

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

PRESENTED TO THE CITY COUNCIL

JUNE 15, 2026

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

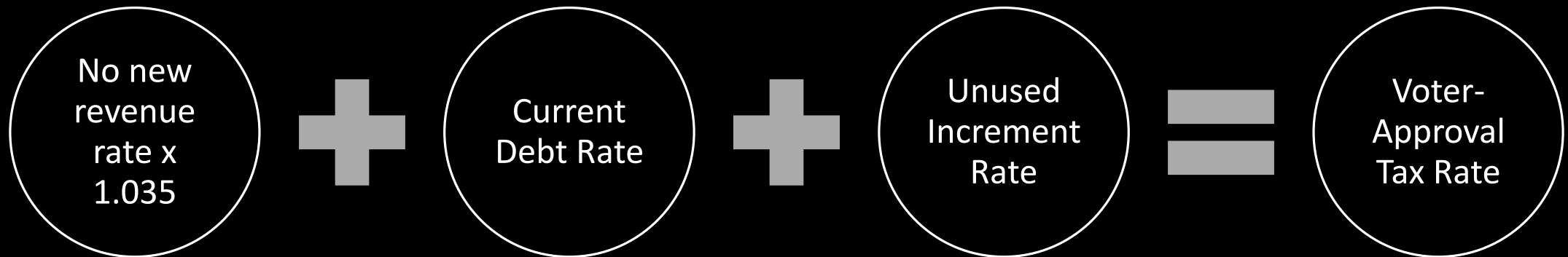
Terminology and Calculations for Taxing Units

“No-New-Revenue Tax Rate” is the tax rate for the year that would raise the same amount of property tax revenue for the City from the same properties as the preceding tax year. The rate is 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:



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 FY26-27		
	Exceeds Voter-Approval Rate	Does Not Exceed
File Proposed Budget	July 18	August 29
Receive Tax Rolls	July 25	July 25
Submit Tax Rates to Council	August 7	August 7
Budget Publication Notice	August 6	September 18
Proposed Tax Rate Approval	August 10	September 22
Tax Rate Internet/TV Notice	August 10	September 22
Tax Rate Publication Notice	August 12	September 22
Budget Public Hearing	August 16	September 28
Budget Adoption	August 17	September 29
Tax Rate Public Hearing	August 17	September 29
Tax Rate Adoption	August 17	September 29
Order Election:	August 17	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 2026-2027 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 2026-2027 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 2026-2027 assuming a property tax rate that *does not* exceed the voter-approval rate.

The background features two large, light-colored speech bubbles with soft shadows. The bubble on the left contains a question mark, and the bubble on the right contains an exclamation mark. The text 'QUESTIONS/COMMENTS' is centered over the space between these two bubbles.

QUESTIONS/COMMENTS