



**City Council Agenda
August 15, 2024**

Resolution

Action Item

Agenda Description:

Discuss, consider, and possible action on a resolution proposing the adoption of a Ad Valorem Tax Rate for Fiscal Year 2024 and schedule a public hearing subject to all public hearing requirements of the Texas Property Tax Code.

Background Information:

The draft resolution is to set the proposed tax rate to publish for consideration. According to Section 26.05(d) of the Property Tax Code, the City is required to hold one public hearing and publish a newspaper ad if proposing to consider a tax rate that exceeds the no-new-revenue rate or voter approval rate, whichever is lower.

If the City Council votes to propose adopting the no-new-revenue rate, no public hearing is required.

The rate the City finally adopts can be lower than the proposed and published rate, but it cannot exceed it without undergoing the required posting requirements and timeframes.

PTC Section 26.05(d)

The governing body of a taxing unit other than a school district may not adopt a tax rate that exceeds the lower of the voter-approval tax rate or the no-new-revenue tax rate calculated as provided by this chapter until the governing body has held a public hearing on the proposed tax rate and has otherwise complied with Section [26.06](#) and Section [26.065](#). The governing body of a taxing unit shall reduce a tax rate set by law or by vote of the electorate to the lower of the voter-approval tax rate or the no-new-revenue tax rate and may not adopt a higher rate unless it first complies with Section [26.06](#).

Section 26.06 is regarding Notice, Hearing, and Vote on Tax Increase requirements.

Section 26.065 is regarding Supplemental Notice of Hearing on Tax Rate Increase.

The approval of the resolution requires a record vote

Financial Information:

NA

City Contact and Recommendations:

Mike Peacock, City Manager

Alice Holloway, Secretary

Attachments:

1. Resolution