
Finance Committee

DEPARTMENT: Finance

FROM: Kevin Hennessey, Interim Director of Finance

MEETING: August 6, 2025

SUBJECT:

Receive a report, hold a discussion, provide recommendations to the city council on the FY 2025-2026 (tax year 2025) property tax rates, and receive any additional feedback from the Finance Committee regarding the annual budget for FY 2025-2026. (Staff Contact: Kevin Hennessey, Interim Director of Finance)

SUMMARY:

Senate Bill 2 went into effect in 2020. One key focus of this bill was placing a 3.5% cap on the Maintenance and Operations No New Revenue Rate (M&O NNRR) without going to the voters for approval. 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. On July 29, 2025, the Johnson County Tax Assessor's Office submitted the City of Burleson's 2025 Tax Rate Calculation Worksheet (Comptrollers Form 50-856), which was reviewed by the Finance Department. This worksheet determines the following:

- No New Revenue Rate (NNRR) - \$0.6591/\$100 - total tax rate that would generate the same tax revenue from the previous year
- M&O NNRR - \$0.4721/\$100 - M&O tax rate that would generate the same tax revenue from the previous year – General Fund
- M&O Voter Approval Rate - \$0.4886/\$100 - 3.5% of M&O NNRR
- Debt Rate - \$0.2285/\$100
- Unused Increment Rate - \$0.0047/\$100
- Voter Approval Rate (M&O Voter Approval Rate plus Debt Rate) - \$0.7218/\$00

This presentation will cover the various rates calculated by the Johnson County Tax Assessor's Office.

RECOMMENDATION:

Prepare a recommendation to the city council on the proposed tax rate for FY 2025-2026 (tax year 2025).

PRIOR ACTION/INPUT (Council, Boards, Citizens):

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.

REFERENCE:

N/A

FISCAL IMPACT:

The proposed tax rates are included as part of the FY 2025-2026 Proposed Budget.

STAFF CONTACT:

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