
Finance Committee

DEPARTMENT: Finance

FROM: Harlan Jefferson, Deputy City Manager

MEETING: August 7, 2024

SUBJECT:

Receive a report, hold a discussion, provide staff direction on the FY 2024-2025 (tax year 2024) property tax rates, and provide any additional information from the Finance Committee regarding the annual budget for FY 2024-2025. (*Staff Contact: Harlan Jefferson, Deputy City Manager*)

SUMMARY:

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 17, 2024, 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 2024-2025, assuming a property tax rate that does not exceed the voter-approval rate. On July 29, 2024, the Johnson County Tax Assessor's Office submitted the City of Burleson's 2024 Tax Rate Calculation Worksheet (Comptrollers Form 50-856), which was reviewed by the Finance Department. This worksheet determines the following:

- No New Revenue Rate (NNRR) - \$0.6239 - total tax rate that would generate the same tax revenue from the previous year
- M&O NNRR - \$0.4391 - M&O tax rate that would generate the same tax revenue from the previous year – General Fund
- M&O Voter Approval Rate - \$0.4544 - 3.5% of M&O NNRR
- Debt rate - \$0.1923
- Unused Increment Rate - \$0.0160
- Voter Approval Rate (M&O Voter Approval Rate plus Debt Rate) - \$0.6627

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

RECOMMENDATION:

Staff recommends approval of proposed tax rates.

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

On June 17, 2024, 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 2024-2025, 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 proposed FY 2024-2025 Proposed Budget.

STAFF CONTACT:

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