



Agenda Item Report

Legislative Board: City Council
Date: July 21, 2026
Contact: Micah Grau
Agenda Item ID / Number: 2026-577- / 1.8

ITEM TITLE: Deliberation and possible action to adopt a Resolution authorizing the Hays Central Appraisal District to purchase land and construct improvements to establish and operate the appraisal district office (City Manager Micah Grau) [PUBLIC TESTIMONY]

1. EXECUTIVE SUMMARY

Hays Central Appraisal District is seeking approval from the various taxing entities of Hays County to purchase land and to construct a new office to meet their growing demands. Approval of this resolution is required for HCAD to proceed with this expansion.

2. BACKGROUND/HISTORY

HCAD currently operates at a facility located on property owned by Hays CISD at 21001 N IH 35, Kyle. HCAD states that in order to process the 55,000 protests each year, more space is needed for the appraisal review board panels and district staff.

HCAD is requesting that taxing entities provide their response on or before August 1 due to a statutory deadline.

This resolution was denied by some taxing entities including Hays County, City of Dripping Springs, and City of Kyle.

3. ANALYSIS

HCAD has completed a facility feasibility study. The plan is to purchase land in east Kyle to construct a new 26,000 square foot office with an estimated cost of \$15 million utilizing a 25-year financing note.

Texas Property Tax Code Section 6.051 requires an approval of 75% of the governing bodies of taxing entities before an appraisal district to purchase property.

No action by the City Council is considered approval.

4. FINANCIAL IMPACT

The estimated annual impact for the note is an increase to the HCAD budget of \$1,100,000 annually for the 25-year term. The operating and facility costs of the HCAD are split on pro-rata basis across the various taxing entities based on each entities' assessed tax roll value. Buda's share is estimated to increase approximately \$17,000 as a result of the new facility, increasing from \$80,088 to an estimated \$97,729 for FY 2027.

5. STRATEGIC PLAN/GOALS

OTHER

6. STRATEGIC PLAN OBJECTIVES

Not applicable.

7. PROS AND CONS

Pros: approval of the Resolution lends support to the City's partner organization, Hays Central Appraisal District, and supports their effort to acquire land and construct a facility in order to improve customer service.

Cons: a new facility will increase the operational costs of HCAD requiring additional amounts due from all of the taxing entities, including the City of Buda.

8. ALTERNATIVES

Because this item is approved with no action, two resolutions have been provided, one for approval and one for denial. The denial resolution was modeled after a similar option provided to the Hays County Commissioner's Court.

9. REQUESTED ACTION / SUGGESTED MOTION / RECOMMENDATION

Staff does not have a recommendation.

Attachments:

[Resolution - Approval - Hays Central Appraisal District.docx](#)

[Resolution - Denial - Hays Central Appraisal District.docx](#)

[Hays CAD Feasibility Study_Board Report.pdf](#)

[2026 HAYS CAD_CBU REQUEST FOR APPROVAL.pdf](#)