



# 2025 Property Tax Rate Calculation

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*PRESENTED TO THE FINANCE COMMITTEE ON AUGUST 6, 2025*

# Tax Rate Focus

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- On June 16, 2025, 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 2025-2026, assuming a property tax rate that does not exceed the voter-approval rate
- Current tax rate is M&O \$0.4704; Debt Rate \$0.1923; Total Rate \$0.6627
- On July 25, 2025 - the City and Johnson County Tax Office received the July certified roll from both the Tarrant County and Johnson County Appraisal Districts
- On July 29, 2025, the Johnson County Tax Assessor's Office submitted the 2025 Tax Rate Calculation Worksheet to Finance for review
  - This worksheet calculates the NNRR, M&O NNRR, Debt Rate, and Voter Approval Rate

# Property Tax Overview

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- 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

# Property Tax Overview (cont.)

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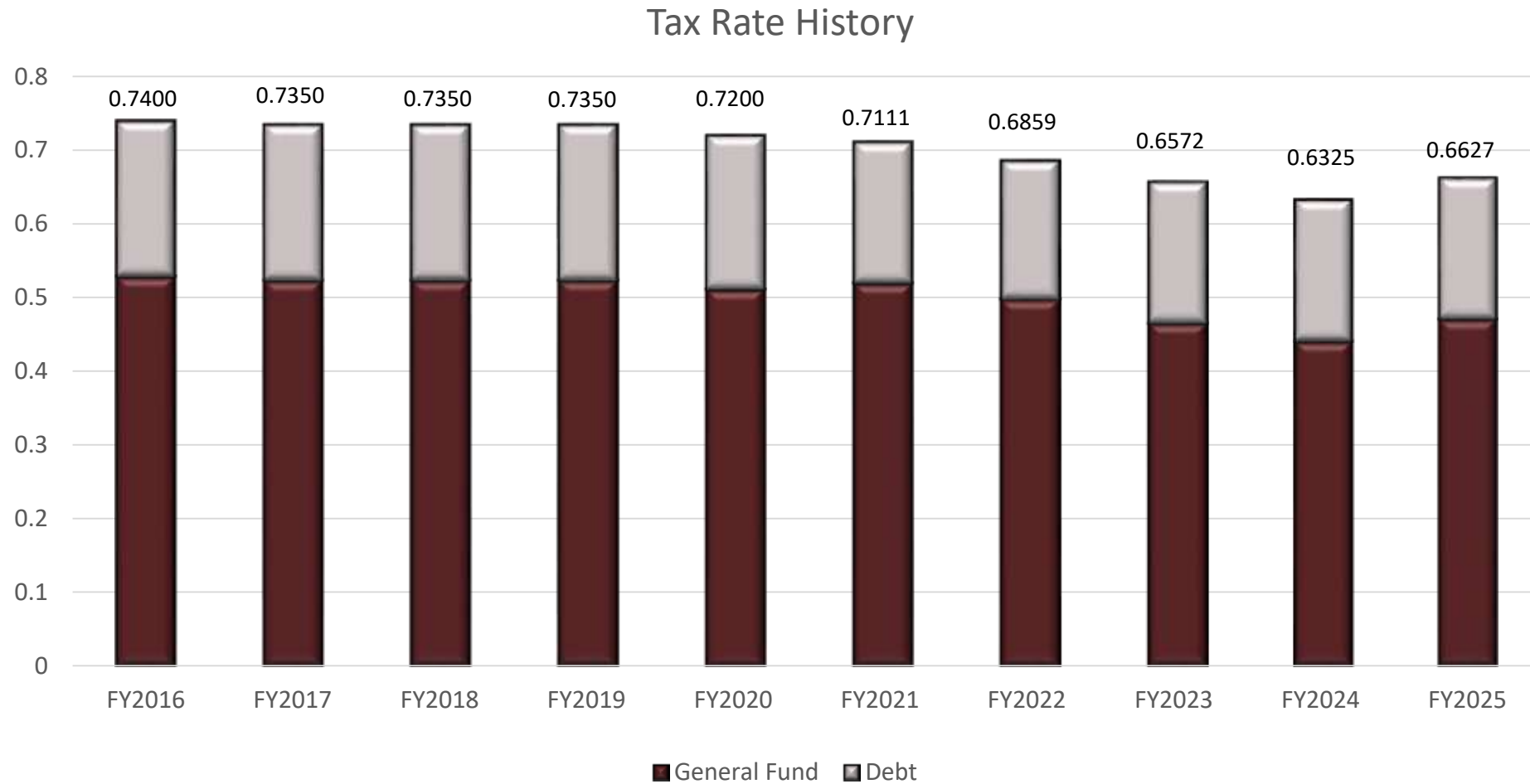
- Unused Increment Rate - A taxing unit that did not use all of its revenue growth may bank that unused growth as long as the taxing unit averaged below 3.5 percent of the voter-approval rate over three years
  - **2025 Unused Increment Rate - \$0.0047**
    - The increment of 1.6 cents used last year was from tax years 2022 and 2021
    - Due to the method used to calculate the available increment (prior 3 years tax rates vs the voter authorization rates), the 2022 increment of 0.47 cents is available again in the current tax year
- Voter-Approval Tax Rate - Maintenance and Operations No-New-Revenue Tax Rate times 1.035 plus current Debt Tax Rate plus Unused Increment Rate
- The Finance Committee and the Council directed staff to utilize strategies to increase the Debt Tax Rate to support the proposed CIP

# FY 25-26 (Tax Year 2025) Tax Rate

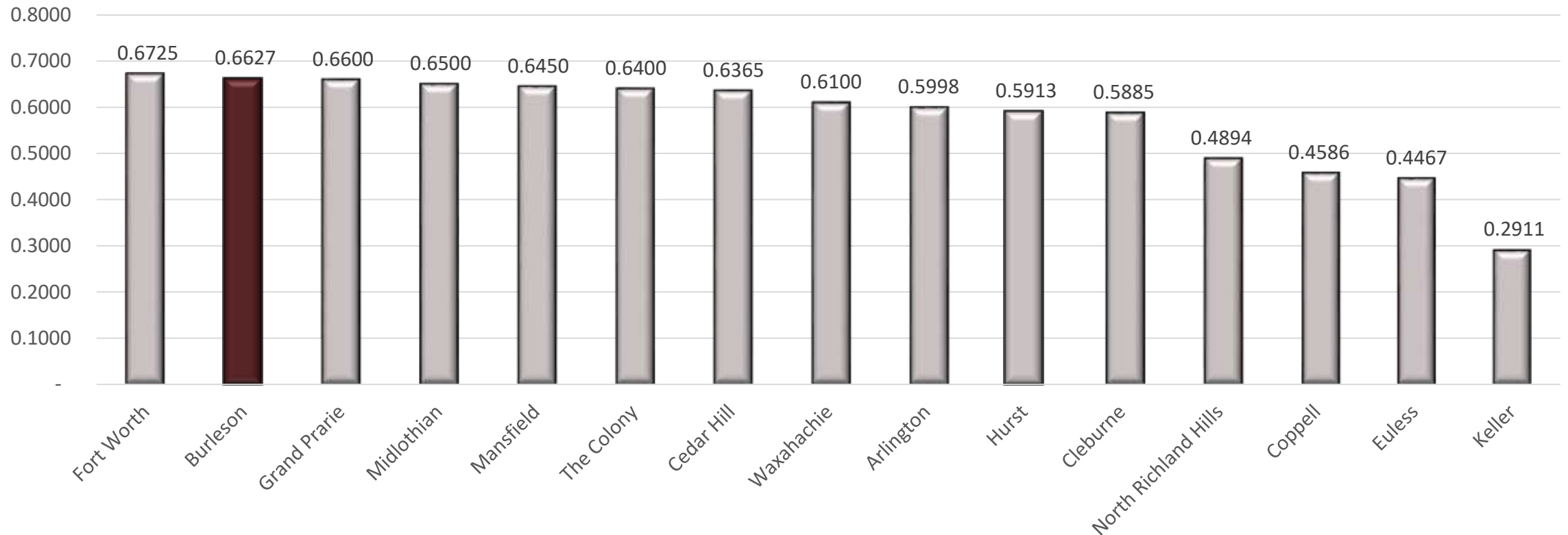
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- Current Tax Rate- M&O Rate **\$0.4704**; Debt Rate **\$0.1923**; Total Rate **\$0.6627**
- FY 2026 Tax Rates:
  - NNRR - **\$0.6591**
  - M&O NNRR - \$0.4721
  - 3.5% of M&O NNRR - \$0.4886 (Also referred as M&O Vote-Approval Rate)
  - Debt Rate - \$0.2285
  - Voter Approval Rate (Before Increment) - **\$0.7171**
  - Unused Increment Rate - \$0.0047
  - Voter Approval Rate - **\$0.7218**

# Property Tax Facts

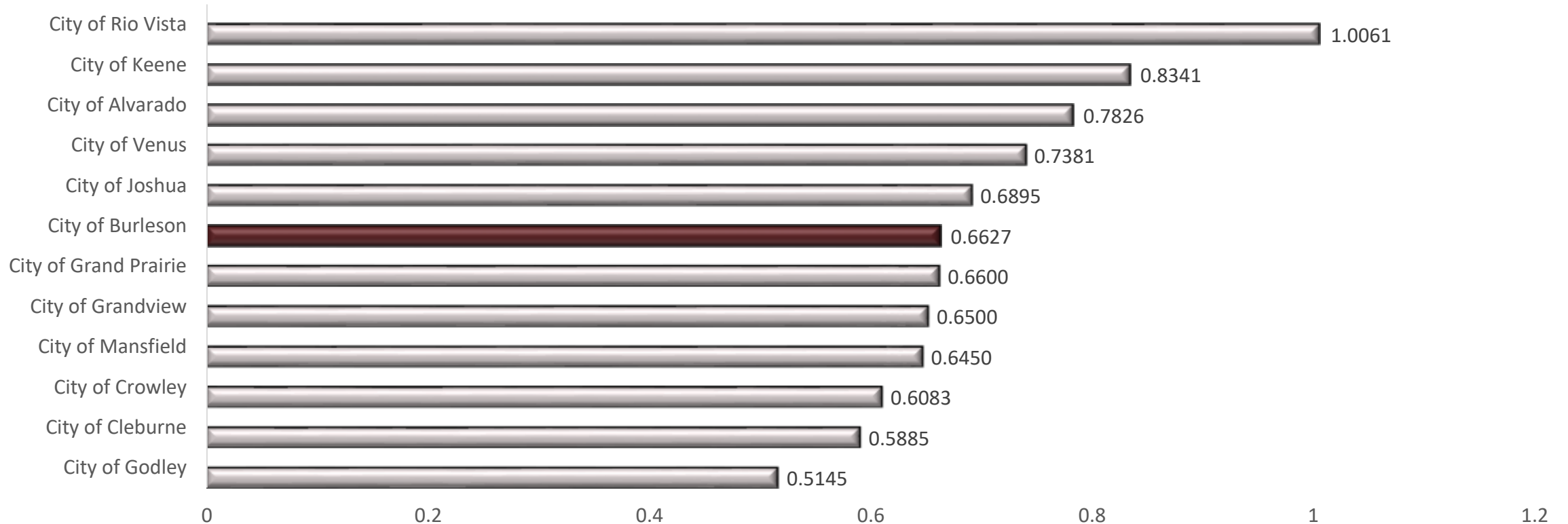


# Other City Tax Rates Comparative Fiscal Year 2024-25



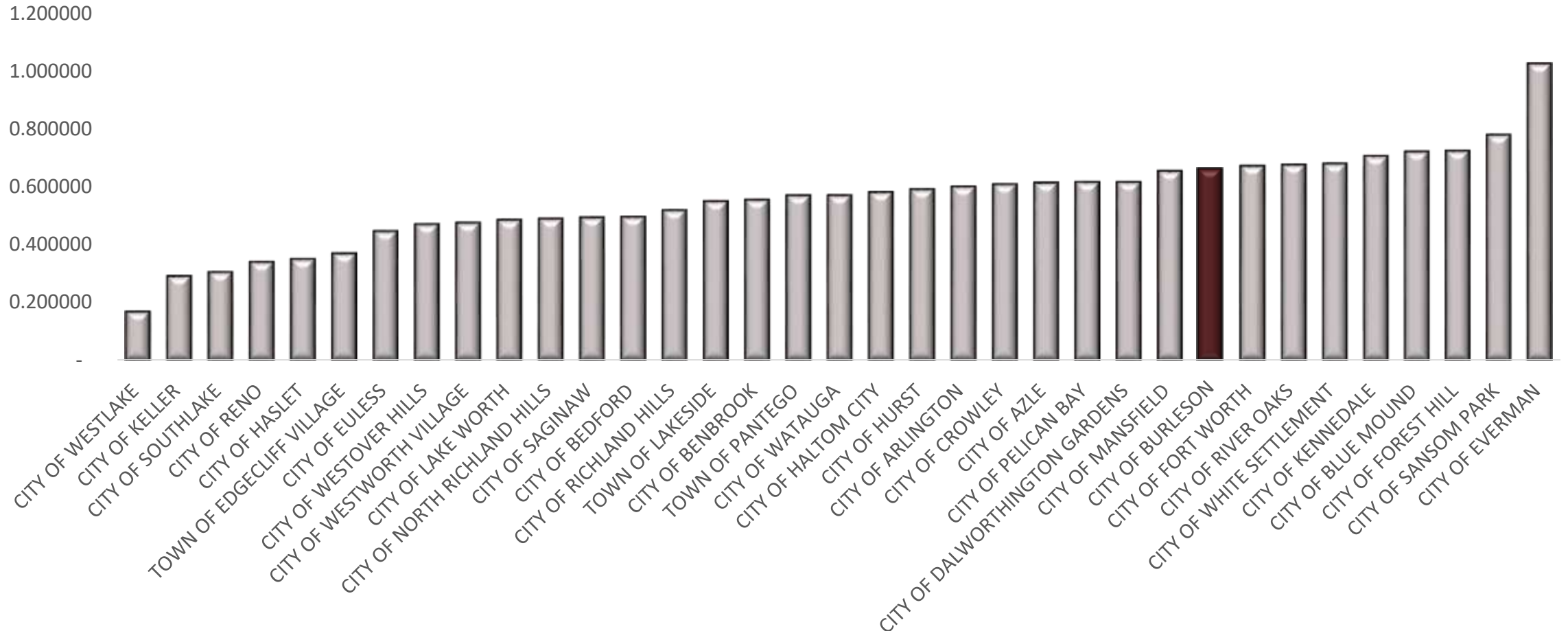
# Johnson County City Tax Rates Comparative Fiscal Year 2024-25

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# Tarrant County City Tax Rates Comparative Fiscal Year 2024-25



# Property Tax Rate Options

	M&O	Debt	Total Rate	Revenue (Tax Levy)	Difference	Cumulative
No New Revenue Rate	\$0.4306	\$0.228 5	\$ 0.6591	\$ 43,045,451	\$ -	-
Current Rate	\$0.4704	\$0.192 3	\$ 0.6627	\$ 43,254,064	\$ 208,613	\$ 208,613
Proposed Rate*	\$0.4704	\$0.228 5	\$ 0.6989	\$ 45,351,780	\$ 2,097,716	\$ 2,306,329
Voter Approval Rate (Without Increment)	\$0.4886	\$0.228 5	\$ 0.7171	\$ 46,406,433	\$ 1,054,653	\$ 3,360,981
Voter Approval Rate (With Increment)	\$0.4933	\$0.228 5	\$ 0.7218	\$ 46,678,788	\$ 272,355	\$ 3,633,337

\*Proposed Rate will provide sufficient revenue to fund the 3 firefighter/paramedics and 1 police officer without an M&O tax rate increase

# Water Wastewater Residential Rate Detail

		Effective		Forecast				
		Current	Oct-25	Oct-26	Oct-27	Oct-28	Oct-29	
<b>Residential Monthly Charges -- 3/4"</b>								
5,000 Water	5,000 WW	\$ 92.82	\$ 97.46	\$ 103.24	\$ 111.99	\$ 121.48	\$ 129.41	
	Increase -- \$		4.64	5.78	8.75	9.49	7.93	
	Increase -- %		5.0%	5.9%	8.5%	8.5%	6.5%	
10,000 Water	5,000 WW	119.02	124.97	132.68	144.08	156.45	166.48	
	Increase -- \$		5.95	7.71	11.40	12.38	10.02	
	Increase -- %		5.0%	6.2%	8.6%	8.6%	6.4%	
30,000 Water	5,000 WW	252.62	265.25	282.78	307.68	334.79	355.51	
	Increase -- \$		12.63	17.53	24.90	27.10	20.72	
	Increase -- %		5.0%	6.6%	8.8%	8.8%	6.2%	
<b>Commercial Monthly Charges -- 2"</b>								
40,000 Water	40,000 WW	\$ 345.55	\$ 362.83	\$ 387.79	\$ 422.46	\$ 460.24	\$ 488.12	
	Increase -- \$		17.28	24.96	34.67	37.77	27.88	
	Increase -- %		5.0%	6.9%	8.9%	8.9%	6.1%	

NOTE: Delay of bond issuances by 1 year has resulted in 3-4% annual reduction in rate adjustments

# Burleson Solid Waste Residential Rate Detail

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Type	FY 2024-25	FY 2025-26
Waste Collection	\$17.28	\$17.97
Recycling	\$3.21	\$3.34
Admin and Overhead	\$2.10*	\$2.10*
Franchise Fee	\$1.64	\$1.70
<b>Total</b>	<b>\$24.23</b>	<b>\$25.11</b>

\* The Admin and Overhead amount includes \$1.00 for the Litter Abatement contract service.

# Total Annual Impact

	Rate	Average Property Tax Annual Increase	Average Annual Water Rate Increase	Average Annual Solid Waste Rate Increase	Total Annual Increase
Proposed Rate	\$0.6989	\$110.80	\$71.40	\$10.56	\$192.76
Voter Approval Rate (Without Increment)	\$0.7171	\$165.44	\$71.40	\$10.56	\$247.40
Voter Approval Rate (With Increment)	\$0.7218	\$179.55	\$71.40	\$10.56	\$261.51

- Assumes a monthly average usage of \$10,000 Water and \$5,000 Wasterwater
- This chart is based on an average home value of \$300,210 after the 5% homestead exemption. The average home value before the exemption is \$316,010. The homestead exemption equates to an annual savings of \$110.43 at the proposed tax rate.

# General Fund Proposed Rate (\$0.6989)

	FY 23-24 Actual	FY 24-25 Adopted	FY 24-25 Revised	FY 24-25 Year- End Est	FY 25-26 Projected	FY 26-27 Projected	FY 27-28 Projected	FY 28-29 Projected	FY 29-30 Projected
<b>Beginning Fund Balance</b>	\$ 19,606,713	\$ 17,421,851	\$ 17,421,851	\$ 20,358,733	\$ 20,834,940	\$ 20,855,406	\$ 19,713,573	\$ 18,660,688	\$ 17,481,084
<b>Revenue</b>									
Property Taxes	27,327,952	30,111,223	30,111,223	30,111,223	31,326,956	31,640,226	32,905,835	34,222,068	34,906,509
Sales & Use Taxes	15,166,366	15,503,578	15,503,578	15,773,020	16,246,211	16,733,597	17,235,605	17,752,673	18,285,254
Other Revenue	16,571,627	18,428,035	18,428,035	16,840,190	15,322,982	14,896,062	15,381,916	15,719,551	16,070,026
<b>Total Revenue</b>	<b>59,065,945</b>	<b>64,042,836</b>	<b>64,042,836</b>	<b>62,724,433</b>	<b>62,896,149</b>	<b>63,269,884</b>	<b>65,523,355</b>	<b>67,694,293</b>	<b>69,261,789</b>
<b>Expenditures</b>									
Personnel	39,519,584	43,147,450	43,083,750	41,378,405	42,463,652	44,002,549	45,600,862	47,261,036	48,985,623
Base Expenses	17,245,421	19,163,408	20,328,920	19,981,716	18,563,448	18,969,935	19,529,298	20,107,077	20,667,519
Incentives (ED)	948,920	957,070	957,070	888,106	1,123,672	889,305	879,652	922,363	826,878
Cash Funding Projects	600,000	-	-	-	-	-	-	-	-
<b>Reductions</b>					(778,681)	(846,486)	(871,881)	(898,037)	(924,978)
Recurring Supplementals					1,355,744	1,396,416	1,438,309	1,481,458	1,525,902
One-Time Supplementals					147,847				
<b>Total Expenditures</b>	<b>58,313,925</b>	<b>63,267,928</b>	<b>64,369,740</b>	<b>62,248,226</b>	<b>62,875,682</b>	<b>64,411,718</b>	<b>66,576,240</b>	<b>68,873,897</b>	<b>71,080,943</b>
<b>Change in Fund Balance</b>	\$ 752,020	\$ 774,908	\$ (326,904)	\$ 476,207	\$ 20,467	\$ (1,141,834)	\$ (1,052,885)	\$ (1,179,604)	\$ (1,819,155)
<b>Ending Fund Balance</b>	<b>\$ 20,358,733</b>	<b>\$ 18,196,759</b>	<b>\$ 17,094,947</b>	<b>\$ 20,834,940</b>	<b>\$ 20,855,406</b>	<b>\$ 19,713,573</b>	<b>\$ 18,660,688</b>	<b>\$ 17,481,084</b>	<b>\$ 15,661,929</b>
<b>FB % of Expenditure</b>	<b>34.91%</b>	<b>28.76%</b>	<b>26.56%</b>	<b>33.47%</b>	<b>33.17%</b>	<b>30.61%</b>	<b>28.03%</b>	<b>25.38%</b>	<b>22.03%</b>

# General Fund Voter Approval Rate w/out Increment (\$0.7171)

	FY 23-24 Actual	FY 24-25 Adopted	FY 24-25 Revised	FY 24-25 Year- End Est	FY 25-26 Projected	FY 26-27 Projected	FY 27-28 Projected	FY 28-29 Projected	FY 29-30 Projected
<b>Beginning Fund Balance</b>	\$ 19,606,713	\$ 17,421,851	\$ 17,421,851	\$ 20,358,733	\$ 20,834,940	\$ 21,812,303	\$ 21,636,935	\$ 21,589,174	\$ 21,454,899
<b>Revenue</b>									
Property Taxes	27,327,952	30,111,223	30,111,223	30,111,223	32,338,296	32,661,679	33,968,146	35,326,872	36,033,410
Sales & Use Taxes	15,166,366	15,503,578	15,503,578	15,773,020	16,246,211	16,733,597	17,235,605	17,752,673	18,285,254
Other Revenue	16,571,627	18,428,035	18,428,035	16,840,190	15,322,982	14,896,062	15,381,916	15,719,551	16,070,026
<b>Total Revenue</b>	<b>59,065,945</b>	<b>64,042,836</b>	<b>64,042,836</b>	<b>62,724,433</b>	<b>63,907,489</b>	<b>64,291,338</b>	<b>66,585,667</b>	<b>68,799,097</b>	<b>70,388,689</b>
<b>Expenditures</b>									
Personnel	39,519,584	43,147,450	43,083,750	41,378,405	42,463,652	44,002,549	45,600,862	47,261,036	48,985,623
Base Expenses	17,245,421	19,163,408	20,328,920	19,981,716	18,617,892	19,024,923	19,586,486	20,166,552	20,728,184
Incentives (ED)	948,920	957,070	957,070	888,106	1,123,672	889,305	879,652	922,363	826,878
Cash Funding Projects	600,000	-	-	-	-	-	-	-	-
<b>Reductions</b>					(778,681)	(846,486)	(871,881)	(898,037)	(924,978)
Recurring Supplementals					1,355,744	1,396,416	1,438,309	1,481,458	1,525,902
One-Time Supplementals					147,847				
<b>Total Expenditures</b>	<b>58,313,925</b>	<b>63,267,928</b>	<b>64,369,740</b>	<b>62,248,226</b>	<b>62,930,126</b>	<b>64,466,706</b>	<b>66,633,428</b>	<b>68,933,372</b>	<b>71,141,608</b>
<b>Change in Fund Balance</b>	\$ 752,020	\$ 774,908	\$ (326,904)	\$ 476,207	\$ 977,363	\$ (175,368)	\$ (47,761)	\$ (134,275)	\$ (752,919)
<b>Ending Fund Balance</b>	<b>\$ 20,358,733</b>	<b>\$ 18,196,759</b>	<b>\$ 17,094,947</b>	<b>\$ 20,834,940</b>	<b>\$ 21,812,303</b>	<b>\$ 21,636,935</b>	<b>\$ 21,589,174</b>	<b>\$ 21,454,899</b>	<b>\$ 20,701,979</b>
<b>FB % of Expenditure</b>	<b>34.91%</b>	<b>28.76%</b>	<b>26.56%</b>	<b>33.47%</b>	<b>34.66%</b>	<b>33.56%</b>	<b>32.40%</b>	<b>31.12%</b>	<b>29.10%</b>



# General Fund Voter Approval Rate with Increment (\$0.7218)

	FY 23-24 Actual	FY 24-25 Adopted	FY 24-25 Revised	FY 24-25 Year- End Est	FY 25-26 Projected	FY 26-27 Projected	FY 27-28 Projected	FY 28-29 Projected	FY 29-30 Projected
<b>Beginning Fund Balance</b>	\$ 19,606,713	\$ 17,421,851	\$ 17,421,851	\$ 20,358,733	\$ 20,834,940	\$ 22,059,414	\$ 22,133,627	\$ 22,345,432	\$ 22,481,104
<b>Revenue</b>									
Property Taxes	27,327,952	30,111,223	30,111,223	30,111,223	32,599,467	32,925,461	34,242,480	35,612,179	36,324,422
Sales & Use Taxes	15,166,366	15,503,578	15,503,578	15,773,020	16,246,211	16,733,597	17,235,605	17,752,673	18,285,254
Other Revenue	16,571,627	18,428,035	18,428,035	16,840,190	15,322,982	14,896,062	15,381,916	15,719,551	16,070,026
<b>Total Revenue</b>	<b>59,065,945</b>	<b>64,042,836</b>	<b>64,042,836</b>	<b>62,724,433</b>	<b>64,168,659</b>	<b>64,555,120</b>	<b>66,860,001</b>	<b>69,084,404</b>	<b>70,679,702</b>
<b>Expenditures</b>									
Personnel	39,519,584	43,147,450	43,083,750	41,378,405	42,463,652	44,002,549	45,600,862	47,261,036	48,985,623
Base Expenses	17,245,421	19,163,408	20,328,920	19,981,716	18,631,952	19,039,123	19,601,254	20,181,911	20,743,850
Incentives (ED)	948,920	957,070	957,070	888,106	1,123,672	889,305	879,652	922,363	826,878
Cash Funding Projects	600,000	-	-	-	-	-	-	-	-
<b>Reductions</b>					(778,681)	(846,486)	(871,881)	(898,037)	(924,978)
Recurring Supplementals					1,355,744	1,396,416	1,438,309	1,481,458	1,525,902
One-Time Supplementals					147,847				
<b>Total Expenditures</b>	<b>58,313,925</b>	<b>63,267,928</b>	<b>64,369,740</b>	<b>62,248,226</b>	<b>62,944,185</b>	<b>64,480,906</b>	<b>66,648,196</b>	<b>68,948,731</b>	<b>71,157,274</b>
<b>Change in Fund Balance</b>	\$ 752,020	\$ 774,908	\$ (326,904)	\$ 476,207	\$ 1,224,474	\$ 74,214	\$ 211,804	\$ 135,672	\$ (477,573)
<b>Ending Fund Balance</b>	<b>\$ 20,358,733</b>	<b>\$ 18,196,759</b>	<b>\$ 17,094,947</b>	<b>\$ 20,834,940</b>	<b>\$ 22,059,414</b>	<b>\$ 22,133,627</b>	<b>\$ 22,345,432</b>	<b>\$ 22,481,104</b>	<b>\$ 22,003,531</b>
<b>FB % of Expenditure</b>	<b>34.91%</b>	<b>28.76%</b>	<b>26.56%</b>	<b>33.47%</b>	<b>35.05%</b>	<b>34.33%</b>	<b>33.53%</b>	<b>32.61%</b>	<b>30.92%</b>



# Next Steps

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- August 4, 2025 – The City Manager will submit a copy of the FY 2025-2026 Proposed Budget to the City Secretary's Office and City Council
- August 4, 2025 – Tax Rate Calculation presentation was presented to City Council
- August 6, 2025 – Finance Committee meeting – City Manager FY 2025-2026 budget presentation
- August 11, 2025 – Special Session meeting – City Manager FY 2025-2026 budget presentation
- September 2, 2025
  - Public Hearing on budget and tax rate
  - First reading of Budget, Tax Rate, and Other Related Ordinances
- September 8, 2025 – Final reading of Budget, Tax Rate, and Other Related ordinances

# Committee Direction

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- Staff request the Finance Committee provide a recommendation to the full Council regarding the proposed tax rate for FY 25-26

# QUESTIONS/COMMENTS