



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 22, 2026

Agenda Item Wording: Public input, discussion, and possible action regarding the City's 2026 ad valorem tax rate, including consideration of corrected or revised 2026 tax-rate calculation forms and supporting TIRZ/TIF documentation; possible rescission or amendment of the City Council's September 15, 2026 action setting the City's proposed 2026 ad valorem tax rate; consideration and possible approval, pursuant to Texas Tax Code Section 26.05(a-1), of a debt-service tax rate of \$0.046117 per \$100 of taxable value, compared with the calculated debt rate of \$0.007573 per \$100 of taxable value, a difference of \$0.038544 per \$100 of taxable value, and the stated purpose for the resulting excess debt-service revenue; consideration and possible approval of a maintenance-and-operations tax rate of \$0.173100 per \$100 of taxable value; possible action to adopt and levy the City's 2026 ad valorem tax rate of \$0.219217 per \$100 of taxable value on all taxable property within the City; and possible action to direct recalculation of the voter-approval tax rate and any further notices, filings, and postings required by law.

Agenda Item Requestor:

Summary/Background:

At the September 15, 2026 meeting Council set the proposed property tax rate for 2026 at \$0.219217 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	\$0.173100/\$100	\$3,920,462.64
I&S (Debt)	\$0.046117/\$100	\$1,044,097.79
Total	\$0.219217/\$100	\$4,964,945.45

Based on the 2026 Tax Rate Calculation prepared and certified by the City's designated officer, the Deputy City Administrator, using the certified appraisal roll and information provided by the Hays Central Appraisal District, the City's 2026 calculated rates are:

Rate	Calculation	Generated Revenue
No-new-revenue tax rate	\$0.225894 /\$100	\$5,116,169.77
Voter-approval tax rate	\$0.219217 /\$100	\$4,964,945.45
De minimis rate	\$0.219702 /\$100	\$4,975,930.00

A public hearing was noticed and held on September 22, 2025, at Council’s Special Meeting.

**Commission
Recommendations:**

**Recommended
Council Actions:** The Deputy City Administrator recommends Council approve setting the Proposed Ad Valorem Tax Rate for 2026 at \$0.219217/\$100.

Attachments:

- 2026 Draft Tax Rate Ordinance
- Tax Rate Calculation Worksheet

Next Steps/Schedule: