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**NEWS
RELEASE**

07/31/2025

City Proposes to Lower Property Tax Rate for Fiscal Year 2026

Tax Bills May Still Increase Due to Rising Home Values; City Debt Continues to Decline

EL PASO, Texas—The City of El Paso is proposing to reduce its property tax rate for Fiscal Year 2026 to \$0.759649 per \$100 of valuation, the lowest rate in a decade. However, due to rising home values, some residents may still see an increase in their annual property tax bill.

“Lowering the tax rate while continuing to provide stable, high-quality services reflects our commitment to strong financial stewardship,” said City Manager Dionne Mack. “Our focus remains on delivering consistent, reliable services to the community while managing resources responsibly.”

According to certified values received in late July, the average taxable value of a home in El Paso rose from \$209,718 to \$221,191, resulting in an average tax bill increase of \$83 per year, or roughly \$7 per month, despite the reduction in the tax rate.

Key Budget and Tax Highlights:

- **Lowest Tax Rate in Over a Decade:** Reduced from \$0.761405 to \$0.759649, including a lowered debt service rate.
- **Debt Reduction:** The City’s outstanding debt continues to decline, with a projected drop of \$100 million compared to FY 2025—continuing a multi-year trend of responsible debt management and refinancing.
- **Tax Relief for Seniors and Individuals with Disabilities:** The Over 65/Disabled exemption will increase from \$42,500 to \$45,000, providing additional savings to over 57,000 homesteads.
- **Investments in Public Safety and Infrastructure:** The budget includes increasing staffing for police officers, firefighters, and 911 Communications, two new fire stations, a new health clinic, and maintains \$10 million in street resurfacing, with additional allocations for facility repairs and park improvements.
- **Restored Funding for Key Services:** The proposed budget partially restores funding for vacant positions and facility improvements that were previously reduced due to past fiscal constraints.

The FY 2026 proposed budget totals approximately \$1.4 billion, with \$625.7 million allocated to the General Fund, which is primarily funded through property tax revenue. The City’s budget reflects community input gathered through surveys and public meetings held throughout the spring and summer.

Upcoming Budget Hearings

- August 12, 2025 – Public Hearing on the Proposed Tax Rate
- August 18, 2025 – Public Hearing on the Proposed Budget
- August 19, 2025 – City Council Vote on Budget and Tax Rate Adoption

Residents are encouraged to learn more about the proposed budget and its impact by visiting: www.ElPasoTexas.gov/OMB/Tax-and-Budget

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Promoting **Transparent & Consistent Communication**
Among All Members of the Community

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