CITY COUNCIL COMMUNICATION

DATE: September 8, 2026

FROM: Clayton Gray, Chief Financial Officer

AGENDA ITEM: Consideration and possible action on Ordinance 09-27-26, setting the City's Ad Valorem tax rate at $0.689747/$100 of taxable assessed valuation for the Fiscal Year beginning October 1, 2026, and ending September 30, 2027.

SUMMARY:

- This Ordinance sets the tax rate for the 2026-2027 fiscal year at $0.689747/$100 valuation, which is unchanged from the prior year tax rate.

Rate	2026-2027	2025-2026	Change
M&O Rate	$0.583219	$0.573485	$0.009734
Debt Rate	$0.106528	$0.116262	($0.009734)
Total Rate	**$0.689747**	**$0.689747**	**$0.000000**

- The tax rate is as follows: $0.583219 for maintenance and operations and $0.106528 for general obligation debt.
- In compliance with the Texas Property Tax Code, the City published required notices regarding the proposed tax rate in The Denton Record-Chronicle.
- Notice of the proposed tax rate has been available to the public on the City's website.
- Public hearings regarding the proposed tax rate were held on August 10 and 17, 2026.

FISCAL INFORMATION:

- Adopting this property tax rate will provide funding in accordance with the 2026-2027 budget.

RECOMMENDED MOTION OR ACTION:

- Staff recommends approval of Ordinance 09-27-26.
- Under Section 26.05(b) of the Texas Property Tax Code, the motion to adopt this ordinance must be made in the following form: **"I MOVE THAT THE PROPERTY TAX RATE BE INCREASED BY THE ADOPTION OF A TAX RATE OF $0.689747PER $100, WHICH IS EFFECTIVELY A 0.46 PERCENT INCREASE IN THE TAX RATE."**
- **THE VOTE ON THE ORDINANCE MUST BE A RECORD VOTE OF THE CITY COUNCIL.**

ATTACHMENTS:

- Ordinance 09-27-26