City of Texas City
Tax Rate

For the 2024 Tax Year

PURPOSE

Truth-In-Taxation (TNT): Tax Rate Adoption

- ❑ Designed to provide more transparency in the property tax adoption process and inviting greater taxpayer participation
- ❑ Adopts a tax rate that will support the operations budget for the City
- ❑ Galveston County Tax Office calculates the tax rates and sends the tax rates to the Taxing Units in the Galveston County
  - ✓ County Appraisal District provides Certified Taxable Values
  - ✓ Taxing Units provide Debt Information, Unencumbered Fund Balance, Sales Tax spent on M&O, and TIF payments

TERMS AND DEFINITIONS

No-New-Revenue Tax Rate (NNR)

Tax rate that would produce the same revenue from the same property base as the prior year and serves as an offset to the increasing property appraised values.

Comparison:

	2023	2024	Change
Total tax rate (per $100 of value)	$0.490000	$0.488635	decrease of -0.001365 per $100, or -0.28%
Average homestead taxable value	$164,577	$178,488	increase of +8.45%
Tax on average homestead	$806.43	$872.15	increase of +$65.72, or +8.15%
Total tax levy on all properties	$33,176,418	$33,491,795	increase of +$315,377, or +0.95%

Voter Approval Tax Rate (VAR)

Highest tax rate that the Taxing Unit may adopt without holding an election to seek voter approval of the rate.

Adopted Tax Rate

Tax rate that was previously voted and adopted by the Taxing Unit

Tax Increment Financing (TIF) – redirect property tax in an area designated as a Tax Increment Reinvestment Zone (TIRZ)

STAFF RECOMMENDATION

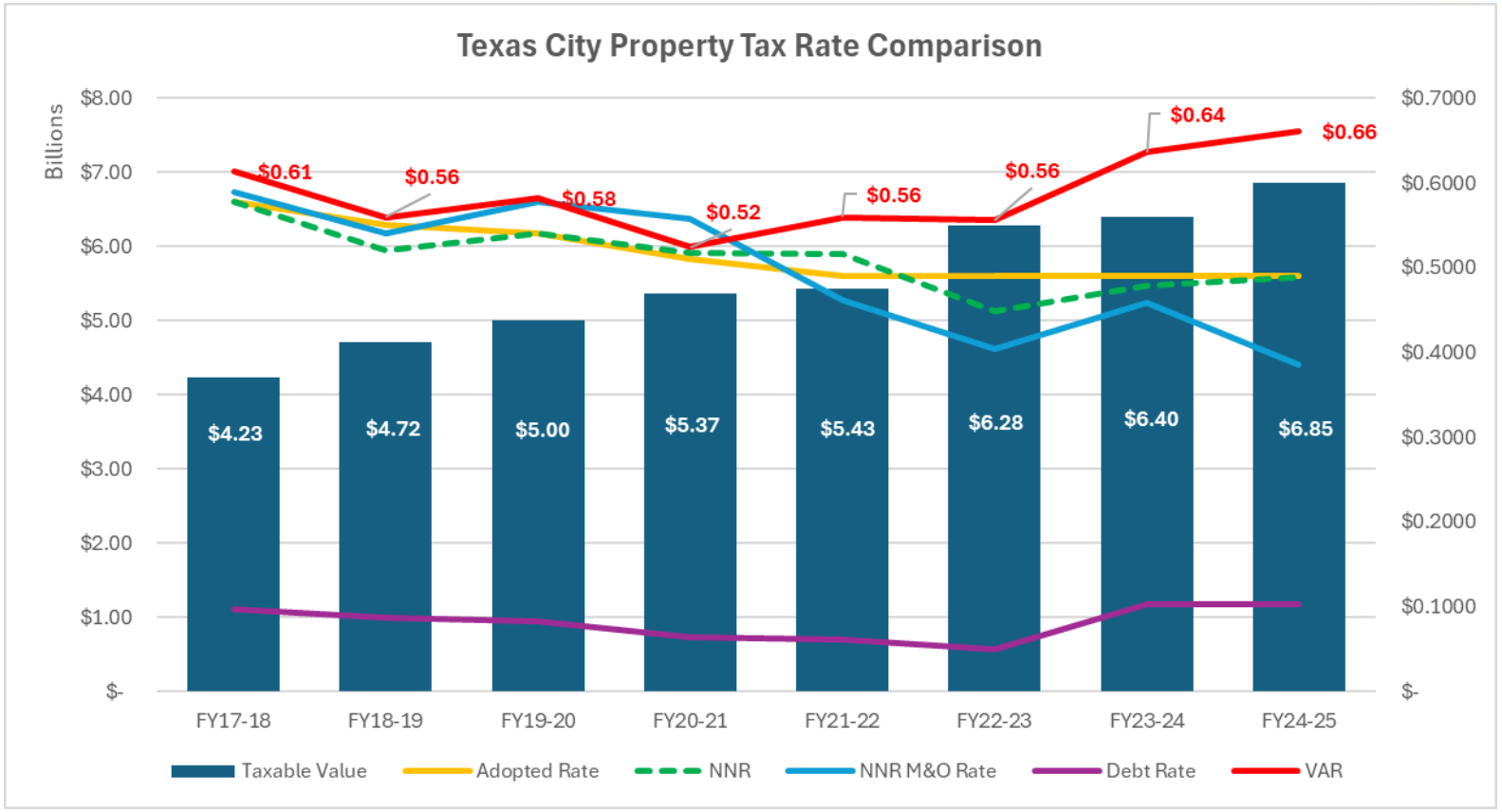
	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Taxable Value	**$ 4,228,406,746**	**$ 4,715,349,204**	**$ 4,997,799,763**	**$ 5,370,711,710**	**$ 5,431,858,681**	**$ 6,277,842,665**	**$ 6,397,924,538**	**$ 6,854,151,976**
Adopted Rate	0.577179	0.550000	0.540000	0.510000	0.490000	0.490000	0.490000	
NNR	0.577179	0.520993	0.540270	0.517195	0.516302	0.448432	0.479020	**0.488635**
NNR M&O Rate	0.589781	0.540749	0.577878	0.558021	0.461960	0.403735	0.458423	0.385738
Debt Rate	0.097135	0.087370	0.082904	0.063504	0.060496	0.049936	0.102650	0.102897
VAR	0.613958	0.559568	0.582712	0.524407	0.559489	0.555639	0.636316	0.644163
Proposed Tax Revenue	**$ 24,405,476**	**$ 25,934,421**	**$ 26,988,119**	**$ 27,390,630**	**$ 26,616,108**	**$ 30,761,429**	**$ 31,349,830**	**$ 33,491,786**

Staff Recommends No-New-Revenue Rate

- ❑ No Property Tax Increase
- ❑ Tax Rate Flat for last 3 years

** M&O – Maintenance and Operations*

STAFF RECOMMENDATION



Staff Recommends No-New-Tax Rate

- ❑ No Property Tax Increase
- ❑ Tax Rate Flat for last 3 years
- ❑ No-New-Revenue Tax Rate has 2 Components
  1. M&O
  2. Debt Services

** M&O – Maintenance and Operations*

FY25 PROPERTY TAX REVENUE PROJECTIONS

	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Taxable Value	**$ 5,370,711,710**	**$ 5,431,858,681**	**$ 6,277,842,665**	**$ 6,397,924,538**	**$ 6,854,151,976**
Adopted Rate	0.510000	0.490000	0.490000	0.490000	
NNR	0.517195	0.516302	0.448432	0.479020	**0.488635**
NNR M&O Rate	0.558021	0.461960	0.403735	0.458423	0.385738
Debt Rate	0.063504	0.060496	0.049936	0.102650	0.102897
VAR	0.524407	0.559489	0.555639	0.636316	0.644163
Proposed Tax Revenue	**$ 27,390,630**	**$ 26,616,108**	**$ 30,761,429**	**$ 31,349,830**	**$ 33,491,786**

Proposed Tax Levy Calculation:

$6,854,151,976/$100
X $ .488635

$33,491,786

** M&O – Maintenance and Operations*