NORTH RICHLAND HILLS

CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** August 10, 2026

SUBJECT: Action setting the proposed tax rate, setting August 24, 2026, and September 14, 2026, as dates for public hearings, and placing adoption of the tax rate as an action item on the September 14, 2026, City Council meeting agenda.

PRESENTER: Chase Fosse, Director of Budget & Research

SUMMARY:

The City Council is requested to set dates for public hearings on the proposed tax rate of $0.555144 per $100 of taxable valuation on August 24, 2026, and September 14, 2026. The City Council is also requested to vote to place the adoption of the tax rate as an action item on the September 14, 2026, City Council agenda.

GENERAL DESCRIPTION:

After completion of this year's FY 2027 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 is proposing a tax rate of $0.555144 per $100 of taxable valuation as part of the proposed budget. This is a rate below the Voter Approval Rate calculated for Tax Year 2026. The Voter Approval Rate is the maximum rate the City can adopt without holding an election to seek voter approval of the rate. Since the proposed tax rate is below the Voter Approval Rate, no election is required.

State law allows City Council to adopt a tax rate lower than the rate proposed, but the adopted rate cannot be higher.

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 2026 No-New-Revenue tax rate is $0.533968 per $100 of taxable valuation. The Tax Year 2026 Voter-Approval tax rate is $0.560313 per $100 of taxable valuation. The tax rate calculation worksheet has been included as an attachment to this agenda item.

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. To promote transparency and provide additional opportunities for public engagement, staff is proposing to hold two public hearings on the tax rate. The first public hearing would be held on Monday, August 24, 2026, at 7:00 PM, with the second public hearing on Monday, September 14, 2026, at

7:00 PM, 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 and on the City's website has been included as an attachment to this agenda item.

Per Section 26.065 of the Tax Code, the City must also publish a notice of the public hearing on Citicable. A copy of this notice has been included as an attachment to this agenda item.

State law also 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 proposed date for this vote is Monday, September 14, 2026, at 7:00 PM. 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 24, 2026, and September 14, 2026, as dates for public hearings, and placing adoption of the tax rate as an action item on the September 14, 2026, City Council meeting agenda.