

CITY OF HEATH, TEXAS

ORDINANCE NO. 260811B

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HEATH, TEXAS, LEVYING AN AD VALOREM PROPERTY TAX RATE FOR TAX YEAR 2026 (FISCAL YEAR 2026- 2027) AT THE RATE OF \$0.281436 PER ONE HUNDRED DOLLARS ASSESSED VALUATION OF ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS OF THE CITY FOR THE USE AND SUPPORT OF THE MUNICIPAL GOVERNMENT FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2026, AND ENDING SEPTEMBER 20, 2027; PROVIDING FOR THE APPORTIONING OF SAID LEVY AMOUNT, MAINTENANCE AND OPERATIONS, AND INTEREST AND SINKING FUND; PROVIDING A SEVERABILITY CLAUSE, REPEALING CLAUSE AND AN EFFECTIVE DATE.

WHEREAS, the City of Heath, Texas (the “City”), is authorized by law to levy ad valorem taxes each year upon taxable property within the City’s corporate limits in an amount not to exceed the limits established by the Texas Constitution and the Texas Tax Code; and

WHEREAS, the City Council has conducted a thorough and transparent budget development process for Fiscal Year 2027, including strategic planning, public work sessions, and detailed revenue and expenditure forecasting aligned with the City’s long-term financial goals and capital planning initiatives; and

WHEREAS, the Proposed Budget for FY2027 was filed with the City Secretary on July 11, 2026, in accordance with Section 102.005 of the Texas Local Government Code and has been made available for public inspection, ensuring compliance with all legal notice requirements; and

WHEREAS, the City has conducted all required public hearings on the Proposed Budget and the Proposed Tax Rate and gave all interested persons the opportunity to provide input on the proposed tax rate, including public notices and Truth-in-Taxation compliance as required by Chapter 26 of the Texas Tax Code; and

WHEREAS, the Rockwall Central Appraisal District has provided the certified taxable assessed valuation for the City of Heath in accordance with statutory deadlines, and the City has calculated its No-New-Revenue Tax Rate and Voter-Approval Tax Rate as required by law; and

WHEREAS, the proposed ad valorem tax rate for FY2027 of \$0.281436 per \$100 of taxable assessed valuation includes a Maintenance and Operations (M&O) rate of \$0.202310 and an Interest and Sinking (I&S) rate of \$0.079126, which will generate revenue sufficient to fund municipal services and meet scheduled debt service obligations

for outstanding bonds and certificates of obligation; and

WHEREAS, the City has adopted a senior tax freeze pursuant to Section 1-b(h) of Article VIII of the Texas Constitution and applicable provisions of the Tax Code, which limits ad valorem taxes for residents age 65 and older to the amount paid in the year their freeze was established, resulting in a significant portion of the City's tax base being exempt from annual valuation increases; and

WHEREAS, the City has carefully evaluated the financial impact of the proposed tax rate on the overall fund structure and has determined that the tax rate, as adopted, will maintain a structurally balanced budget, preserve the minimum required fund balances for the General and Utility Funds, and provide for sustainable service delivery to residents; and

WHEREAS, the adoption of the tax rate is necessary to provide for essential services including public safety, street maintenance, water and wastewater infrastructure, parks and recreation, community development, and administrative operations; and

WHEREAS, the City Council finds that the adoption of this ordinance is in the best interest of the residents of the City of Heath and is necessary to promote the public health, safety, and welfare.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HEATH, TEXAS:

SECTION 1: The findings set forth above are incorporated into the body of this Ordinance as if fully set forth herein.

SECTION 2: That there is hereby levied and shall be assessed and collected for the use and support of the municipal government of the City of Heath, Texas, and to provide for the payment of debt service for the fiscal year beginning October 1, 2026, and ending September 30, 2027, upon all taxable property, real and personal, within the corporate limits of said City on January 1, 2026, and not exempt by the Constitution of the State of Texas and duly enacted legislation, a total tax rate of **\$0.281436 per \$100.00 of taxable assessed valuation**, which rate is apportioned as follows:

- **\$0.202310 per \$100 of taxable valuation** for the **maintenance and operation** of the City government and support of its general fund services; and
- **\$0.079126 per \$100 of taxable valuation** for the **payment of principal and interest** on the City's outstanding general obligation bonds and certificates of obligation (the Interest & Sinking Fund).

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 8.75 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$16.28.

SECTION 3: Taxes levied under this ordinance shall become due and payable on October 1, 2026. If not paid on or before January 31, 2027, such taxes shall become delinquent and shall incur all penalties and interest authorized by state law, including but not limited to those imposed by Sections 33.01 and 33.07 of the Texas Tax Code.

SECTION 4: All taxes levied by this ordinance shall become a lien upon the property against which is assessed, and the City shall have all the rights and remedies provided by law to enforce the collection of such taxes, including the right to enforce the lien by foreclosure and to recover the interest and penalties authorized by law.

SECTION 5: If any section, paragraph, clause, or provision of this ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this ordinance, and it is hereby declared to be the intention of the City Council that the remainder of the ordinance shall be and remain in full force and effect.

SECTION 6: All ordinances or parts of ordinances in conflict with this ordinance are hereby repealed to the extent of such conflict. This repeal shall not be construed to revive any ordinance or part thereof that has been previously repealed.

SECTION 7: It is hereby declared to be the intention of the City Council that the words, phrases, clauses, sentences, paragraphs and sections of this Ordinance are severable, and if any word, phrase, clause, sentence, paragraph or section of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining words, phrases, clauses, sentences, paragraphs and sections

of this Ordinance, since the same would have been enacted by the City Council without the incorporation of this Ordinance or any such unconstitutional word, phrase, clause, sentence, paragraph or section.

SECTION 8: The City Secretary is hereby directed to publish the caption and effective date of this ordinance in the official newspaper of the City of Heath, as required by the City Charter and applicable state law.

SECTION 7: This ordinance shall become effective immediately upon its passage and publication as provided by law

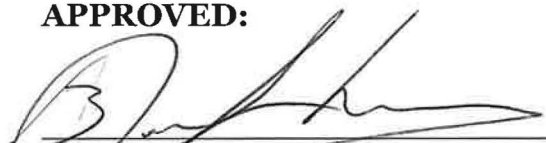
PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HEATH, TEXAS, by a vote of 7 FOR, 0 AGAINST, and 0 ABSTENTIONS on this the 11th day of August 2026.

Council Member:	For:	Against:	Abstain:
Mayor Jeremiah McClure	<u>✓</u>	<u> </u>	<u> </u>
Mayor Pro Tem Scott Dodson	<u>✓</u>	<u> </u>	<u> </u>
Councilmember Cindy Horne	<u>✓</u>	<u> </u>	<u> </u>
Councilmember Johnny Myers	<u>✓</u>	<u> </u>	<u> </u>
Councilmember Ryan Moorman	<u>✓</u>	<u> </u>	<u> </u>
Councilmember Michelle Thurgood	<u>✓</u>	<u> </u>	<u> </u>
Councilmember Mitch Ownby	<u>✓</u>	<u> </u>	<u> </u>

ATTEST:


NORMA DUNCAN, CITY SECRETARY

APPROVED:


JEREMIAH MCCLURE, MAYOR

APPROVED TO FORM:


MARIE JOHNSON, ASSISTANT CITY ATTORNEY

