




Plano

City of Excellence

FY 2025-26 Tax Rate Analysis Presentation
August 11, 2025

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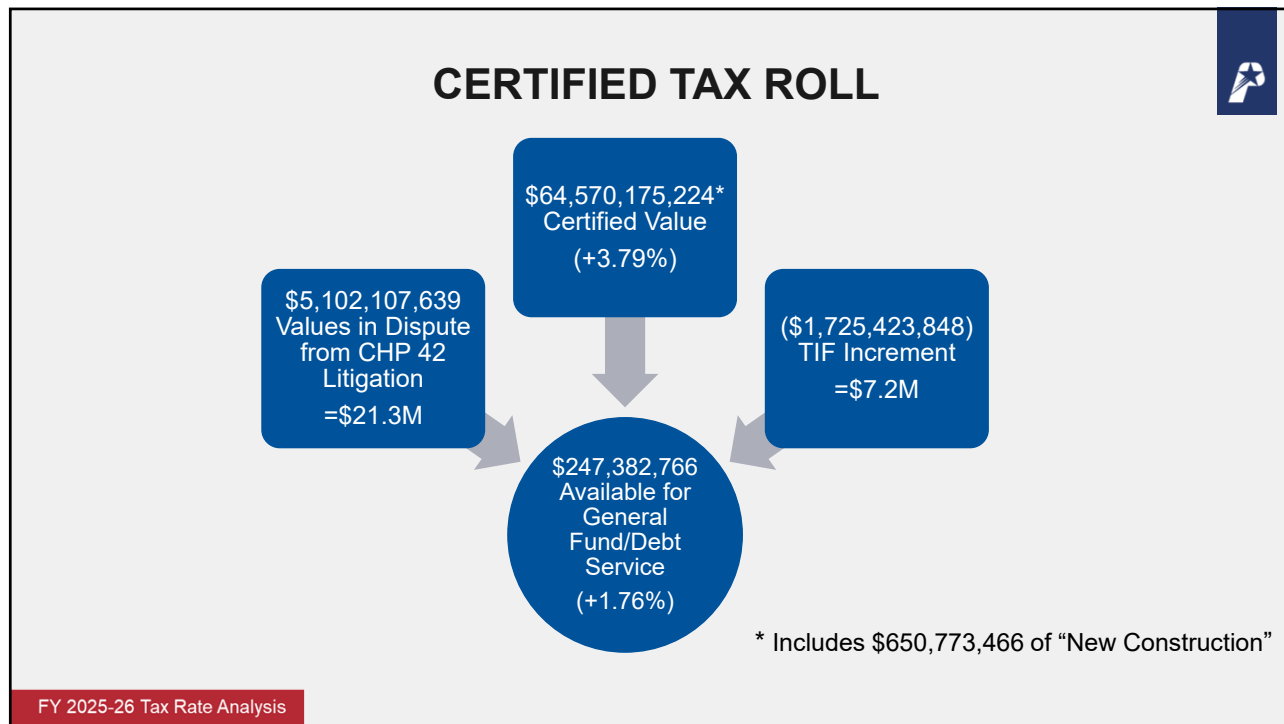
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Assessed Property Values

Collin CAD Final Certified Values
Denton CAD Final Certified Values

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Tax Revenue From Ad Valorem Tax Exemptions

	Average Market Home Value	**Total Exemptions APV	Revenue Savings From Exemptions	Revenue Savings 65 & Over Tax Freeze
FY 2017-18	\$352,496	\$9.12 billion	\$42.7 million	\$3.5 million
FY 2018-19	\$369,050	\$9.78 billion	\$45.0 million	\$4.6 million
FY 2019-20	\$379,629	\$10.34 billion	\$46.4 million	\$5.0 million
FY 2020-21	\$378,396	\$10.44 billion	\$46.8 million	\$5.1 million
FY 2021-22	\$396,673	\$10.79 billion	\$48.3 million	\$6.0 million
FY 2022-23	\$493,960	\$12.48 billion	\$53.2 million	\$5.6 million
FY 2023-24	\$564,112	\$14.80 billion	\$61.8 million	\$7.7 million
FY 2024-25	\$579,554	\$15.34 billion	\$63.4 million	\$11.0 million
FY 2025-26	\$591,947	\$15.72 billion	\$65.7 million	\$13.7 million

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Analysis of Appraisal Roll – Market Value

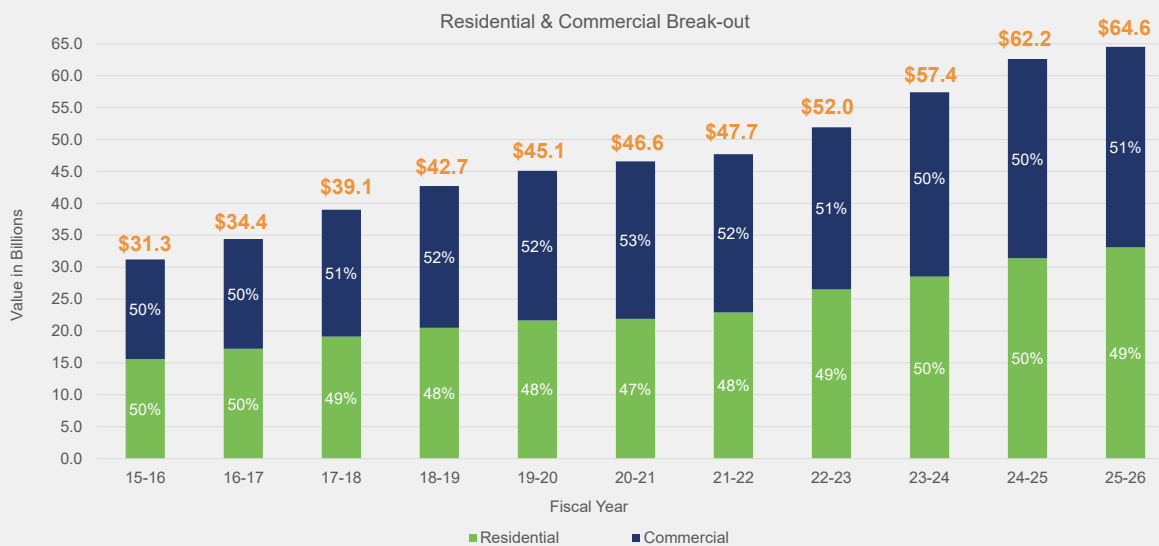
- \$650.8 million in new growth
 - Residential accounts for 11%
 - Last year was 7%
 - Commercial accounts for 89%
 - Last year was 93%
- \$2.3 billion in existing property value
 - Residential accounts for 70%
 - Last year was 46%
 - Commercial accounts for 30%
 - Last year was 54%

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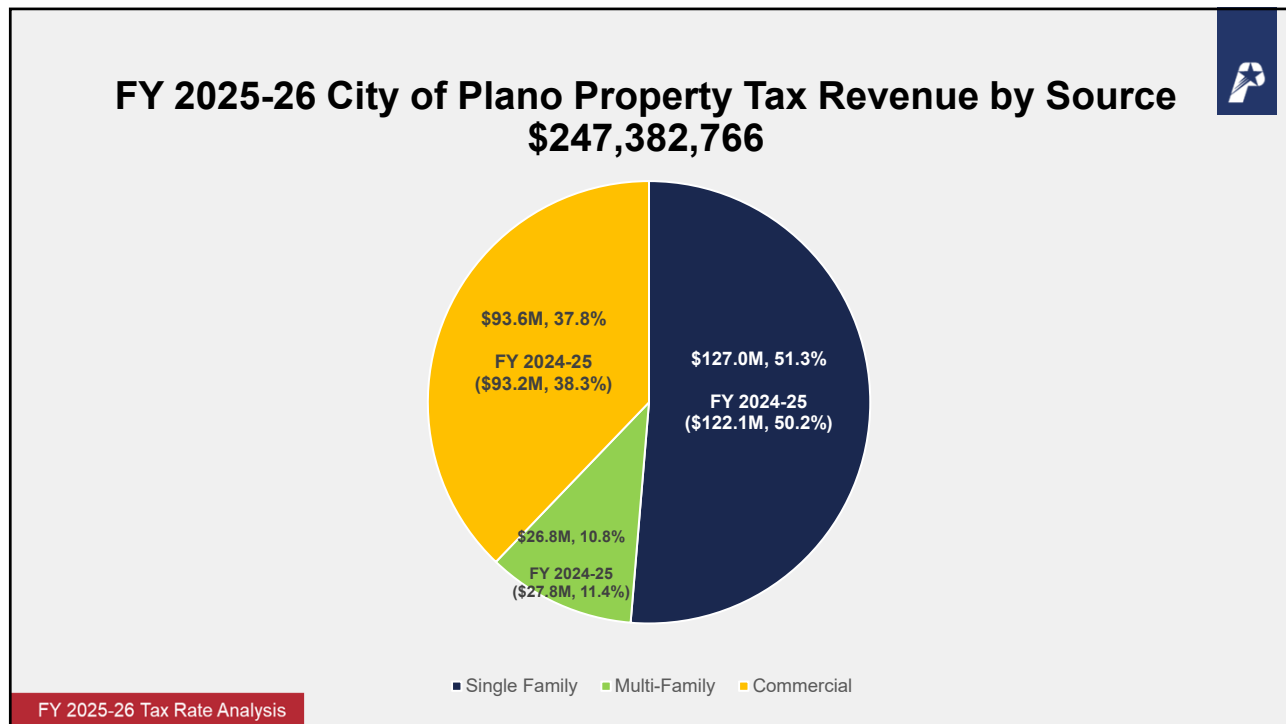


Assessed Property Valuations

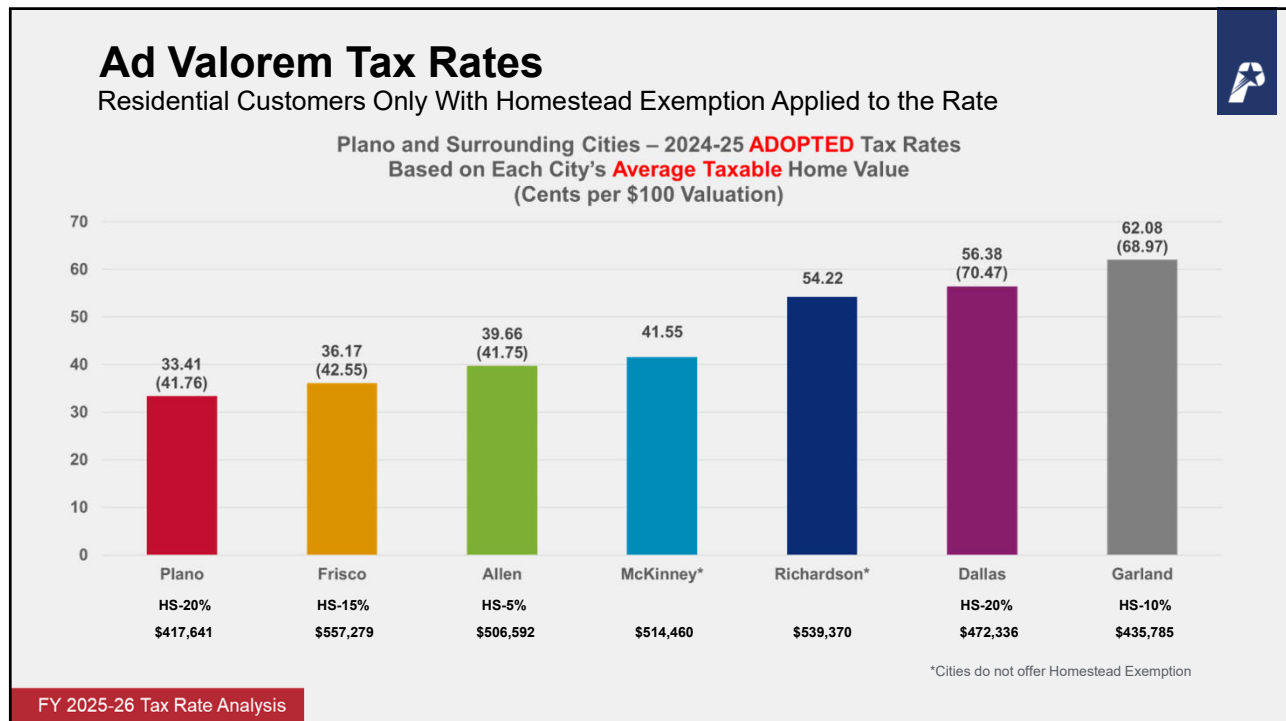


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Texas Property Tax Laws – Truth-In-Taxation



Property owners have the right to know about increases in their properties' appraised value and to be notified of the estimated taxes that could result from the new value

A taxing unit must publish its no-new-tax rate and voter-approval tax rates before adopting an actual tax rate

Four Guiding Principles

A taxing unit must publish special notices and hold one public hearings before adopting a tax rate that exceeds the lower of the no new revenue tax rate or the voter approval tax rate

The taxing unit is required to hold an election to approve the tax rate on the next uniform election date if it adopts a tax rate that exceeds the voter – approval tax rate

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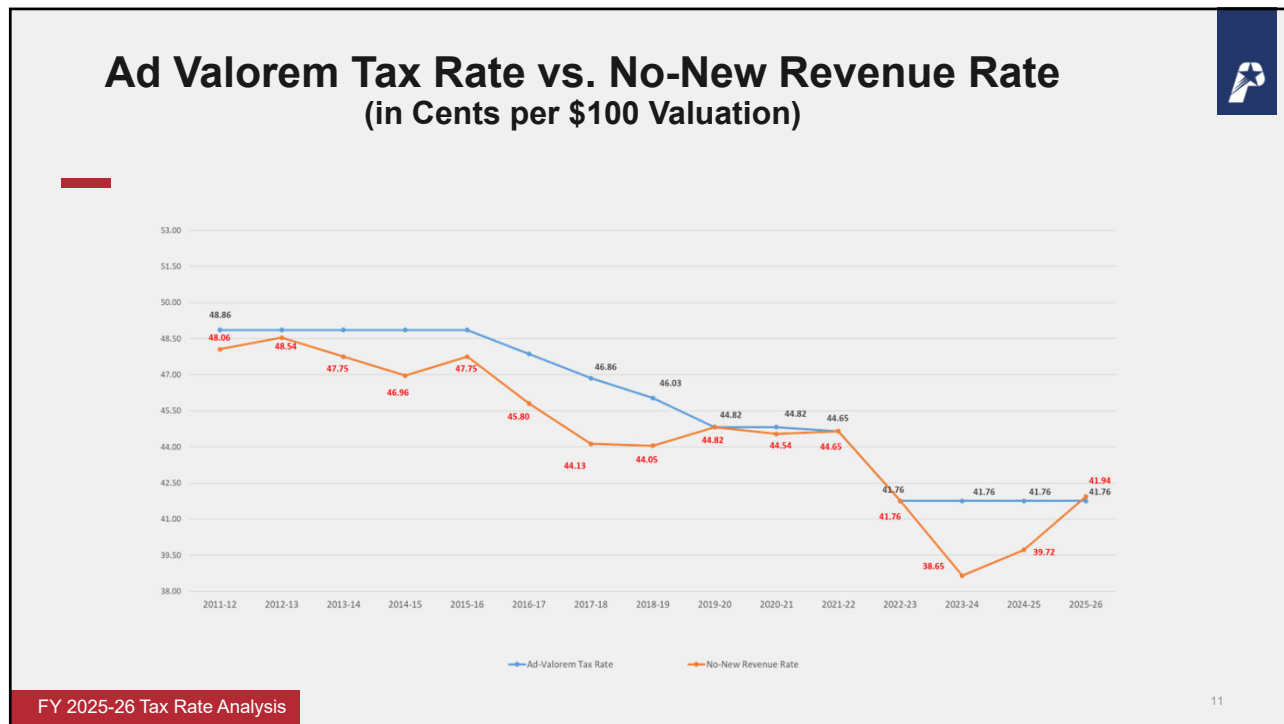
TAX RATE OVERVIEW



Current Tax Rate	No-New-Revenue Rate	Voter Approval Rate (without increment)	Voter Approval Rate (with increment)
<ul style="list-style-type: none"> • \$0.3026 M&O • <u>\$0.1150 Debt</u> • \$0.4176 Total 	<ul style="list-style-type: none"> • \$0.3044 M&O • <u>\$0.1150 Debt</u> • \$0.4194 Total 	<ul style="list-style-type: none"> • \$0.3136 M&O • <u>\$0.1150 Debt</u> • \$0.4286 Total 	<ul style="list-style-type: none"> • \$0.3256 M&O • <u>\$0.1150 Debt</u> • \$0.4406 Total

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No-New-Revenue Tax Rate

- The no-new-revenue (NNR) tax rate is a calculated rate that would provide a taxing unit with the same amount of revenue it received in the year before on properties taxed in both years.
- If properties rise, the no-new-revenue (NNR) tax rate will go down and vice versa.
- The resulting tax rate show the relationship between last year's revenue and the current year's appraised property values.

2025 No-New-Revenue Rate = \$0.4194 cents

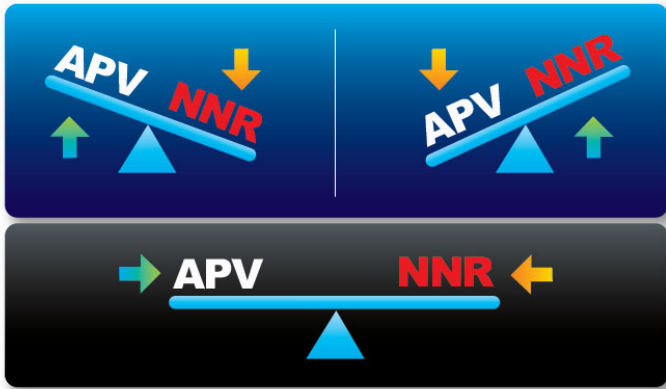
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Seesaw Effects

APV: Appraised Property Value **NNR:** No New Revenue Rate



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Voter Approval Tax Rate Clarification

- According to the comptroller, the total of M&O rate, the debt service rate, and the unused increment rate, if applicable, gives the total voter-approval tax rate. Texas Tax Code Section 26.04(c)(2)(B)

"Voter-approval tax rate" means a rate expressed in dollars per \$100 of taxable value calculated according to the following applicable formula: for a taxing unit other than a special taxing unit:

VOTER-APPROVAL TAX RATE = (NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE x 1.035) + (CURRENT DEBT RATE + UNUSED INCREMENT RATE)

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Voter Approval Tax Rate With Out Tax Increment

- Is a calculated maximum tax rate allowed by law without voter approval.
- The voter approval tax rate provides cities with the same amount of tax revenue spent the previous year for day-to-day operations plus an extra 3.5% for operations and sufficient funds to pay debts in the coming year.

Voter Approval Rate = \$0.4286 cents

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Voter Approval Tax Rate-With Tax Increment

- This rate allows a City to collect 3.5% more revenue from property taxes than in the prior year unless the City has increment to apply to the rate.
- Increment is created when a City adopts a Property Tax Rate lower than the Voter Approval Rate
- State Law allows for the increment to be applied to future tax rates within three years
 - After three years, any increment is forfeited
- Council must publish the Voter Approval Rate that includes the total increment available to the City
 - Must have an election if adopted tax rate exceeds the Voter Approval Tax Rate with Tax Increment.
 - Tax Increment = \$0.01197

Voter Approval Rate-With Tax Increment = \$0.4406 cents

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SECTION 5: Voter-Approval Tax Rate Adjustment for Unused Increment Rate

The unused increment rate is the rate equal to the sum of the prior 3 years Foregone Revenue Amounts divided by the current taxable value. ³³ The Foregone Revenue Amount for each year is equal to that year's adopted tax rate subtracted from that year's voter-approval tax rate adjusted to remove the unused increment rate multiplied by that year's current total value. ³⁴

The difference between the adopted tax rate and adjusted voter-approval tax rate is considered zero in the following scenarios:


- a tax year in which a taxing unit affected by a disaster declaration calculates the tax rate under Tax Code Section 26.042; ³⁵
- a tax year in which the municipality is a defunding municipality, as defined by Tax Code Section 26.0501(a); ³⁶ or
- after Jan. 1, 2022, a tax year in which the comptroller determines that the county implemented a budget reduction or reallocation described by Local Government Code Section 120.002(a) without the required voter approval. ³⁷

This section should only be completed by a taxing unit that does not meet the definition of a special taxing unit. ³⁸

Line	Unused Increment Rate Worksheet	Amount/Rate
63.	Year 3 Foregone Revenue Amount. Subtract the 2024 unused increment rate and 2024 actual tax rate from the 2024 voter-approval tax rate. Multiply the result by the 2024 current total value	
	A. Voter-approval tax rate (Line 68).....	\$ 0.412499 /\$100
	B. Unused increment rate (Line 67).....	\$ 0.016735 /\$100
	C. Subtract B from A.....	\$ 0.395714 /\$100
	D. Adopted Tax Rate.....	\$ 0.417600 /\$100
	E. Subtract D from C.....	\$ -0.021886 /\$100
	F. 2024 Total Taxable Value (Line 60).....	\$ 59,871,893.291
	G. Multiply E by F and divide the results by \$100. If the number is less than zero, enter zero.....	\$ 0
64.	Year 2 Foregone Revenue Amount. Subtract the 2023 unused increment rate and 2023 actual tax rate from the 2023 voter-approval tax rate. Multiply the result by the 2023 current total value	
	A. Voter-approval tax rate (Line 67).....	\$ 0.435541 /\$100
	B. Unused increment rate (Line 66).....	\$ 0.029482 /\$100
	C. Subtract B from A.....	\$ 0.406059 /\$100
	D. Adopted Tax Rate.....	\$ 0.417600 /\$100
	E. Subtract D from C.....	\$ -0.011541 /\$100
	F. 2023 Total Taxable Value (Line 60).....	\$ 49,941,369.510
	G. Multiply E by F and divide the results by \$100. If the number is less than zero, enter zero.....	\$ 0
65.	Year 1 Foregone Revenue Amount. Subtract the 2022 unused increment rate and 2022 actual tax rate from the 2022 voter-approval tax rate. Multiply the result by the 2022 current total value	
	A. Voter-approval tax rate (Line 67).....	\$ 0.437682 /\$100
	B. Unused increment rate (Line 66).....	\$ 0.025841 /\$100
	C. Subtract B from A.....	\$ 0.411841 /\$100
	D. Adopted Tax Rate.....	\$ 0.417600 /\$100
	E. Subtract D from C.....	\$ 0.014241 /\$100
	F. 2022 Total Taxable Value (Line 60).....	\$ 45,819,143.931
	G. Multiply E by F and divide the results by \$100. If the number is less than zero, enter zero.....	\$ 6,496.622
66.	Total Foregone Revenue Amount. Add Lines 63G, 64G and 65G	\$ 6,496.622 0000
67.	2025 Unused Increment Rate. Divide Line 66 by Line 21 of the No-New-Revenue Rate Worksheet. Multiply the result by 100	\$ 0.011974 /\$100
68.	Total 2025 voter-approval tax rate, including the unused increment rate. Add Line 67 to one of the following lines (as applicable): Line 49, Line 50 (counties), Line 58 (taxing units with additional sales tax) or Line 62 (taxing units with pollution)	\$ 0.440603 /\$100

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Certified Truth-In-Taxation Rates

- **No-New-Revenue Rate (NNR) = \$0.4194 cents per \$100 valuation**
 - Would raise an additional \$1,166,331 in tax revenue.
- **Voter-Approval Rate (VAR) = \$0.4286 cents per \$100 valuation**
 - Would raise an additional \$7,127,579 in tax revenue.
- **Voter-Approval Rate (VAR) with Tax Increment = \$0.4406 cents per \$100 valuation**
 - Includes \$0.011974 Tax Increment
 - Would raise an additional \$14,903,119 in tax revenue.
- **Included in 2025-26 Recommended Budget = \$0.4176 cents per \$100 valuation**

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City of Plano Average Taxable Home Value – Tax Bill Comparison: 2024-25 Adopted vs. 2025-26 “Options”



Average Taxable Home Value

2024 Average Taxable Value
\$417,641

2025 Average Taxable Value
\$452,109

Change from Prior Year
\$34,468

	2024-25 Adopted Tax Rate	2025-26 Tax Rate “Option”	Change from Prior Year
2025-26 Proposed Tax Rate	41.76 ¢	41.76 ¢	0.00 ¢
Tax Bill for Avg Homeowner (Taxable)	\$1,744	\$1,888	\$144
2025-26 NNR Tax Rate	41.76 ¢	41.94 ¢	0.18 ¢
Tax Bill for Avg Homeowner (Taxable)	\$1,744	\$1,896	\$152
2025-26 VAR Tax Rate (without increments)	41.76 ¢	42.86 ¢	1.10 ¢
Tax Bill for Avg Homeowner (Taxable)	\$1,744	\$1,937	\$193
2025-26 VAR Tax Rate (with increments)	41.76 ¢	44.06 ¢	2.30 ¢
Tax Bill for Avg Homeowner (Taxable)	\$1,744	\$1,992	\$248

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Tax Rate Publications and Public Hearings



- Record vote on Proposed Tax Rate, Schedule Public Hearing, if required and Announce Adoption Date
 - Tonight need to decide on Tax Rate Ceiling
 - Can only go down from rate published not up
 - Vote will be required with specific wording of motion
 - Will be required if proposing over the No-New-Revenue Rate
- Notice of 2025-26 Tax Year Proposed Tax Rate – 41.76 cents??
 - Published August 14th in Dallas Morning News
 - Will run on PTV and posted on City of Plano website
- Determine the need for a Property Tax Public Hearing.
 - Will be required if proposing over the NNR tax rate of 41.94 cents
- City Council is set to vote on the Budget, CIP and set the tax rate on Monday, September 8th.

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Form 50-836

Statements required in notice if the proposed tax rate exceeds the no-new-revenue tax rate but does not exceed the voter-approval tax rate, as prescribed by Tax Code §526.06(b-2).

NOTICE OF PUBLIC HEARING ON TAX RATE

This notice only applies to a taxing unit other than a special taxing unit or municipality with a population of less than 30,000, regardless of whether it is a special taxing unit.

PROPOSED TAX RATE	\$0.4176???	per \$100
NO-NEW-REVENUE TAX RATE	\$0.4194	per \$100
VOTER-APPROVAL TAX RATE	\$0.4406	per \$100

The no-new-revenue tax rate is the tax rate for the 2025 tax year that will raise the same amount of property tax revenue for City of Plano, Texas from the same properties in both the 2024 tax year and the 2025 tax year.

The voter-approval tax rate is the highest tax rate that City of Plano, Texas may adopt without holding an election to seek voter approval of the rate.

The proposed tax rate is greater than the no-new-revenue tax rate. This means that City of Plano, Texas is proposing to increase property taxes for the 2025 tax year.

A PUBLIC HEARING ON THE PROPOSED TAX RATE WILL BE HELD ON Monday, September 8, 2025 at 7 pm at Senator Shapiro Council Chambers at Plano Municipal Center, 1520 K Ave, Plano, TX 75074.

The proposed tax rate is not greater than the voter-approval tax rate. As a result, City of Plano, Texas is not required to hold an election at which voters may accept or reject the proposed tax rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the City of Plano, Texas of City of Plano, Texas at their offices or by attending the public hearing mentioned above.

YOUR TAXES OWED UNDER ANY OF THE TAX RATES MENTIONED ABOVE CAN BE CALCULATED AS FOLLOWS:

Property tax amount = (tax rate) x (taxable value of your property) / 100

(List names of all members of the governing body below, showing how each voted on the proposal to consider the tax increase or, if one or more were absent, indicating absences.)

FOR the proposal: _____

AGAINST the proposal: _____

PRESENT and not voting: _____

ABSENT: _____

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Property Tax Change 2024 to 2025

	2024	2025	Change
Total Tax Rate (per \$100 of value)	\$0.4176	\$0.4176	Decrease of (\$0.00) per \$100 or (0.00%)
Average Homestead Taxable Value	\$417,641	\$452,109	Increase of \$34,468 or 8.25%
Tax on Average Homestead	\$1,744	\$1,888	Increase of \$144 or 8.26%
Total Tax Levy on all properties	\$243,113,982	\$247,382,766	Increase of \$4,268,784 or 1.76%

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Questions



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