

# Mayor and Council Communication

**DATE:** 01/14/25

**M&C FILE NUMBER:** M&C 25-0001

**LOG NAME:** 03DENTON APPRAISAL DISTRICT COSTS 2025

**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 2025 in a Combined Amount Up to \$361,253.00

**RECOMMENDATION:**

It is recommended that the City Council authorize payment of the City of Fort Worth's pro-rata allocation of the Denton Central Appraisal District's 2025 budget for the months of January through December 2025 in an amount up to \$361,253.00.

**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. Payment for TAD's annual billing was approved in a previous Mayor and Council Communication. Parker County Appraisal District's and Wise County Appraisal District's allocations are included in the table below. Although Fort Worth also extends into Johnson County, the Fort Worth territory within that county is City-owned and not subject to taxation.

The table below compares last year's budget to the current budget for the appraisal district in each county into which the City of Fort Worth extends. Also included is the City's share of the appraisal district budgets.

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

Appraisal District Budgets and the City's Allocation						
	2024			2025		
Appraisal District	District Budget	CFW Allocation	% of Total	District Budget	CFW Allocation	% of Total
TAD	\$29,428,906	\$3,518,147	11.95%	33,585,297	\$4,153,543	12.37%
DCAD	\$20,347,802	\$285,854	1.40%	23,821,642	\$361,253	1.52%
PCAD	\$6,252,546	\$51,816	0.83%	6,405,941	\$61,877	0.97%
WCAD	\$3,083,671	\$509	0.02%	2,995,762	\$231	<0.01%

DCAD's 2025 Budget reflects an increase of 17.07% over the previous year. The budget increase helps DCAD keep pace with increased costs across all expense categories, as well as add an additional 10 employees to help keep pace with rapid growth. The additional positions are in the areas of appraisal and Exemption & Assistance.

The appraisal districts operate on a January through December fiscal year. The City will make quarterly payments to TAD and DCAD in the amount up to \$1,038,385.74 and \$90,313.25 respectively. This Mayor and Council Communication covers the calendar months of January 1, 2025 through December 31, 2025 with nine months falling in the City's current Fiscal Year 2025 and the remaining three months in the City's Fiscal Year 2026.

Funding is budgeted in the Consultant & Other Professional Services account within the General Fund budget for the FWLab Department, and the

Department is responsible for validating the availability of funds.

A Form 1295 is not required because: This contract will be with a governmental entity, state agency or public institution of higher education: Denton Central Appraisal District

---

**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 2026 Budget by the City Council, funds will be available in the Fiscal Year 2026 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:** Mark L McDaniel 6316

**Originating Business Unit Head:** Christianne Simmons 6222

**Additional Information Contact:**