



# Property Tax Strategy

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CITY COUNCIL FINANCE COMMITTEE

MAY 27, 2026

# Background

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- Historically, the City has reduced the tax rate over the last ten years by 1.32 cents while recent years utilizing the 3.5% voter approval rate and using the unused increment last year.
- The City implemented the first homestead exemption in recent years to ease the financial burden on homeowners.
- Assessed values historically increased each year by an average of 9% over the last ten years.
- The preliminary values are provided by the Appraisal Districts on 4/30/2026. Certified numbers are expected 07/25/2026.

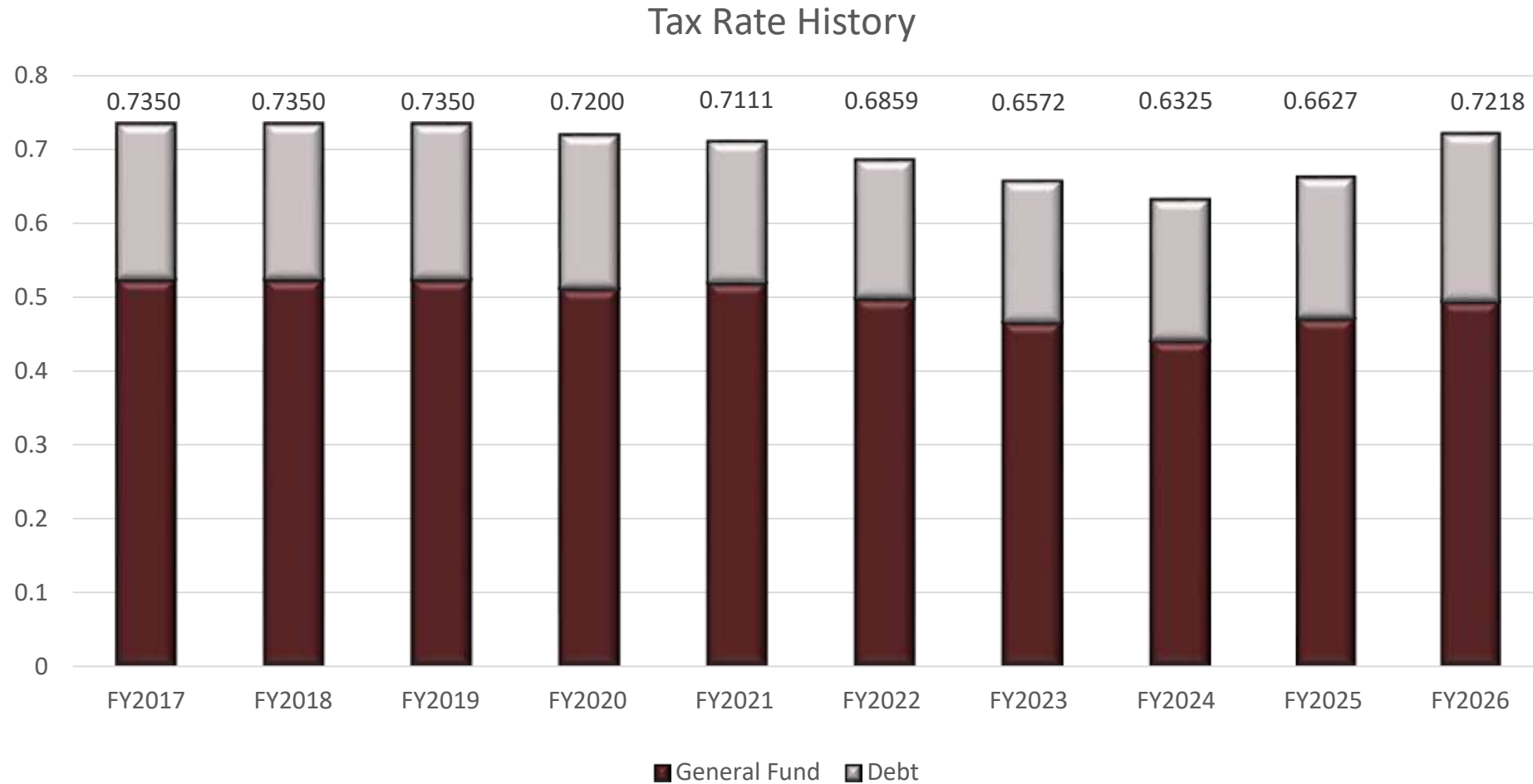
# 10 Year Assessed Value Growth

<b>Tax Year</b>	<b>Assessed Value</b>	<b>Growth (YOY)</b>
2026	7,197,367,186	4.47%
2025	6,889,661,801	3.10%
2024	6,682,231,203	7.11%
2023	6,238,588,521	15.64%
2022	5,395,041,820	13.99%
2021	4,732,777,275	8.63%
2020	4,356,847,366	4.94%
2019	4,151,854,531	10.41%
2018	3,760,434,828	11.14%
2017	3,383,396,267	9.60%
Average Growth		8.69%
Outliers Removed		
2025	6,889,661,801	3.10%
2023	6,238,588,521	15.64%
2020	4,356,847,366	4.94%
Average Growth Less Outliers		9.34%

# Projected Fiscal Impact

Fiscal Year	Original Revenue Projection	Preliminary Revenue Projection – Response to Reappraisal Plan	Scenario Variance
2026-2027	1.0 % Increase	3.9 % Increase	954,838
2027-2028	4.0 % Increase	3.0 % Increase	(342,096)
2028-2029	4.0 % Increase	3.0 % Increase	(352,358)
2029-2030	2.0 % Increase	2.0 % Increase	-
2030-2031	1.0 % Increase	2.0 % Increase	370,188

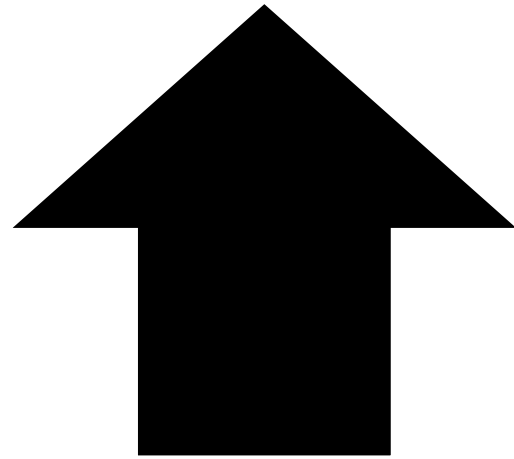
# Property Tax Facts



# 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:

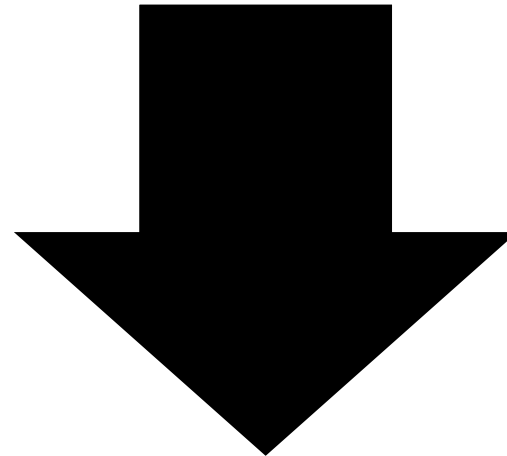


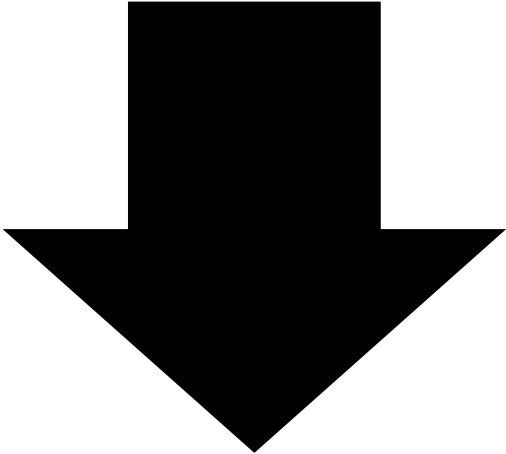


If Values  
Increase



The No-New-  
Revenue  
Rate will  
Decrease

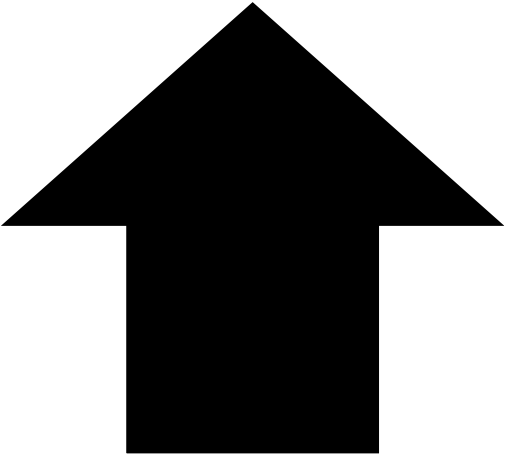




If Values  
Decrease

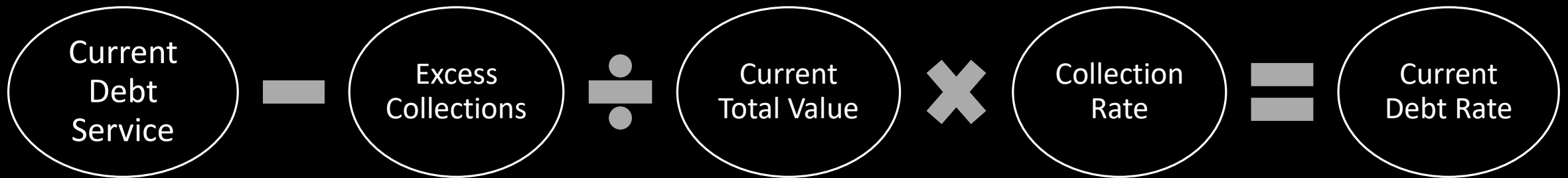


The No-New-  
Revenue  
Rate will  
Increase



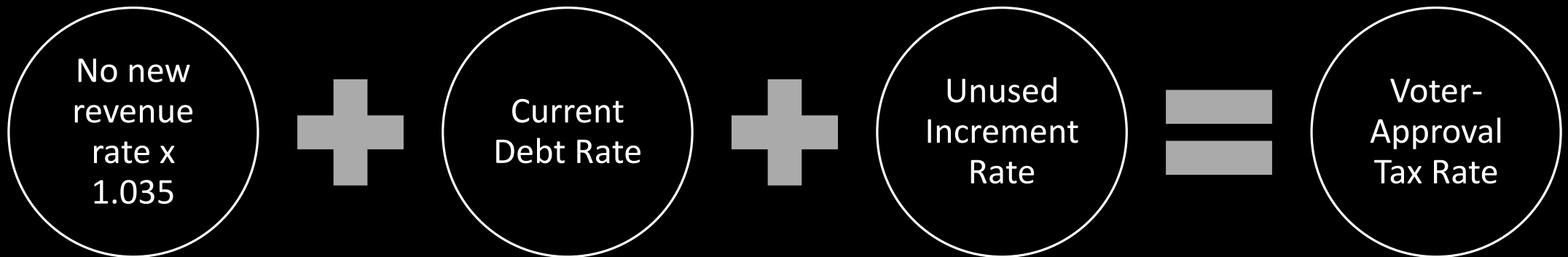
# Terminology and Calculations for Taxing Units

*“Current Debt Rate”* is a rate that is expressed in dollars per \$100 of taxable value calculated to the following formula:

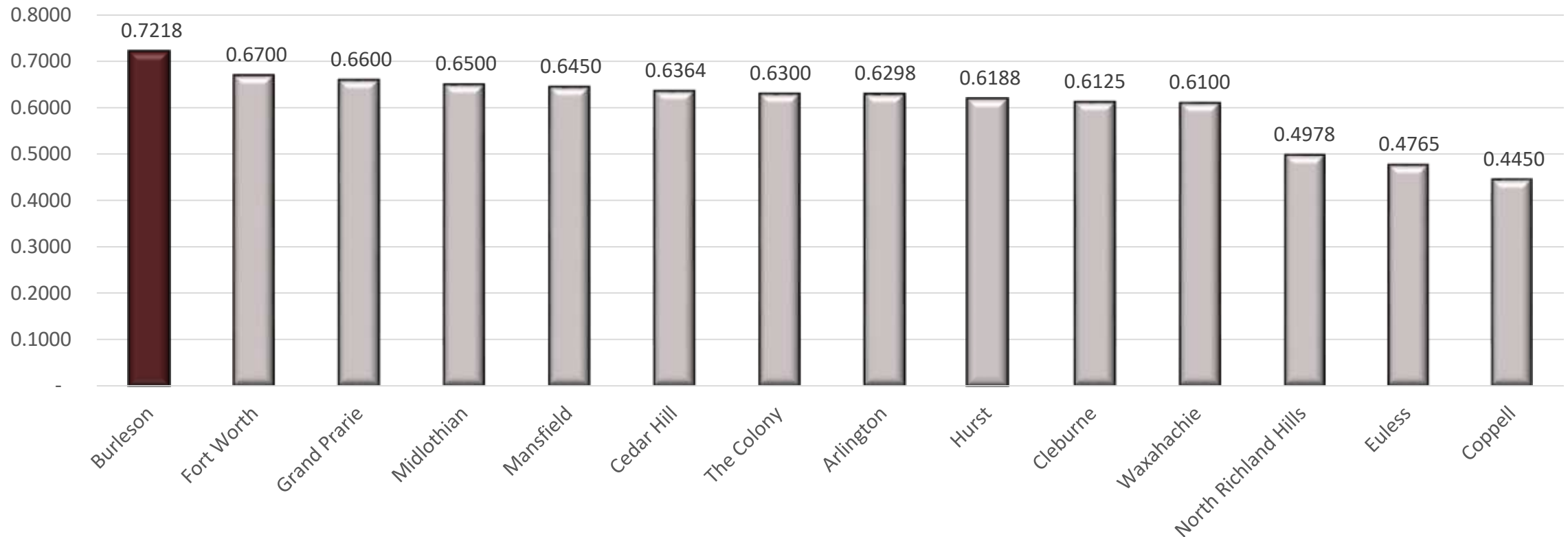


# Terminology and Calculations for Taxing Units Cont.

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



# Other City Tax Rates Comparative Fiscal Year 2025-26



# Items for Consideration

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- City Management and staff are working on recommendations for budget cuts through the budget.
- To respond to projected values, the Council reserves the option to adopt a tax rate to capture a rate of 3.5% above the no-new-revenue rate.

# Questions for Committee/Guidance Needed

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Does the Committee desire to keep the tax rate relatively flat?

Does the Committee prefer substantial budget cuts that will impact service delivery to raising tax rates.



# QUESTIONS/COMMENTS