

City of Dripping Springs
2026 Ad Valorem Tax Rate Ordinance

ORDINANCE No. 2026-##

AN ORDINANCE OF THE CITY OF DRIPPING SPRINGS, TEXAS, ADOPTING AND LEVYING THE 2026 AD VALOREM TAX RATE ON ALL TAXABLE PROPERTY WITHIN THE CITY; APPROVING A DEBT-SERVICE TAX RATE UNDER TEXAS TAX CODE SECTION 26.05(A-1); PROVIDING FINDINGS; PROVIDING FOR NOTICE TO THE TAX ASSESSOR-COLLECTOR; PROVIDING A REPEALER; PROVIDING SEVERABILITY; PROVIDING AN EFFECTIVE DATE; AND PROVIDING FOR PROPER NOTICE AND MEETING.

- WHEREAS, the City of Dripping Springs, Texas (the **City**), is a Type A general-law municipality located in Hays County, Texas;
- WHEREAS, the City Council has received and considered the City's corrected 2026 tax-rate calculation forms and supporting TIRZ/TIF documentation;
- WHEREAS, the corrected 2026 tax-rate calculation forms identify a no-new-revenue tax rate of \$0.225894 per \$100 of taxable value, a voter-approval tax rate of \$0.219217 per \$100 of taxable value, and a calculated debt rate of \$0.007573 per \$100 of taxable value;
- WHEREAS, the City Council finds that a 2026 debt-service tax rate of \$0.046117 per \$100 of taxable value is necessary and appropriate for the purpose stated in this Ordinance;
- WHEREAS, the proposed debt-service tax rate exceeds the calculated debt rate by \$0.038544 per \$100 of taxable value, and the City Council has considered the requirements of Texas Tax Code Section 26.05(a-1);
- WHEREAS, the City Council finds that the excess debt-service revenue resulting from the proposed debt-service tax rate will be used solely to pay principal of and interest on the City's outstanding tax-supported debt obligations and to maintain debt-service reserves or other amounts required by the ordinances or documents governing those obligations;
- WHEREAS, the City Council has separately considered the proposed debt-service tax rate and the proposed maintenance-and-operations tax rate, as required by Texas Tax Code Section 26.05;

WHEREAS, the City Council finds that adoption and levy of a total 2026 ad valorem tax rate of \$0.219217 per \$100 of taxable value, consisting of a debt-service tax rate of \$0.046117 per \$100 of taxable value and a maintenance-and-operations tax rate of \$0.173100 per \$100 of taxable value, is in the public interest and necessary to fund the City's lawful debt-service and maintenance-and-operations obligations;

WHEREAS, the City Council finds that all notices and procedures required by applicable law for this action have been provided or satisfied;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DRIPPING SPRINGS, TEXAS:

1. Findings

The recitals in the preamble of this Ordinance are found to be true and correct and are adopted as findings of the City Council for all purposes.

2. Approval of Debt-Service Tax Rate Under Texas Tax Code Section 26.05(a-1)

- (a) The City Council approves a debt-service tax rate of **\$0.046117 per \$100 of taxable value** for the 2026 tax year.
- (b) The City Council finds and states that:
 - (1) The calculated debt rate is \$0.007573 per \$100 of taxable value.
 - (2) The approved debt-service tax rate is \$0.046117 per \$100 of taxable value.
 - (3) The approved debt-service tax rate exceeds the calculated debt rate by \$0.038544 per \$100 of taxable value.
 - (4) The excess debt-service revenue will be used solely to pay principal of and interest on the City's outstanding tax-supported debt obligations and to maintain debt-service reserves or other amounts required by the ordinances or documents governing those obligations.
- (c) This Section is adopted pursuant to Texas Tax Code Section 26.05(a-1). The City Council's approval of this Section must receive affirmative votes from at least 60% of the members of the City's governing body.

3. Approval of Maintenance-and-Operations Tax Rate

The City Council approves a maintenance-and-operations tax rate of **\$0.173100 per \$100 of taxable value** for the 2026 tax year.

4. Adoption and Levy of 2026 Ad Valorem Tax Rate

- (a) There is hereby adopted and levied for the 2026 tax year an ad valorem tax rate of **\$0.219217 per \$100 of taxable value** on all taxable property within the City, consisting of:

Component	Rate per \$100 of Taxable Value
Debt-service tax rate	\$0.046117
Maintenance-and-operations tax rate	\$0.173100
Total 2026 ad valorem tax rate	\$0.219217

- (b) The debt-service component shall be used only as authorized by Texas Tax Code Section 26.05 and the ordinances and documents governing the applicable debt obligations. The maintenance-and-operations component shall be used for the City's lawful maintenance-and-operations expenditures.

5. Recalculation and Administrative Implementation

The City Treasurer and other appropriate City staff are authorized and directed to complete the voter-approval-rate recalculation required by Texas Tax Code Section 26.05(a-2) following the City Council's approval of the debt-service tax rate, and to complete all required filings, notices, postings, certifications, and communications with the Hays County Tax Assessor-Collector, the Hays Central Appraisal District, the Texas Comptroller, and other appropriate entities.

6. Notice to Tax Assessor-Collector

The City Secretary shall provide a certified copy of this Ordinance and any other information required by law to the tax assessor-collector for the City so that 2026 ad valorem taxes may be assessed and collected in accordance with this Ordinance and applicable law.

7. Repealer

All ordinances and parts of ordinances in conflict with this Ordinance are repealed only to the extent of the conflict.

8. Severability

If any section, subsection, sentence, clause, phrase, or provision of this Ordinance is held invalid or unenforceable by a court of competent jurisdiction, the remaining provisions shall remain in effect to the fullest extent permitted by law.

9. Effective Date

This Ordinance takes effect immediately upon final passage and approval.

10. Proper Notice and Meeting

It is officially found and determined that the meeting at which this Ordinance was considered and adopted was open to the public and that public notice of the time, place, and purpose of the meeting was given as required by the Texas Open Meetings Act, Texas Government Code, Chapter 551, and other applicable law.

PASSED & APPROVED this, the ____ day of 22nd, September by a vote of ____ (ayes) to ____ (nays) to ____ (abstentions) of the City Council of Dripping Springs, Texas.

CITY OF DRIPPING SPRINGS:

by: _____
Bill Foulds, Jr., Mayor

ATTEST:

Diana Boone, City Secretary