



# City of Denton

City Hall  
215 E. McKinney Street  
Denton, Texas  
[www.cityofdenton.com](http://www.cityofdenton.com)

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## AGENDA INFORMATION SHEET

**DEPARTMENT:** Finance

**ACM :** Christine Taylor

**DATE:** September 16, 2025

### **SUBJECT**

Consider adoption of an ordinance of the City of Denton, Texas, levying the ad valorem property tax of the City of Denton, Texas, for the year 2025, on all taxable property within the corporate limits of the City on January 1, 2025, and adopting a tax rate of \$0.595420 per \$100 of valuation for 2025; providing revenues for payment of current municipal maintenance and operation expenses and for payment of interest and principal on outstanding City of Denton debt; providing for limited exemptions of certain homesteads; providing for enforcement of collections; providing for a severability clause; and providing an effective date.

### **BACKGROUND**

The proposed tax rate equals \$0.595420 per \$100 valuation. The proposed rate is higher than the current tax rate, exceeds the no-new revenue rate, and is less than the voter approval rate. Of the proposed tax rate, \$0.334780 will be applied to fund operations and maintenance in the General Fund and \$0.260640 will be applied to fund tax-supported debt.

The super majority requirement (at least 5 votes of the City Council) is required for a tax rate adoption exceeding the no-new-revenue rate. If 5 votes are not received and Council does not otherwise adopt a tax rate by September 30th, the 2025 tax rate will default to the no-new-revenue rate of \$0.554279/\$100, which Council would be required to ratify at a future meeting. This requirement is set forth in the Texas Tax Code Chapter 26.05 Tax Rate.

A motion to adopt a tax rate must be made in the following form: "I move that the property tax rate be increased by the adoption of a tax rate of \$0.595420, which is effectively a 7.4 percent increase in the tax rate." The vote is taken by roll call.

### **RECOMMENDATION**

Staff recommends adoption of the ordinance.

### **PRIOR ACTION/REVIEW (Council, Boards, Commissions)**

A workshop to present the details of the FY 2025-2026 Proposed Budget to the City Council was conducted on August 9, 2025. The City Council discussed the Proposed Budget during Work Sessions on August 19, 2025 and September 9, 2025. A public hearing on the Proposed Budget was held on September 9, 2025. In addition, a public hearing was held on the proposed tax rate on September 9, 2025.

**FISCAL INFORMATION**

The proposed property tax rate will generate approximately \$128,902,329 of which, \$13,104,743 will come from the tax limitation on over 65 and disabled person(s). \$71,426,894 will be used to fund operations and maintenance in the General Fund, \$55,409,075 will be used to fund tax-supported General Obligation and Certificates of Obligation debt, \$1,013,676 will be generated for the Downtown Tax Increment Reinvestment Zone district, and \$1,052,684 will be generated for the Westpark Tax Increment Reinvestment Zone district.

**EXHIBITS**

Exhibit 1 – Agenda Information Sheet

Exhibit 2 – Ordinance

Respectfully submitted:  
Matt Hamilton  
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