

Action Item

Date: August 29, 2016

Division: Finance

Subject: Adoption of 2016-17 Tax Rate for the Collection of Ad Valorem Taxes

Background Information:

- The 2016-17 Tax Rates needed to support the Maintenance & Operations budget and Debt Service budget are presented for Board consideration. Although the tax rate is considered one rate when sent to the taxpayer, it contains two parts—The M & O portion used to support the district operations for the current year and the Debt Service rate (also called the Interest & Sinking or I & S) portion dedicated to retiring bonds previously approved by LISD voters.
- **The M & O rate is recommended to remain at last year's rate of \$1.04.** This rate is capped by law and cannot be exceeded without voter approval.
- **The I & S rate is recommended at \$0.38.** This represents a 5.673 cent decrease from last year's tax rate. This rate is the rate that was published in the Notice of Public Hearing to Discuss Budget and Proposed Tax Rate as discussed at the August 1st workshop.
- **The total tax rate for 2016-17 is recommended to be \$1.42 per \$100 in taxable value, a decrease of \$0.05673 from the previous year.**

Administrative Consideration:

- Texas law requires that the district inform the community that the total tax rate being adopted, \$1.42 per \$100 valuation will actually raise more taxes than the rate adopted last year. The law also specifies language that must be included in the Ordinance used to adopt the tax rate.

Strategic Design:

- Strategic Design goals 1-7

Recommendations:

- That the 2016-17 tax rate ordinance be adopted as presented.

Timeline/Report:

- The tax rate must be adopted by the end of September in order for the Denton County Tax office to send out tax bills in a timely manner.

LEWISVILLE INDEPENDENT SCHOOL DISTRICT

**AN ORDINANCE FIXING AND LEVYING SCHOOL DISTRICT AD
VALOREM TAXES:**

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE
LEWISVILLE INDEPENDENT SCHOOL DISTRICT THAT:**

There is hereby levied and ordered to be assessed and collected for the year 2016, and for each year thereafter until it be otherwise provided and ordained, an ad valorem tax at the rate of \$1.4200 shall be levied on each One Hundred Dollars (\$100.00) valuation. It is further ordered that, as one of the two components of the above tax rate, \$1.0400/\$100 is hereby separately approved and levied for the maintenance and operation of the schools within the Lewisville Independent School District (the "District").

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

**THE TAX RATE WILL EFFECTIVELY BE RAISED BY 6.15 PERCENT
AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON
A \$100,000 HOME BY APPROXIMATELY \$63.92; and**

It is further ordered that, as the other of the two components of the above tax rate, \$0.3800/\$100 is hereby separately approved and levied for the purpose of paying principal and interest on debts of the District.

PASSED, ADOPTED AND ORDAINED by the Board of Trustees, at a meeting at which a quorum was present and a majority of the Trustees voting for and at which meeting this Ordinance, in written form, was before the Board at the time of its adoption on the 29th day of August, 2016.

LEWISVILLE INDEPENDENT SCHOOL DISTRICT

APPROVED:

ATTEST:

Trisha Sheffield, President
Board of Trustees

Kristi Hassett, Secretary
Board of Trustees