

City of Fort Worth, Texas

Mayor and Council Communication

DATE: 04/09/24M&C FILE NUMBER: M&C 24-0260

LOG NAME: 03APPRAISAL DISTRICT COSTS 2024

SUBJECT

(ALL) Authorize Payment of the City of Fort Worth's Assessed Pro-Rata Allocations of the Budgets of Tarrant Appraisal District and Denton Central Appraisal District for January through December 2024 in a Combined Amount Up to \$3,804,001.00

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize payment of the City of Fort Worth's pro-rata allocation of the Tarrant Appraisal District's 2024 budget for the months of January through December 2024 in an amount up to \$3,518,147.00; and
2. Authorize payment of the City of Fort Worth's pro-rata allocation of the Denton Central Appraisal District's 2024 budget for the months of January through December 2024 in an amount up to \$285,854.00.

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 excesss of \$100,000.00 and require Mayor and Council approval under the City Code. The other two, Parker and Wise County Appraisal Districts, 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 the 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						
	2023			2024		
Appraisal District	District Budget	CFW Allocation	% of Total	District Budget	CFW Allocation	% of Total
TAD	28,631,389	3,095,294	10.81%	29,428,906	3,518,147	11.95%
DCAD	17,809,792	205,293	1.15%	20,347,802	285,854	1.40%
PCAD	5,811,428	32,960	0.57%	6,252,546	51,816	0.83%
WCAD	2,881,712	268	0.01%	3,083,671	509	0.02%

TAD's 2024 Budget reflects an increase of 2.79% over the previous year. This includes a 4% Merit/Equity/COLA Pool and the addition of two full-time equivalent positions, increasing TAD's total to 216 positions.

The final budget from DCAD was submitted June 15, 2023, and approved unanimously by the Board. DCAD's 2024 Budget reflects an increase of 14.25% over the previous year. Most of the increase is due to the addition of 11 new full-time equivalent positions resulting in a new total of 115. The remainder of the budget increase is attributable to education and training and to technology to address the exponential growth the district has experienced.

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 \$879,536.62 and \$71,463.41 respectively. This Mayor and Council Communication covers the calendar months of January 1, 2024 through December 31, 2024 with nine months falling in the City's current Fiscal Year 2024 and the remaining three months in the City's Fiscal Year 2025.

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.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendations, funds are available in the current operating budget, as previously appropriated, and that upon adoption of the Fiscal Year 2025 Budget by the City Council, funds will be available in the Fiscal Year 2025 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: Reginald Zeno 8517

Originating Business Unit Head: Christianne Simmons 6222

Additional Information Contact: