



## CITY COUNCIL COMMUNICATION

**DATE:** August 5, 2024

**FROM:** Clayton Gray, Finance Director

**AGENDA ITEM:** Consideration and possible action on Resolution No.2024-12 to take a record vote adopting the proposed tax rate contained in the City's proposed 2024-25 budget as the City's proposed 2024 tax rate to be considered for adoption at a public hearing held for that purpose; establishing the date, time, and place for public hearings on the proposed 2024-25 budget and tax rate; and providing for the publication as provided by the Texas Property Tax Code

### **SUMMARY:**

- The Denton County Tax Assessor / Collector's office has prepared tax rate calculations
  - The no-new-revenue rate (\$0.664632 / \$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 (\$0.681570 / \$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 (\$0.699020 / \$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.
- The City's current (2023-2024) tax rate is \$0.689747, which is more than the voter-approval rate but less than the de minimis rate.
- The City's proposed 2024-2025 budget has been prepared with a tax rate of \$0.689747, keeping the same rate as the current year.
- Public hearings on the 2024-2025 budget and property tax rate will be scheduled for August 12, 2024, at 6:00 pm.
- Adoption of the 2024-2025 budget and property tax rate will be scheduled for August 19, 2024, at 7:00 pm.

### **FISCAL INFORMATION:**

Budgeted: N/A

Amount: N/A

GL Account: N/A

### **RECOMMENDED MOTION OR ACTION:**

- Staff recommends the City set the tax rate at \$0.689747 / \$100, which is equal to the current tax rate.
- If making a motion according to staff's recommendation, please use the following: ***"I move to place a proposal to adopt a FY 2023-2024 tax rate of \$0.689747 per \$100 of valuation on the August 19, 2024, City Council agenda."***
- A record vote of the Council is required for this item.

### **ATTACHMENTS:**

- Resolution 2024-12 Proposed Tax Rate and Public Hearing
- Tax Rate Calculation 2024