



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 10/8/2025

ALL

Item Creation Date:

FIN Truth in Taxation 2025 #3

Agenda Item#:

Summary:

RECOMMENDATION from the Mayor and Director of Finance to place the proposed tax rate of \$0.519190 on each \$100 of taxable value, which is the same as last year's tax rate on the October 15 agenda, and set a date for the public hearing. Publication of the proposed tax rate will be October 10, 2025.

HEARING DATE – 9:00 A.M. – WENDESDAY, - OCTOBER 15, 2025

Background:

State law sets forth detailed requirements for the process of setting ad valorem tax rates, including public hearings, newspaper publications, and actions of the governing body. These requirements include minimum and maximum time periods for each step in the process.

Prior Council Action:

Motion No. 2025-596 (8/13/2025)

Motion No. 2025-597 (8/13/2025)

Amount and Source of Funding:

No-New Revenue Tax Rate and Voter-Approval Tax Rate

Section 26.04 (e) of the Tax Code requires that the No-New Revenue Tax Rate and the Voter-Approval Tax Rate be reported to the governing body of each taxing unit. The No-New Revenue Tax Rate for Tax Year 2025 is \$0.528223 on each \$100 of taxable value and the Voter-Approval Tax Rate is \$0.553420 on each \$100 of taxable value. These numbers are based on Certified Initial Roll information from the Harris Central Appraisal District, Fort Bend Central Appraisal District, and the Montgomery Central Appraisal District.

Public Hearing

Section 26.05 (d) of the Tax Code provides that a taxing unit may not adopt a tax rate that exceeds the lower of the No-New Revenue Tax Rate and the Voter-Approval Tax Rate until the governing body has held a public hearing. Although the City of Houston's proposed tax rate does not exceed the No-New Revenue Tax Rate or the Voter-Approval Tax Rate, a public hearing will be held to provide the public an opportunity to speak on the topic of the proposed tax rate at 9:00 a.m., Wednesday, October 15, 2025.

Summary

City Council must pass a motion to place a specific proposed tax rate on a future City Council Agenda. The City Council meeting to adopt the proposed tax rate may occur following the publication of notice on October 10, 2025, but may not be later than October 31, 2025.

The proposed tax rate of \$0.519190 on each \$100 of taxable value must be apportioned between Maintenance and Operations (M&O) and Interest and Sinking Fund (I&S). The M&O rate is \$0.403259 on each \$100 of taxable value and the I&S rate is \$0.115931 on each \$100 of taxable value which, when combined, equals the total tax rate of \$0.519190 on each \$100 of taxable value.

It is therefore recommended that City Council adopt the recommendation of the Director of the Finance Department that the No- New Revenue Tax Rate for Tax Year 2025 is \$0.528223 on each \$100 of taxable value and the Voter-Approval Tax Rate is \$0.553420 on each \$100 of taxable value, and place the proposed tax rate of \$0.519190 on each \$100 of taxable value for Tax Year 2025 on the October 15, 2025 City Council Agenda, and schedule a public hearing on the proposed tax rate in City Council Chambers at 9:00 a.m. on Wednesday, October 15, 2025.

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Melissa Dubowski Chief Business Officer/Director of Finance

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A blue ink signature of Alma Tamborello.

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