



STAFF REPORT
City of Dripping Springs
PO Box 384
511 Mercer Street
Dripping Springs, TX 78620

Submitted By: Shawn Cox, Deputy City Administrator

Council Meeting Date: Tuesday, September 1, 2026

Agenda Item Wording: Public hearing regarding the proposed 2026 ad valorem tax rate and levy of \$0.2729 per \$100 of taxable value of all taxable property within the City of Dripping Springs, consisting of a \$0.0461 debt-service tax rate and a \$0.2268 maintenance-and-operations tax rate.

Agenda Item Requestor:

Summary/Background:

At the August 18, 2026, meeting Council set the proposed property tax rate for 2026 at \$0.2729 per \$100 valuation. The proposed rate is the sum of the City's Maintenance & Operation Rate and Debt Rate and is below the calculated "Voter-approval" rate.

Rate	Calculation	Generated Revenue
M&O	\$0.2268 /\$100	\$5,136,689.35
I&S (Debt)	\$0.0461/\$100	\$1,044,097.79
Total	\$0.2729/\$100	\$6,180,787.14

Based on the 2026 Tax Rate Calculation prepared by the Tax Assessor – Collector, the City's 2026 calculated rates are:

Rate	Calculation	Generated Revenue
No-new-revenue tax rate	\$0.2788 /\$100	\$6,314,413.54
Voter-approval tax rate	\$0.2729 /\$100	\$6,180,787.14
De minimis rate	\$0.2706 /\$100	\$6,128,695.49

The proposed rate is below the stated no-new-revenue tax rate and equals the stated voter-approval tax rate.

Notice of the September 1, 2026 public hearing was published in the **News Dispatch** on August 19, 2026. The public hearing provides an opportunity for Council to receive comments from interested persons regarding the proposed rate before the Council considers adoption on September 15, 2026.

**Commission
Recommendations:**

**Recommended
Council Actions:** Conduct the public hearing and receive public comment regarding the proposed 2026 ad valorem tax rate. No action to adopt the tax rate is requested at this meeting.

Attachments:

- 2026 Draft Tax Rate Ordinance
- Tax Rate Calculation Worksheet
- Public Hearing Notice

Next Steps/Schedule: Consideration and possible adoption of the proposed tax rate at the September 15, 2026, Regular Council Meeting.