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## City Council Special Meeting

**DEPARTMENT:** Finance  
**FROM:** Harlan Jefferson, Deputy City Manager  
**MEETING:** August 12, 2024

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**SUBJECT:**

Consider approval of a minute order setting the date and time of the public hearings on the proposed 2024 tax rate and proposed Fiscal Year 2024-2025 budget for September 3, 2024, at 5:30 p.m. (*Staff Contact: Harlan Jefferson, Deputy City Manager*)

**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, 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 3, 2024. (The City will be closed on Monday, September 2, 2024, in observance of Labor Day.)

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

The proposed rate for the 2024 tax year is \$0.6627 per \$100 value. Of course, the proposed tax rate is subject to final approval by the City Council.

**RECOMMENDATION:**

Staff recommends approval of proposed resolution.

**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:**

N/A

**STAFF CONTACT:**

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