



BOARD OF SCHOOL TRUSTEES

KELLER INDEPENDENT SCHOOL DISTRICT

10D. Action

Date: August 27, 2009

SUBJECT: APPROVAL OF TAX LEVY ORDINANCE FOR 2009-10 FISCAL YEAR

BOARD GOAL: All systems in the Keller Independent School District will be effective, efficient and accountable in support of the district's mission.

FISCAL NOTE: Revenue from Local Taxes

Background Information:

1. Tax rate must be set before September 30
2. Required Ordinance to set tax rate
3. The Ordinance must include the individual Maintenance and Operations (M&O) rate, Debt Service (I&S) rate and the combined rate.
4. House Bill (H.B.) 2291, 81st Texas Legislature, Regular Session amends Tax Code Section 26.05(b) by changing the wording of the motion used to adopt a tax rate that exceeds the effective tax rate. The wording for an ordinance, resolution or order now must indicate an increase in the "tax rate", not "taxes" as was previous law, and give the percentage increase the proposed rate is above the effective tax rate. The percentage increase is also included in the written ordinance, resolution or order and on the home page of any Internet web site operated by the unit.

Administrative Considerations:

1. The total effective tax rate for the 2009-2010 fiscal year is \$1.4561. The tax rate recommended to be adopted is \$1.4863 and will exceed the effective rate by 2.7%.
2. The General Fund rate is being recommended to be set at \$1.04 which represents no increase in the M&O rate from last year.
3. Set the Debt Service Tax Rate at \$0.4463 and utilize \$5,542,436 from the Debt Service fund balance to support the district's 2009-2010 fiscal year debt service obligations for previously approved bonds voted by the public. This rate is \$0.0694 above last year's \$0.3769 rate. The rate increase is due to the bond election passed in November of 2008.

4. Because the dollars generated from this year's rate will be greater than last year's rate, additional wording will be required for the ordinance. The wording is as follows:

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

5. The wording that will need to be posted on the district's web-site if the proposed rate is adopted will be as follows:

KELLER INDEPENDENT SCHOOL DISTRICT ADOPTED A TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

Communication Deployment:

- Board Meeting Minutes
- Newspaper Notification
- Web posting

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The administration recommends the Board of Trustees approve the Tax Levy Ordinance for the 2009-2010 school year that establishes the combined tax rate of \$1.4863 of which \$1.04 will be for Maintenance and Operations and \$0.4463 will be for Debt Service and use \$5,542,436 from the interest earned from the District's Bond funds.

Respectfully submitted,

Kent Morrison
Chief Financial Officer