



CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** August 11, 2025

SUBJECT: Action setting the proposed tax rate, setting August 25, 2025, and September 8, 2025, as dates for public hearings, and placing adoption of the tax rate as an action item on the September 8, 2025, City Council meeting agenda.

PRESENTER: Chase Fosse, Director of Budget & Research

SUMMARY:

The City Council is requested to set the proposed tax rate of \$0.497841 per \$100 of taxable valuation and to set dates for public hearings on the proposed tax rate on August 25, 2025, and September 8, 2025. The City Council is also requested to vote to place the adoption of the tax rate as an action item on the September 8, 2025, Council agenda.

GENERAL DESCRIPTION:

After completion of this year's FY 2026 Budget Work Session, it is necessary to begin the process of establishing a tax rate for the next fiscal year as required by the City Charter and State law. In accordance with the City Council's direction at the Budget Work Session, staff are proposing a tax rate of \$0.497841 per \$100 of taxable valuation as part of the proposed budget. This is the No-New-Revenue rate calculated for Tax Year 2025 – in other words, the tax rate needed to generate the same amount of revenue received in the previous year if the rate was applied to the same properties in both years.

As required by Section 26.04(c) of the Tax Code, after submittal of the appraisal roll to the governing body, the designated city officer shall calculate the No-New-Revenue tax rate and Voter-Approval tax rate. The Tax Year 2025 No-New-Revenue tax rate is \$0.497841 per \$100 of taxable valuation. The Tax Year 2025 Voter-Approval tax rate is \$0.511490 per \$100 of taxable valuation.

Per Section 26.05(d) of the Tax Code, the City Council cannot adopt a tax rate that exceeds the lower of the No-New-Revenue or Voter-Approval tax rates until a public hearing has been held on the proposed tax rate. The proposed tax rate does not exceed the No-New-Revenue tax rate and is lower than the Voter-Approval tax rate, so no public hearings on the tax rate are required. To promote transparency and provide additional opportunities for public engagement, staff are proposing to hold two public hearings on the tax rate. The first public hearing would be held on Monday, August 25, 2025, at 7:00 p.m., with the second public hearing on Monday, September 8, 2025, at 7:00 p.m., both at North Richland Hills City Hall in the 3rd floor City Council Chambers, 4301 City Point Drive, North Richland Hills, Texas. A copy of the public hearing notice that will be



provided in the City's newspaper of record has been included as an attachment to this agenda item.

Per Section 26.061(d) of the Tax Code, the City must publish a notice of the meeting to vote on the tax rate in the City's newspaper of record, on the city's website, and on Citicable. A copy of this notice has been included as an attachment to this agenda item.

State law requires that the City Council vote to place the adoption of the tax rate on a future City Council agenda as an action item. The date for this vote is planned for Monday, September 8, 2025, at 7:00 p.m. This vote would appear as an action item on the agenda for the City Council meeting.

RECOMMENDATION:

Approve setting the proposed tax rate, setting August 25, 2025, and September 8, 2025, as dates for public hearings, and placing adoption of the tax rate as an action item on the September 8, 2025, City Council meeting agenda.