



Preparing Annual Budget and Tax Rate Calendar Assuming a Tax Rate Under the Voter-Approval Rate

PRESENTED TO THE CITY COUNCIL

JUNE 16, 2025

Presentation Overview

Property Tax Facts

Truth-In-Taxation Terms

Calendar

Review Next Steps

Voter Approval Rate and Calendar

- The annual budget and tax rate are filled with numerous notice periods and deadlines that necessitate the creation of a calendar
- If a City Council of a municipality with a population over 30,000 votes to adopt a tax rate that exceeds the voter-approval rate of 3.5%, the municipality must call an election at the November uniform election date
- The Texas Election Code has numerous additional legal requirements and deadlines when calling and conducting an election
- The calendar when adopting a tax rate that *does not* exceed the voter-approval rate and the calendar when adopting a tax rate that *does* exceed the voter-approval rate look vastly different
- Adopting a tax rate that *does* exceed the voter-approval rate pushes up many of the deadlines

Terminology and Calculations for Taxing Units

“No-New-Revenue Tax Rate” means a rate expressed in dollars per \$100 of taxable value calculated to the following formula:



Terminology and Calculations for Taxing Units Cont.

“Voter-Approval Tax Rate” means a rate expressed in dollars per \$100 of taxable value calculated as follows:

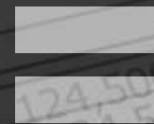
No new
revenue
rate x
1.035



Current
Debt Rate



Unused
Increment
Rate



Voter-
Approval
Tax Rate

Deadlines When
Adopting Tax
Rate that Exceeds
the Voter
Approval Rate

vs.


Tax Rate that
Does Not Exceed
the Voter
Approval Rate

Deadlines When Adopting a Budget and Tax Rate for FY25-26		
	Exceeds Voter-Approval Rate	Does Not Exceed
File the Proposed Budget	July 19	August 29
Receive Tax Rolls	July 25	July 25
Submit Tax Rates to Council	August 7	August 7
Budget Publication Notice	August 7	September 18
Proposed Tax Rate Approval	August 11	September 22
Internet Notice	August 11	September 22
Tax Rate Publication Notice	August 13	September 22
Budget Public Hearing	August 17	September 28
Budget Adoption	August 18	September 19
Tax Rate Public Hearing	August 18	September 22
Tax Rate Adoption	August 18	September 29
Order Election	August 18	n/a

Next Steps

- City Council Options:
 - Approve 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 2025-2026 assuming a property tax rate that *does not* exceed the voter-approval rate; or
 - Deny 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 2025-2026 assuming a property tax rate that *does not* exceed the voter-approval rate.

Staff recommendation is to approve 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 2025-2026 assuming a property tax rate that *does not* exceed the voter-approval rate.



QUESTIONS/COMMENTS