



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

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**Submitted By:** Shawn Cox, Deputy City Administrator

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**Council Meeting Date:** Tuesday, August 5, 2025

**Agenda Item Wording:** Discuss and consider approval of the Proposed Ad Valorem Tax Rate for 2025. Deputy City Administrator, Shawn Cox

**Agenda Item Requestor:**

**Summary/Background:**

The City's current Ad Valorem Tax Rate is set at \$.1794 per one-hundred dollars (\$100.00) valuation. For consideration is the approval of the proposed tax rate for 2025. At the time of posting, the City has not received its 2025 Tax Rate Calculation Worksheet, which will calculate the "No-ne-revenue", Voter-approval" and "De minimis" tax rates. Historically, the City has adopted the "Voter-approval tax rate." The completed calculation worksheet is anticipated to be delivered prior to the Council meeting. Once a proposed rate is approved, the next step will be to post the public hearing notice.

Included in the discussion will be the option to levy an Interest & Sinking Tax Rate for the debt the City issues in FY 2024 and FY 2025. Those options are outlined below:

Fiscal Year	Debt Payment	Rate Impact	Current M&O Rate	Total Rate
FY 2026	\$485,238.00	\$0.02230	\$0.1794	<b>\$0.2017</b>
FY 2026	\$424,392.65	\$0.01950	\$0.1794	<b>\$0.1989</b>
Total	<b>\$909,630.65</b>	<b>\$ 0.04180</b>	\$0.1794	<b>\$0.2212</b>

We have tentatively scheduled the tax rate public hearing for September 2, 2025. Based on this timeline, a notice of the public hearing will be posted in the paper on August 14, 2025.

**Commission Recommendations:**

**Recommended Council Actions:**

- The City Treasurer is seeking feedback from Council on setting the 2025 Proposed Tax Rate.

**Attachments:**

- 2025 Certification of Values

- Next Steps/Schedule:**
- Publication of Public Hearing Notice
  - Adoption of Tax Rate