

City Council Meeting

Agenda Item

Data Sheet

Meeting Date: August 4, 2025

Topic:

Approve the Proposed Tax Rate of \$0.340940/\$100 for Tax Year 2025 and Set the Dates to Vote on the Proposed Tax Rate for August 18, 2025, and August 25, 2025.

Background:

We have received our tax calculation from the Harris County Tax Assessor-Collectors Office and they are as follows:

No-New Revenue Tax Rate: \$0.31570/\$100 – This rate represents no increase over last year. It does not factor in the 3.5% increase allowable by Senate Bill 2. It simply represents the rate that will generate the same property tax revenue as the previous year. In other words, if we received \$100 dollars last year we will receive \$100 dollars this year, regardless of any changes in property valuations.

Voter-Approval Tax Rate: \$0.340940/\$100 – This calculation includes the 3.5% increase allowable by Senate Bill 2.

De Minimis Rate: \$0.339147/\$100 – This calculation provides smaller cities flexibility by providing \$500,000 in additional revenue.

Based on current legislation, City Council may adopt a tax rate of up to \$0.340940/\$100, without requiring an election. Therefore, the Voter-Approval tax rate of \$0.340940/\$100 is being proposed. This will result in an increase of \$0.004575/\$100 from our current rate of \$0.336365/\$100. Of that increase, \$0.00439 is due to an increase in the Interest and Sinking (I&S) or debt service portion of the tax rate to pay for current debt.

Notice of the meeting to vote on the tax will be published in the official newspaper following Council's action. The public hearing and first reading of the tax rate will be held at the Regular Council meeting on August 18, 2025, at 6:00 p.m. and the second reading will be held at a Special Council meeting on August 25, 2025, at 5:00 p.m. The tax rate adoption process needs to be completed on or before Friday, August 29, 2025.

Origination: Finance Director

Recommendation:

Approve the proposed tax rate of \$0.340940/\$100.

Party(ies) responsible for placing this item on agenda: Bragg Farmer, Finance Director

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____

If yes, specify Account Number: # _____

If no, funds will be transferred from account: # _____ To Account: # _____

Signed:	<u>Bragg Farmer</u>	<u>7.30.25</u>	Approved by:	_____
	Staff Member	Date		City Manager Date