
CITY OF PORT LAVACA

CITY COUNCIL MEETING: AUGUST 18, 2025

AGENDA ITEM _____

DATE: 8/11/2025

TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS

FROM: BRITTNEY HOGAN, FINANCE DIRECTOR

SUBJECT: CONSIDER PROPOSED TAX RATE FOR 2025-2026 FISCAL YEAR

In accordance with the State of Texas Property Tax Code, the Comptroller of Texas' Truth-in-Taxation rules, the City must calculate a the "No New Revenue" (NNR) and "Voter Approval Rate". The CCAD Tax Assessor/Collector is required to calculate the NNR and VAR rates and publish a Notice in the newspaper and on the City's website.

We have prepared the proposed budget based upon a tax rate of \$0.8000 per \$100 value of property on the tax roll, however, City Council could propose a tax rate up to \$0.8276 without risking a mandatory vote for approval by the citizens.

Debt service requirements for the City of Port Lavaca are currently \$0.1013 of the current proposed property tax rate of \$0.8000. The City has four outstanding debt issues. For Fiscal Year 2026 the total required debt service payment is \$1,830,414 of which \$798,851 is secured by property taxes.

A comparison of the required calculation is as follows:

Property Tax Rate Comparison

	2025-2026	2024-2025
Property Tax Rate:	\$0.8000/100	\$0.8000/100
No-New-Revenue Tax Rate:	\$0.7583/100	\$0.7689/100
No-New-Revenue Maintenance & Operations Tax Rate:	\$0.6401/100	\$0.6897/100
Voter-Approval Tax Rate:	\$0.8277/100	\$0.8564/100
Debt Rate:	\$0.1013/100	\$0.1257/100

The calculations of each of the rates are set by the State Tax Code and must be published in order to provide transparency to the property taxpayers of the City.

The NNR establishes the threshold in which the city can adopt a property tax rate that does not provide additional revenue. If the City chooses to set its tax rate greater then the NNR, it must hold a Public Hearing and advertise that the city is increasing its tax revenue.

The VAR establishes the threshold that, if exceeded, the City must first hold an election and seek the approval of the citizens before it can set the property tax rate at or above the VAR.

The City can increase the tax rate up to \$0.8276 without holding an election if it so chooses.

Currently, the proposed tax rate will generate \$329,825, or 6.02% more revenue for the proposed FY 2026 budget.

Once City Council votes on the proposed rate, it must publish notices and cannot exceed that rate, however it can lower the rate at any time prior to adoption.

The vote must be a record vote of each member of the governing body by name.