THE CITY OF BURLESON TEXAS

Department Memo

City Council Regular Meeting

DEPARTMENT: **Finance**

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

MEETING: **August 3, 2026**

SUBJECT:

Receive a report, hold a discussion, and provide staff direction regarding the FY 2026-2027 (tax year 2026) property tax rates, and receive any additional feedback from the City Council regarding the annual budget for FY 2026-2027. *(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:

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. Shortly after July 25, 2026, the Johnson County Tax Assessor's Office will 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:

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