



2026 Property Tax Rate Calculation

PRESENTED TO THE CITY COUNCIL ON AUGUST 3, 2026

Tax Rate Focus

- 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
- Current tax rate is M&O \$0.4933; Debt Rate \$0.2285; Total Rate \$0.7218
- On July 27, 2026 - the City and Johnson County Tax Office received the July certified roll from both the Tarrant County and Johnson County Appraisal Districts
- On July 30, 2026, the Johnson County Tax Assessor's Office submitted the 2026 Tax Rate Calculation Worksheet to Finance for review
 - This worksheet calculates the NNRR, M&O NNRR, Debt Rate, and Voter Approval Rate

Property Tax Overview

- Senate Bill 2 – In effect since 2020
 - No New Revenue Rate (NNRR) – total tax rate that would generate the same tax revenue from previous year
 - Based on previous year tax base
 - Tax values increase – total tax rate to generate same revenue as last year goes down
 - Tax values decrease – total tax rate to generate same revenue as last year goes up
- M&O No New Revenue Rate (M&O NNRR) – M&O tax rate that would generate the same tax revenue from previous year – General Fund
 - M&O tax rate has a 3.5% cap without voter approval
 - Previous cap was 8%
 - Above 3.5% tax increase requires voter approval

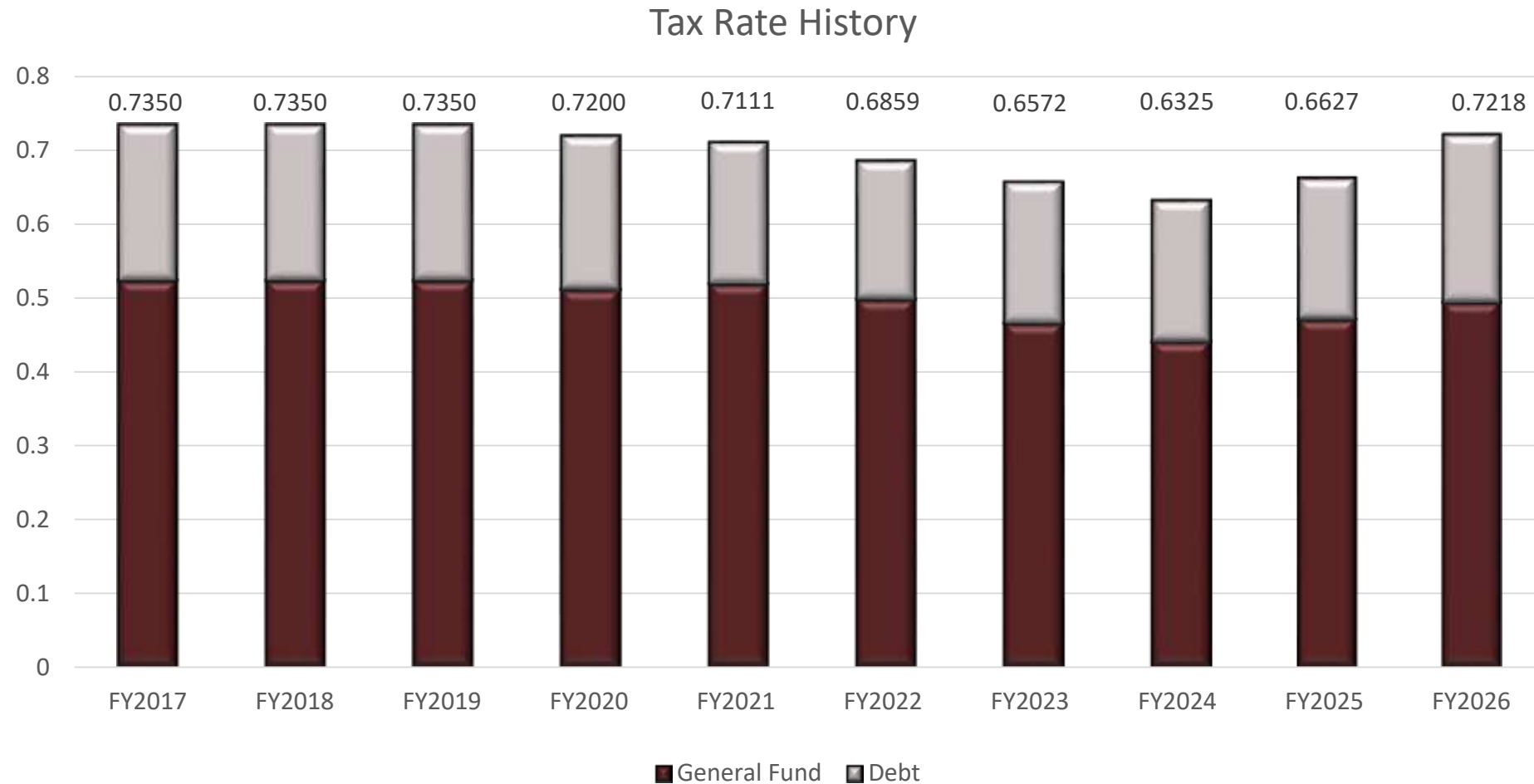
Property Tax Overview (cont.)

- Unused Increment Rate - A taxing unit that did not use all of its revenue growth may bank that unused growth if the taxing unit averaged below 3.5 percent of the voter-approval rate over three years
 - **2026** Unused Increment Rate - **\$0.0000**
 - The increment of 0.47 cents used last year was from tax years 2022 due to the method used to calculate the available increment (prior 3 years tax rates vs the voter authorization rates).
- Voter-Approval Tax Rate - Maintenance and Operations No-New-Revenue Tax Rate times 1.035 plus current Debt Tax Rate plus Unused Increment Rate
- The Finance Committee and the Council directed staff to utilize strategies to maintain the Debt Tax Rate to support the proposed CIP

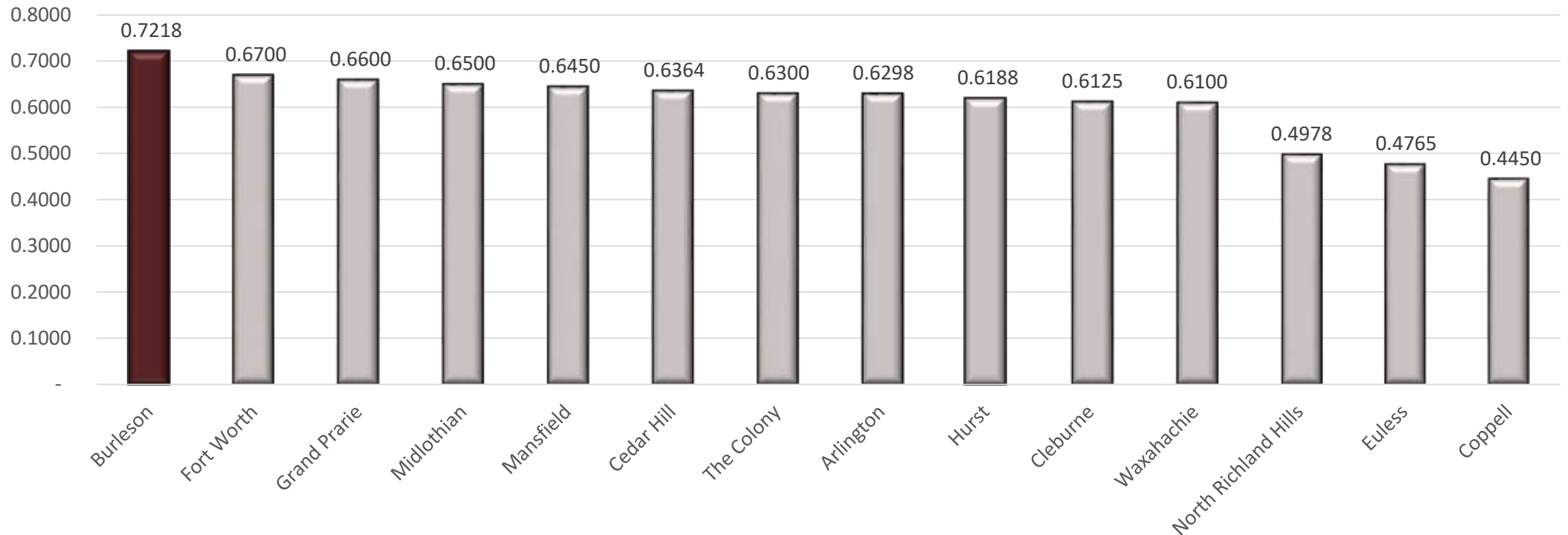
FY 26-27 (Tax Year 2026) Tax Rate

- Current Tax Rate- M&O Rate **\$0.4933**; Debt Rate **\$0.2285**; Total Rate **\$0.7218**
- FY 2026 Tax Rates:
 - NNRR - **\$0.7298**
 - Voter Approval Rate (Before Increment) - **\$0.7468**
 - M&O NNRR - \$0.5008
 - 1.035% of M&O NNRR - \$0.5183
 - Debt Rate - \$0.2285
 - Unused Increment Rate - \$0.0000
 - Voter Approval Rate - **\$0.7468**

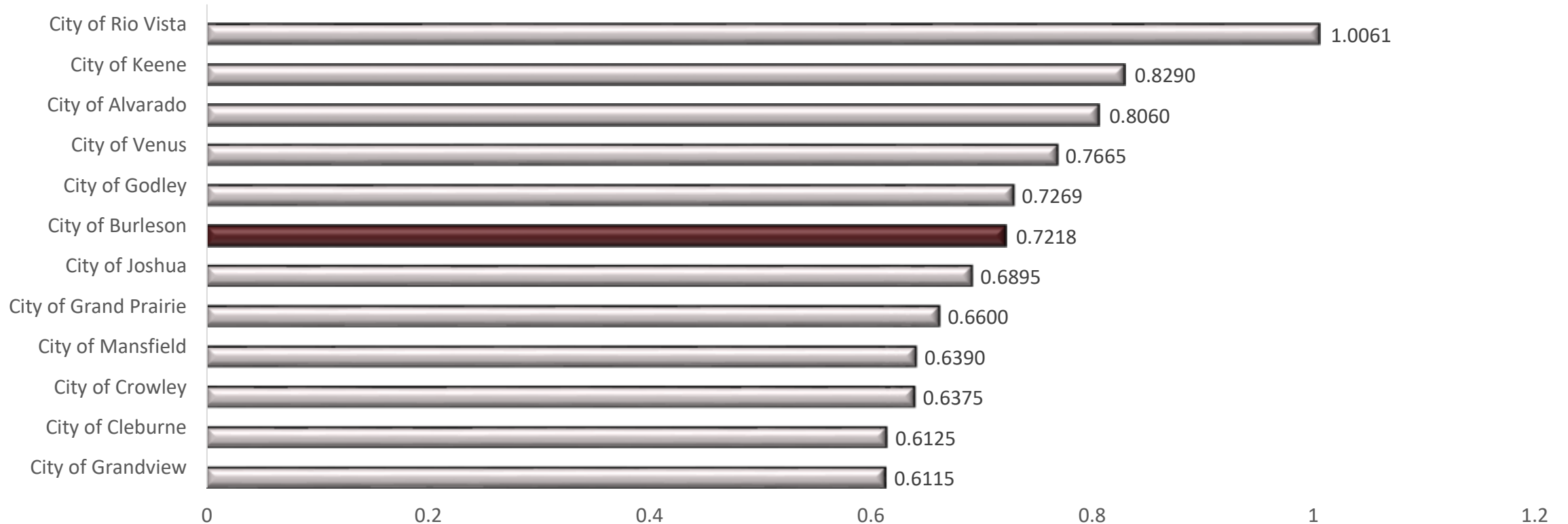
Property Tax Facts



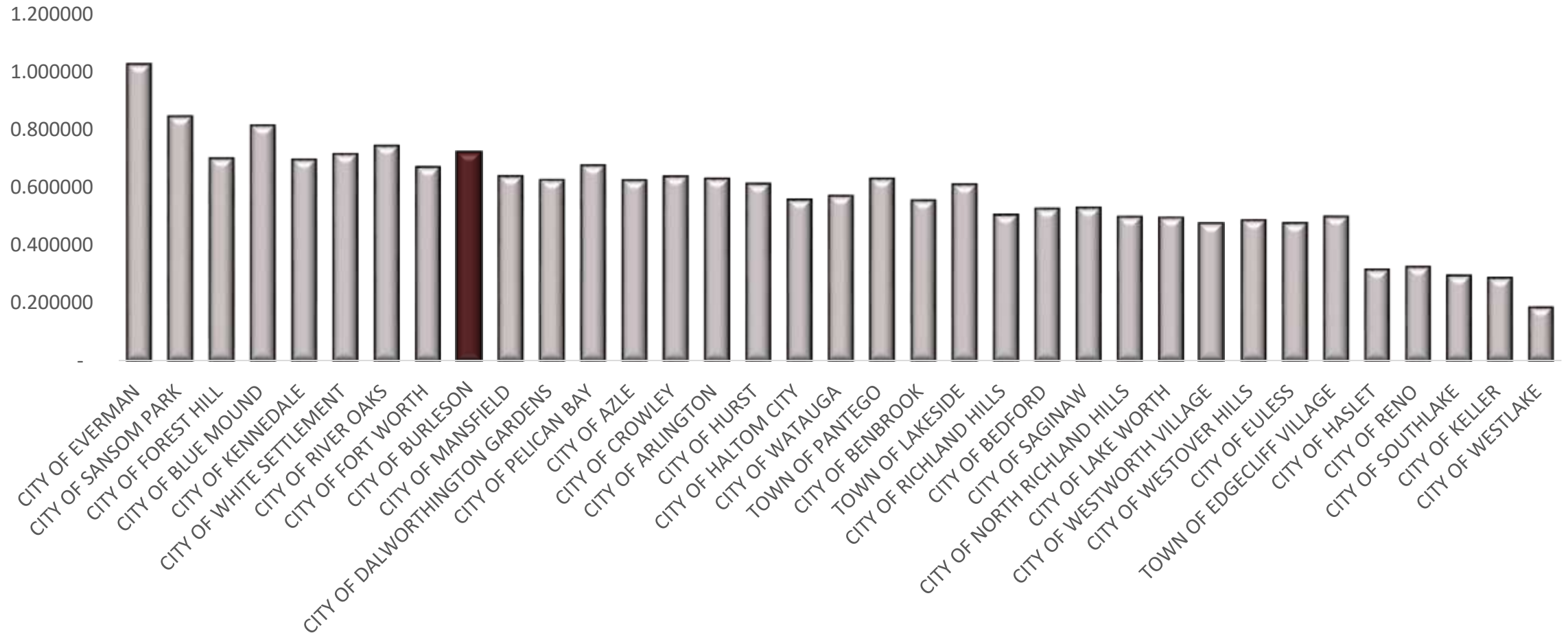
Other City Tax Rates Comparative Fiscal Year 2025-26



Johnson County City Tax Rates Comparative Fiscal Year 2025-26



Tarrant County City Tax Rates Comparative Fiscal Year 2025-26



Property Tax Rate Options

	M&O	Debt	Total Rate	Revenue (Tax Levy)	Difference	Cumulative
Current Rate	\$0.4933	\$0.2285	\$0.7218	\$47,224,799	\$ -	\$ -
Proposed Rate*	\$0.4933	\$0.2285	\$0.7218	\$47,224,799	\$ -	\$ -
No New Revenue Rate	\$0.5013	\$0.2285	\$0.7298	\$47,687,304	\$462,505	\$ 462,505
Voter Approval Rate	\$0.5183	\$0.2285	\$0.7468	\$48,670,127	\$982,823	\$1,445,328

*The No New Revenue Rate is calculated in the TNT calculation as a total rate.

Property Tax Rate Options

	Rate	2026 Tax Year Total Tax Levy	2025 Tax Year Total Tax Levy at \$0.7218	Average Annual Increase
Current Rate	\$0.7218	\$2,170	\$2,185	(\$15)
Proposed Rate	\$0.7218	\$2,170	\$2,185	(\$15)
No New Revenue Rate	\$0.7298	\$2,194	\$2,185	\$9
Voter Approval Rate	\$0.7468	\$2,246	\$2,185	\$61

This chart is based on an average home value of \$300,697 after the 5% homestead exemption. The average home value for the 2025 tax year was \$302,745.

Next Steps

- August 3, 2026 – The City Manager will submit a copy of the FY 2026-2027 Proposed Budget to the City Secretary's Office and City Council
- August 5, 2026 – Finance Committee meeting – City Manager FY 2026-2027 budget presentation
- August 10, 2026 – Special Session meeting
 - City Manager FY 2026-2027 budget presentation
 - City Council will establish the maximum tax rate
- August 17, 2026 – Regular Council Meeting – Parameters ordinance for 2026 debt issuances
- September 8, 2026 – Regular Council Meeting
 - Public Hearing on budget and tax rate
 - First reading of Budget, Tax Rate, and Other Related Ordinances
- September 14, 2026 – Special Session meeting – Final reading of Budget, Tax Rate, and Other Related ordinances

Council Direction

- Provide staff direction regarding the M&O Tax Rate
- Provide staff direction regarding the I&S Tax Rate

QUESTIONS/COMMENTS