



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 2, 2025

Agenda Item Wording: Public Hearing regarding the Proposed 2025 Ad Valorem Tax and Levy of Two Thousand Two Hundred and Sixty-Seven Ten-Thousands Cents (\$0.2267) per one hundred (\$100.00) of assessed valuation of all taxable property within the Corporate City Limits.

Agenda Item Requestor:

Summary/Background:

At the August 19, 2025, meeting Council set the proposed property tax rate for 2025 at \$0.2267 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	\$0.1850/\$100	\$4,025,048.58
I&S (Debt)	\$0.0418/\$100	\$909,630.65
Total	\$0.2267/\$100	\$4,933,596.36

Based on the 2025 Tax Rate Calculation prepared by the Tax Assessor – Collector, the City's 2025 calculated rates are:

Rate	Calculation	Generated Revenue
No-new-revenue tax rate	\$0.1809 /\$100	\$3,786,076.51
Voter-approval tax rate	\$0.2335 /\$100	\$4,887,818.89
De minimis rate	\$0.2566 /\$100	\$5,370,279.87

The original notice for the public hearing was posted in the August 13, 2025, edition of the paper. The original posting had a calculation error. A new notice was provided by the Tax Assessor-Collector which will be posted in the August 27, 2025, edition. The posting and timing have been reviewed by the City Attorney, and there is no issue with the scheduled public hearing. The proposed rate is scheduled to be considered on September 16, 2025.

**Commission
Recommendations:**

**Recommended
Council Actions:**

The Deputy City Administrator recommends Council approve setting the Proposed Ad Valorem Tax Rate for 2024 at \$0.2267/\$100 at the September 16, 2025, meeting.

Attachments:

- 2025 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 16, 2025, Regular Council Meeting.