UNIVERSITY PARK CITY COUNCIL
AGENDA MEMO

Meeting Date: 8/4/2026

Item Type: Action Item

Subject: Approve a resolution setting the maximum proposed property tax rate for Tax Year 2026 (FY2027) and scheduling the public hearing and final property tax rate adoption for August 17, 2026.

Prepared By: Thomas W. Tvardzik, Director of Finance

Background:
State law requires taxing units to comply with “truth-in-taxation” provisions in the Texas Constitution and Tax Code. These provisions require annual calculation and publication of several tax rates to inform the public and provide an opportunity for input. The Dallas County Tax Office (DCTO), the City’s tax collector and designated officer, calculates the rates using information from the Dallas Central Appraisal District (DCAD) and provides them to DCAD for posting on its Tax Rate Transparency website. City staff reviews, verifies and approves the rate calculations.

Rate	**Purpose**	**Triggers Election?**
No-New-Revenue Rate (NNR)	Produces approximately the same property-tax revenue as the prior year from property taxed in both years.	No
No-New-Revenue M&O Rate	M&O component used as the starting point for calculating the VAR.	No
Voter-Approval Rate (VAR)	Generally, the highest rate allowed without voter approval; includes 3.5% M&O growth, debt, and unused increment.	Yes, **if exceeded**
De Minimis Rate	For cities under 30,000; adds a rate component that generates $500,000 in M&O revenue.	Not applicable

Applicable rates for the 2026 Tax Year (FY2027):

- 2025 adopted rate = 21.8565 cents per $100 of taxable value
- 2026 NNR rate = 19.9377 cents per $100 of taxable value
- 2026 NNR M&O rate = 20.3276 cents per $100 of taxable value
- 2026 De Minimis rate = 20.6880 cents per $100 of taxable value
- 2026 VAR = 21.0390 cents per $100 of taxable value

Traditionally, City Council proposes the highest rate that preserves fiscal flexibility during the budget process, without requiring voter approval. For FY2027, City administration has proposed a $1,459,476 budget supplement. The tax rate needed to support the base budget and supplement (“Budget+”) is 22.0055 cents per $100 of taxable value. If Council ultimately adopts this rate, it will exceed the 2026 VAR of 21.0390 cents and require an automatic election on November 3, 2026, which City Council must order no later than August 17.

TRANSPARENCY

At this meeting, Council is being asked to approve the maximum proposed rate by record vote; this action will not adopt the final tax rate. As the proposed tax rate for 2026 exceeds the 2026 VAR, the City must provide the required notice and an opportunity for public comment before final adoption.

Notice will be published in the paper of record, the *Daily Commercial Record,* and posted on the City’s website. The public tax rate hearing and final tax rate adoption are scheduled for a special City Council meeting at 5:00 p.m. on August 17, 2026, at University Park City Hall, 3800 University Blvd., University Park, Texas.

After the public hearing, Council may adopt any rate at or below the published maximum of 22.0055 cents per $100 of taxable value. If the adopted rate exceeds the VAR, Council must also order an automatic election for November 3, 2026.

Fiscal Impact:

☐ Not Applicable

☐ Budget Amendment Required

☒ Proposed Revenue

☐ Proposed Expenditure

Funding Source: Ad valorem property tax revenue.

Master Plan Goal*:*
Please check the associated Theme and provide the corresponding action item number.

	Theme	Action Item(s)
☐	Affirming Sense of Place	
☐	Assuring Connectivity	
☐	Innovative Governance	
☐	Technological Integration	
☐	Preparing for the Future	
☒	Not Applicable	

Recommendation:
Approve (by record vote) a resolution:

1. approving a maximum proposed 2026 (FY2027) property tax rate of 22.0055 cents per $100 of taxable value;

2. calling a public hearing on the proposed tax rate for the special City Council meeting on August 17, 2026; and
3. scheduling final adoption of the 2026 property tax rate for August 17, 2026.

Committee Review *(optional):*
None.

Attachments:
- Resolution approving the 2026 (FY2027) maximum proposed ad valorem tax rate and scheduling the public hearing and final tax-rate adoption.
- 2026 (FY2027) Tax Rate Calculation Worksheet