

# City of Burnet City Council



## Item Brief

### **Meeting Date**

August 12, 2025

### **Agenda Item**

Discuss and consider action: Vote on the maximum tax rate that will be considered for the fiscal year 2025-2026 budget and schedule the meeting to vote on the tax rate and hold the public tax hearing (if applicable): P. Langford

### **Information**

The Texas Tax Code (TEX. TAX CODE § 26.04(e)) requires that the City submit the “No-New-Revenue” and “Voter-Approval” tax rates to the governing body by August 7<sup>th</sup> or as soon thereafter as practicable. Staff has reviewed the “2025 Tax Rate Calculation Worksheet” which was prepared and certified by Stan Hemphill, Burnet County Chief Appraiser, and has been attached to this brief.

The proposed budget is supported by the current tax rate of \$0.6131/\$100 which is lower than the “Voter-Approval” tax rate of \$0.6541/\$100 and lower than the “No-New-Revenue” tax rate of \$0.6132/\$100. If the Council intends to adopt a tax rate that exceeds the “No-New-Revenue” tax rate, the Council must vote to propose a tax increase and is required to hold a public hearing on the tax increase. If the Council intends to adopt a tax rate that is lower than the “No-New-Revenue” tax rate, a public hearing is not required but a published notice of the meeting to vote on the tax rate is required.

The purpose of this item is to establish the maximum tax rate that the City Council may consider adopting and to schedule the meeting to vote on the tax rate. At that meeting, the Council may consider adopting any rate up to the amount that is approved at this time but may not exceed it.

### **Fiscal Impact**

If the Council adopts the proposed tax rate of \$0.6131/\$100, and assumes a 95.5% collection rate, the city will collect an estimated \$4,530,000 in M&O property taxes, which is an increase of \$195,000 over the current budget mainly due to growth.

This year, each \$0.01 increase in the tax rate generates approximately \$71,000 in property tax revenue to the General Fund.

### **Recommendation**

Staff recommend that the Council set the maximum tax rate at \$.6131/\$100 (the current tax rate) and schedule the meeting to vote on the tax rate for September 9, 2025, at the regularly scheduled City Council meeting.