



CITY COUNCIL COMMUNICATION

DATE: August 4, 2025

FROM: Clayton Gray, Finance Director

AGENDA ITEM: Consideration and possible action on Resolution No. 2025-10 accepting the proposed property tax rate; establishing dates for public hearings on the proposed property tax rate and Fiscal Year 2025-2026 budget; providing for the dates for the City Council to approve the property tax rate and Fiscal Year 2025-2026 budget; and providing for publication of public hearing notices as provided by the Texas law.

SUMMARY:

- The City's proposed 2025-2026 budget has been prepared with a tax rate of \$0.689747, keeping the same rate as the current year.
- The Denton County Tax Assessor / Collector's office has prepared tax rate calculations
 - The no-new-revenue rate (\$0.669556/\$100) evaluates the relationship between current year taxes and proposed taxes for next year if applied to the same properties in both years.
 - The voter-approval tax rate (\$0.691010/\$100) provides the same amount of tax revenue as last year plus a 3.5% increase for maintenance and operations.
 - The de minimis tax rate (\$0.706515/\$100) allows some relief to entities with a population less than 30,000 from the 3.5% voter-approval rate. It adds an amount that would equal \$500,000 in tax revenue to the voter-approval rate.
- Public hearings on the 2025-2026 budget and property tax rate will be scheduled for August 18, 2025, at 7:00 pm.
- Adoption of the 2025-2026 budget and property tax rate will be scheduled for September 2, 2025, at 7:00 pm.

FISCAL INFORMATION:

Budgeted: N/A

Amount: N/A

GL Account: N/A

RECOMMENDED MOTION OR ACTION:

- Staff recommends approval of Resolution 2025-10, setting a proposed tax rate and scheduling public hearings on the proposed tax rate and 2025-2026 budget.
- A record vote of the Council is required for this item.

ATTACHMENTS:

- Resolution 2025-10 Proposed Tax Rate and Public Hearing
- Tax Rate Calculation 2025