



**City Council
Regular Meeting
August 12, 2025**

Proposed Tax Rate

- 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



Proposed Tax Rate

BACKGROUND

- 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 for consideration by August 7th 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.



Proposed Tax Rate

No-New Revenue Tax Rate \$0.6132/\$100

This tax imposes the same amount of taxes as last year when you compare properties taxed in both years.

Voter-Approval Tax Rate \$0.6541/\$100

This is normally the highest tax rate a taxing unit can adopt without holding an election (unless you qualify for the De minimis rate).

De minimis rate \$0.6768/\$100

This tax rate gives smaller cities (population of less than 30,000) the ability to adopt a tax rate that generates \$500,000 more in property tax revenue than in the previous year without automatically triggering an election, but voters have the right to petition for an election.



Proposed Tax Rate

FISCAL IMPACT

- If the Council adopts the tax current tax rate as included in the proposed budget for 2025-2026 and assumes a 95.5% collection rate it will generate:
 - **\$0.6131/\$100 = \$4,530,000** in property tax revenues to the General Fund
 - **Increase of \$195,000** over the current budget mainly due to growth.
- Every one cent change in the tax rate is equal to:
 - **\$0.01 = approximately \$71,000** in property tax revenue to the General Fund.



Proposed Tax Rate

NEXT STEPS

- ☐ AUGUST 20TH post either a Notice of Tax Rate Hearing or Meeting to Vote on the Tax Rate.
 - If proposed rate is <NNR, only a “Notice of Meeting to Vote on Tax Rate” is required, if >NNR it is considered a tax increase, and then a public hearing is required. Both notices must include the names of all the council members and how each voted.
- ☐ AUGUST 26TH hold Budget Hearing during the Regular City Council Meeting
- ☐ SEPTEMBER 9TH hold the Tax Rate Vote and Public Tax Hearing (if applicable) during the Regular City Council Meeting
 - Adopt the Budget
 - Adopt the Tax Rate



Proposed Tax Rate

Staff Recommends:

- Council set the maximum tax rate at \$0.6131/\$100
 - which is below the NNR tax rate and therefore not considered a tax increase.
- Council schedules the meeting to vote on the tax rate for September 9, 2025, at the regularly scheduled council meeting.



Questions?

