



Property Tax Rate

PRESENTED TO THE CITY COUNCIL ON AUGUST 7, 2023

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

Tax Rate Focus

- On the July 24, 2023 City Council Regular Meeting, Council provided direction to prepare the budget using a 3.5% increase from the M&O NNRR for FY 2024
- Current tax rate is M&O \$0.4649; Debt Rate \$0.1923; Total Rate \$0.6572
- On July 24, 2023- City and Johnson County Tax Office received the July certified roll from both Tarrant County and Johnson County Tax Office
- On July 26, 2023 Johnson County Tax Office submitted the 2023 Tax Rate Calculation Worksheet to Finance for review.
 - This worksheet calculates the NNRR, M&O NNRR, Debt Rate and Voter Approval Rate

2023 (FY2024) Tax Rate

- Current Tax Rate- M&O Rate **\$0.4649**; Debt Rate **\$0.1923**; Total Rate **\$0.6572**
- FY 2024 Tax Rates:
 - NNRR - \$0.5936
 - M&O NNRR - \$0.4254
 - 3.5% of M&O NNRR - \$0.4402 (Also referred as M&O Vote-Approval Rate)
 - Debt Rate - \$0.1923
 - Voter Approval Rate - \$0.6325
- Budget is being proposed at the Voter Approval Rate
 - M&O Rate - \$0.4402
 - Debt Rate - \$0.1923
 - Total Rate - \$0.6375

Tax Rate History

Tax Year	GF Rate	Debt Rate	Total Rate	
Proposed FY 2023-24	\$0.4402	\$0.1923	\$0.6325	Decrease \$0.0247
FY 2022-23	\$0.4649	\$0.1923	\$0.6572	
FY 2021-22	\$0.4974	\$0.1885	\$0.6859	
FY 2020-21	\$0.5187	\$0.1924	\$0.7111	
FY 2019-20	\$0.5106	\$0.2094	\$0.7200	
FY 2018-19	\$0.5228	\$0.2122	\$0.7350	
FY 2017-18	\$0.5228	\$0.2122	\$0.7350	
FY 2016-17	\$0.5228	\$0.2122	\$0.7350	
FY 2015-16	\$0.5278	\$0.2122	\$0.7400	
FY 2014-15	\$0.5278	\$0.2122	\$0.7400	
FY 2013-14	\$0.5278	\$0.1622	\$0.6900	

Council Direction

- Continue with proposed M&O Tax Rate of \$0.4402

Next Steps

- August 9, 2023 - City Manager will submit a copy of the FY2023-2024 proposed budget to City Secretary's Office and City Council
- August 15, 2023 – Special Session meeting – City Manager FY2023-2024 budget presentation
- September 5, 2023 –
 - Public Hearing on budget and tax rate
 - First reading of Budget, Tax Rate and Other Related Ordinances
- September 11, 2023 – Final reading of Budget, Tax Rate and Other Related ordinances

QUESTIONS/COMMENTS