



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Office of Strategy, Budget, and Performance

ACM: Christine Taylor

DATE: August 18, 2026

SUBJECT

Consider approval of a resolution of the City Council of the City of Denton, Texas placing a proposal on the September 22, 2026 City Council public meeting agenda to adopt a 2026 Tax Rate that will exceed the lower of the no-new-revenue tax rate or the voter approval tax rate; calling a public hearing on the proposed tax rate which will result in an increase in tax revenue to the City for fiscal year 2026-27, to be held on September 15, 2026; calling a public hearing on the budget for the fiscal year 2026-27 Annual Program of Services of the City of Denton to be held on September 15, 2026; requiring the publication and posting of notices of the public hearings and meetings in accordance with the law; and providing an effective date.

BACKGROUND

The Texas Constitution and Texas Property Tax & Local Government Codes require taxing units to comply with specific guidelines in adopting tax rates. The guidelines are related to a concept known as truth-in-taxation. This concept is a way to make taxpayers aware of tax rate proposals and allow taxpayers to roll back or limit a tax increase in certain circumstances.

The truth-in-taxation guidelines require taxing entities to calculate and publish their no-new-revenue and voter-approval tax rates. The no-new-revenue rate is the calculated rate that would provide the taxing unit approximately the same revenue it received in the previous year on properties taxed in both years. This rate excludes taxes on properties no longer in the taxing unit and excludes any growth due to new property values. Based on the certified values received from Denton Central Appraisal District (DCAD) on July 22, the City of Denton's 2027 no-new-revenue tax rate is \$0.515958/\$100 valuation.

The voter-approval rate divides the total property tax revenue into support for maintenance and operations (M&O) taxes and debt service taxes. If a taxing unit adopts a tax rate higher than the voter-approval rate, an election must be held to seek voter approval of the tax rate. Based on the certified values received from DCAD on July 22, the City of Denton's 2026 voter-approval tax rate is \$0.553485/\$100 valuation.

The City Manager's FY 2026-27 Proposed Budget recommended a tax rate of \$0.548485 per \$100 of valuation. To allow for flexibility during the budget process, staff recommends that the tax rate of \$0.553485 be used for publication purposes. One public hearing will be called on the proposed tax rate on September 22, 2026. Publication of a quarter-page notice ("Notice of Meeting to Vote on Tax Rate") informing the public of the public hearing on the adoption of the tax rate will also be published.

In addition to the state requirements for the truth in taxation legislation, the City Charter and Chapter 102 of the Texas Local Government Code require the City Council to set a public hearing on the FY 2026-27 Annual Program of Services. In compliance with the City Charter and Chapter 102, the City is also required

to publish a notice of the public hearing in the *Denton Record Chronicle* not earlier than the 30th day or later than the 10th day before the date of the public hearing on the budget. The “Notice of Public Hearing on Budget” will be published in the *Denton Record Chronicle*. It will also be posted on the City of Denton’s website, <http://www.cityofdenton.com> and air on the public access channel.

RECOMMENDATION

Staff recommends approval of the resolution.

ESTIMATED SCHEDULE

September 15, 2026	Public Hearing on Tax Rate
September 15, 2026	Public Hearing on Annual Program of Services
September 22, 2026	Adopt Tax Rate and Budget

EXHIBITS

Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Resolution
Exhibit 3 - Presentation

Respectfully Submitted:
Aimee Kaslik
Chief Strategy Officer