



City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Finance

ACM/CFO: Christine Taylor

DATE: September 9, 2025

SUBJECT

Hold a public hearing on proposed property tax increase that will not exceed \$0.605420 per \$100 valuation. The proposed rate will exceed the no new revenue tax rate (\$0.554279 per \$100) but will not exceed the voter-approval tax rate (\$0.610157 per \$100).

BACKGROUND

The Texas Constitution and Texas Property Tax Code 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 in certain circumstances, to roll back or limit a tax increase.

The truth-in-taxation guidelines require taxing entities to calculate and publish their no-new revenue and voter approval tax rates (Exhibit 2 – 2025 Notice of Proposed Tax Rate). The no-new revenue rate is the calculated rate that would provide the taxing unit approximately the same amount of revenue it received in the previous year on properties taxed in both years. This rate is adjusted for new exemptions, value loss due to court appeals of taxable values and growth due to new property values. The City of Denton's 2025 no-new revenue rate is \$0.554279/\$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. It provides approximately the same amount of revenue as in the previous year for maintenance and operations expenses, plus an extra 3.5 percent, plus the necessary debt service tax rate. If a taxing unit adopts a tax rate higher than the voter approval rate, the voters have the option to petition for an election to limit the size of the tax increase. The City of Denton's 2025 voter approval rate is \$0.610157/\$100 valuation.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On August 9, 2025, the City Manager's proposed budget was presented to City Council. Additional budget presentations were given to City Council on August 19, 2025 and September 9, 2025.

EXHIBITS

Exhibit 1 - Agenda Information Sheet
Exhibit 2 - 2025 Notice of Proposed Tax Rate
Exhibit 3 - Presentation

Respectfully submitted:
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