOMMENDATION:

Staff recommends that the Council receive the report and provide any appropriate direction.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

On June 15, 2026, the City Council approved a resolution directing the City Manager to prepare a calendar for the orderly adoption of the property tax rate and annual operating budget for Fiscal Year 2026-2027 assuming a property tax rate that does not exceed the voter-approval rate.

REFERENCE:

N/A

FISCAL IMPACT:

The proposed tax rates are included as part of the FY 2026-2027 Proposed Budget.

STAFF CONTACT:

Kevin Hennessey
Director of Finance
khennessey@burlesontx.com
817-426-9648