

OP-102 TAX RATE SETTING ADMINISTRATIVE PROCEDURE

1.0 Purpose.

The purpose of this Procedure is to establish the guidelines and process for setting the tax rate for the Tarrant Regional Water District (TRWD) to ensure compliance with legal requirements and to support the funding of TRWD's General Fund annual budget.

2.0 Scope.

This Tax Rate Setting Procedure applies to all TRWD departments, divisions, and offices involved in the preparation, review, and approval of the tax rate for the District.

3.0 Tax Rate Setting Process Overview.

The process for setting the tax rate follows the procedures outlined below and is structured to comply with applicable laws and regulations governing tax rate setting for Water Districts, including voter-approval tax rate calculations and public hearing requirements, and to provide transparency and opportunities for public input.

4.0 Tax Rate Setting Timeline.

August Board Budget Workshop

- **Timing:** The workshop will occur the first week of August. Budget books are to be provided to the Board for review two weeks before the workshop and shall include the prior year's tax rate as a place holder.
- **Agenda Item:** Staff will recommend the General Fund annual budget.
- **Agenda Item:** Staff will present potential tax rates required to meet the proposed budget based on the official tax roll value provided by the Tarrant Appraisal District, as of July 25 each year.
 - The posted agenda item will not include specific tax rates.
 - For discussion purposes, the presentation will include (a) projected tax revenues calculated using the most recent certified tax roll and the then-current tax rate, (b) the calculated voter-approval tax rate (the maximum property tax rate an entity can set without triggering a rollback election) as described in Chapter 49 of the Texas Water Code, and c) other tax rates and calculated revenues for informational purposes.
 - The Board will not take action on a tax rate or budget at this meeting. Rather, the Board will advise staff as to what tax rate to place on the August regular board meeting agenda.

August Regular Board Meeting

- **Timing:** The third Tuesday of August.
- **Agenda Item:** Consider voting to approve a date for the Public Hearing on the Tax Rate.

- The posted agenda item shall include a specified tax rate based on the direction of the Board at the August Board Budget Workshop meeting
- Agenda Item: Set the date for the final vote to officially adopt the tax rate, which will take place during the September Regular Board Meeting.

September Public Tax Hearing

- **Timing:** The hearing will be scheduled no more than 7 days prior to the September Regular Board Meeting. Notice will be posted in the newspaper at least 7 days prior to the hearing and include the proposed tax rate voted on by the Board at the August regular board meeting in accordance with the notice requirements in section 49.236 of the Texas Water Code.
- **Purpose:** The public will be invited to comment on the proposed tax rate.
- **No Action:** The Board will not take action on the proposed tax rate at this hearing.

September Regular Board Meeting

- **Timing:** The third Tuesday of September.
- **Agenda Item:** Approve the General Fund Budget for the upcoming fiscal year.
 - The tax revenues in the General Fund Budget are based on official July TAD tax rolls.
- **Agenda Item:** Approve the tax rate that supports the General Fund Budget.
 - The posted agenda item must specify the proposed tax rate.

5.0 Staff Responsibilities.

The Finance Director is responsible for ensuring that the tax rate setting process is conducted in accordance with this Policy, including calculating the voter-approval tax rate, coordinating with the Tarrant County Tax Assessor, and ensuring the proper public notifications are made.

AUTHORITY

Texas Water Code §§ 49.236, et seq.

Texas Property Tax Code §§ 26.04, 26.05, 26.06