

# Mayor and Council Communication

DATE: 01/13/26

M&C FILE NUMBER: M&C 26-0001

LOG NAME: 03DENTON APPRAISAL DISTRICT COST 2026

## SUBJECT

(ALL) Authorize Payment of the City of Fort Worth's Assessed Pro-Rata Allocation of the Budget of Denton Central Appraisal District for January through December 2026 in an Amount Up to \$384,824.72

## RECOMMENDATION:

It is recommended that the City Council authorize payment of the City of Fort Worth's assessed pro-rata allocation of the Denton Central Appraisal District's 2026 budget for the months of January through December 2026 in an amount up to \$384,824.72.

## DISCUSSION:

Property values for tax calculation purposes are determined by independent, countywide appraisal districts established by state law. Each local jurisdiction/taxing unit is required by Section 6.06(d) of the Texas Property Tax Code to fund its proportionate share of the local county appraisal district's budget. The City of Fort Worth's pro-rata share for each district is based on the City's percentage of total property taxes imposed in each district.

The City of Fort Worth receives appraisal services from and contributes to the budget of four appraisal districts. Only two, Tarrant Appraisal District (TAD) and Denton Central Appraisal District (DCAD), have costs in excess of \$100,000.00 and require Mayor and Council approval under the City Code. Although Fort Worth also extends into Johnson County, the Fort Worth territory within that county is City-owned and not subject to taxation.

## **Appraisal District Budgets and the City's Allocation**

Appraisal District	2025			2026		
	District Budget	CFW Allocation	% of Total	District Budget	CFW Allocation	% of Total
TAD	\$33,585,297.00	\$4,153,543.00	12.37%	\$33,095,759.00	\$4,197,401.00	12.68%
DCAD	\$23,821,642.00	\$361,253.00	1.52%	\$24,708,651.30	384,824.72	1.56%
PCAD	\$6,405,941.00	\$61,877.00	0.97%	\$6,591,874.00	\$73,860.00	1.12%
WCAD	\$2,995,762.00	\$231.00	<0.01%	\$3,341,718.00	\$1,756.00	0.05%

Compared to the FY2025 adopted budget, DCAD's FY2026 proposed budget represents a moderate increase in total expenditures. This increase is primarily attributed to onetime costs associated with funding the mandatory Board of Directors election in 2026. Absent this election-related expense, the FY2026 budget would remain essentially flat year-over-year. Other contributing factors to the overall increase include strategic investments in staff training and development, appraisal software and other technology enhancements, and inflationary adjustments across some operating expenses.

The appraisal districts operate on a January through December fiscal year. The City will make quarterly payments to DCAD in an amount up to \$96,206.18 each. This Mayor and Council Communication covers the calendar months of January 1, 2026, through December 31, 2026, with nine months falling in the City's current Fiscal Year 2026 budget and the remaining three months in the City's Fiscal Year 2027 budget.

Funding is budgeted in the General Operating & Maintenance category within the General Fund for Fiscal Year 2026 expenses and will be budgeted in the General Fund for Fiscal Year 2027 for the FWLab Department.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

## FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendation, funds are available in the current operating budget, as previously appropriated, and that upon adoption of the Fiscal Year 2027 Budget by the City Council, funds will be available in the Fiscal Year 2027 Operating Budget, as appropriated, in the General Fund. Prior to an expenditure being incurred, the FWLab Department has the responsibility to

validate the availability of funds.

**Submitted for City Manager's Office by:** Dianna Giordano 7783

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**Additional Information Contact:**