

## **MEMORANDUM**

**TO:** Mayor and Council

**FROM:** Claire Powell, City Manager

**DATE:** September 8, 2025

**SUBJECT:** **Approval of a Resolution Ratifying the Property Tax Increase Reflected in the FY 2025-26 Operating Budget.**

### **BACKGROUND**

Section 102.007 of the Texas Local Government Code requires a separate vote of the governing body to ratify the property tax increase reflected in the FY 2025-26 budget if the budget will require raising more revenue from property taxes than in the previous year.

### **ANALYSIS**

A vote under Section 102.007(c) of the Texas Local Government Code is in addition to and separate from the vote to adopt the budget or the vote to set the tax rate. The vote to adopt the budget is also scheduled on tonight's City Council agenda and the vote to set the tax rate is scheduled for September 15, 2025. This budget will raise more total property taxes than last year's budget by \$5,508,192 (5.9%), and of that amount \$1,938,697 is tax revenue to be raised from new property added to the tax roll this year. Although there is an increase in property tax revenue to the City, the impact to the median home value (\$383,444) will be a savings of \$13.14 for homeowners, reducing the tax bill from \$1,619.80 to \$1,606.66.

### **CITY STAFF'S RECOMMENDATION**

That City Council approve the resolution as set forth in the caption above.