



CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** September 9, 2024
SUBJECT: Conduct a Public Hearing and Consider Ordinance No. 3866,
adopting the Tax Year 2024 (Fiscal Year 2024/2025) Tax Rate.
PRESENTER: Chase Fosse, Director of Budget & Research

SUMMARY:

The City Council is requested to conduct a public hearing and receive public comment on the proposed \$0.489389 per \$100 of valuation tax rate and then consider the approval of an ordinance adopting the tax rate for Tax Year 2024.

GENERAL DESCRIPTION:

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 is lower than both the No-New-Revenue and Voter-Approval tax rates, so no public hearings on the tax rate are required. To promote transparency and provide additional opportunities for public engagement, two public hearings were set by City Council. The first public hearing was scheduled for Monday, August 26, 2024, at 7:00pm and the second was on Monday, September 9, 2024, at 7:00pm, both at North Richland Hills City Hall in the 3rd floor City Council Chambers, 4301 City Point Drive, North Richland Hills, Texas.

This year's tax rates are as follows:

- TY 2024 Proposed tax rate: \$0.489389 per \$100 of valuation
- TY 2024 No-New-Revenue tax rate: \$0.489837 per \$100 of valuation
- TY 2024 Voter-Approval tax rate: \$0.493021 per \$100 of valuation

Individual taxpayers' property taxes may decrease, increase, or remain the same depending on the appraised value of their property. Senior and disabled property owners that have a tax ceiling (even if their property values have increased) will pay the same amount of property tax as the previous year unless their appraised property value decreased. The City encourages all residents to visit tarranttaxinfo.com to view tax information for each individual property.

The City has welcomed public input regarding the proposed property tax rate through the City's website, tarranttaxinfo.com, e-mail, via social media, and at three budget road



shows. All comments received through 4:00pm on September 9, 2024, will be provided to City Council during the September 9, 2024, City Council meeting.

The proposed Tax Year 2024 (Fiscal Year 2024/2025) property tax rate for the City of North Richland Hills is \$0.489389 per \$100 of valuation. This tax rate is the same as last year's tax rate and is below both the No-New-Revenue Tax Rate of \$0.489837 and the Voter-Approval Tax Rate of \$0.493021. The proposed tax rate is distributed into two components as follows:

- \$0.331432 for the purpose of maintenance and operations; and
- \$0.157957 for the purpose of tax supported debt principal and interest payments.

Adopting Ordinance No. 3866 as presented would set the tax rate for Tax Year 2024 at \$0.489389 per \$100 of valuation. If adopted, the tax rate will be equal to the Tax Year 2023 tax rate of \$0.489389 per \$100 of valuation.

Council can adopt a rate lower than the proposed rate for Tax Year 2024, but not higher than the proposed rate.

State law requires specific language to be included in the ordinance adopting the tax rate if the ordinance sets a tax rate that will impose an amount of taxes for maintenance and operations that exceeds the taxes imposed for that purpose in the preceding year. If adopted, the \$0.489389 tax rate would impose more property taxes for the purpose of maintenance and operations, which makes the additional language mandatory.

If Council chooses to adopt the proposed tax rate of \$0.489389 per \$100 of valuation, staff requests the following three motions be made, each followed by a Council vote:

1. "I move that the property tax rate for Maintenance and Operations be set at \$0.331432 per \$100 of valuation."
2. "I move that the property tax rate for Interest and Sinking be set at \$0.157957 per \$100 of valuation."
3. "I move to approve Ordinance No. 3866 adopting a total tax rate of \$0.489389 per \$100 of valuation for Tax Year 2024."

RECOMMENDATION:

Conduct a public hearing to receive comments on the Tax Year 2024 (Fiscal Year 2024/2025) proposed tax rate and approve Ordinance No. 3866, setting the Tax Year 2024 Tax Rate.