

City of Fort Worth, Texas

Mayor and Council Communication

DATE: 12/09/25 M&C FILE NUMBER: M&C 25-1112

LOG NAME: 03TARRANT APPRAISAL DISTRICT COSTS 2026

SUBJECT

(ALL) Authorize Payment of the City of Fort Worth's Assessed Pro-Rata Allocation of the Budget of Tarrant Appraisal District for January through December 2026 in an Amount Up to \$4,197,401.46

RECOMMENDATION:

It is recommended that the City Council authorize payment of the City of Fort Worth's assessed pro-rata allocation of the Tarrant Appraisal District's 2026 budget for the months of January through December 2026 in an amount up to \$4,197,401.46.

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. Denton's allocations are in the process of being finalized and will be included in a future Mayor and Council Communication. 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

	2025			2026		
Appraisal District	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%	TBD	TBD	TBD
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%

TAD's Fiscal Year (FY) 2026 budget reflects a 1.46% decrease from the prior year; however, the City of Fort Worth's share has increased due to its growing levy share relative to other taxing entities. This shift is driven largely by the \$40,000.00 increase to the school district homestead exemption, which redirects a greater portion of the allocation toward cities, counties, and other taxing units compared to prior years. This year's overall reduction for the TAD budget follows the unprecedented \$3.6 million increase in the FY2025 budget, which funded critical updates to appraisal software and computer hardware following last year's cyberattack. For FY2026, TAD plans to use reserves to cover costs associated with the Board of Directors' general election, rather than increasing total expenditures.

The appraisal districts operate on a January through December fiscal year. The City will make quarterly payments to TAD in an amount up to \$1,049,350.37 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 and will be budgeted in the General Fund for Fiscal Year 2027 for the FWLab Department, and the Department is responsible for validating the availability of funds.

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

Originating Business Unit Head: Christianne Simmons 6222

Additional Information Contact: