

AGENDA

ITEM

SUBJECT: Consider Approval of Proposed 2019 Tax Rate

RATIONALE:

The Board is required to approve the proposed tax rate prior to the district advertising the Public Hearing to discuss the tax rate.

The approved Graham ISD tax rate for 2018 was:

- Maintenance and Operations: \$1.04
- Interest in Sinking (Debt Service): \$0.37
- Total Tax Rate: \$1.347

During the budget workshop at our July meeting, we discussed the tax rate compression requirements of HB3. Additionally, the board was provided projections for our debt service payments and the impact this may have on future I&S tax rates and the I&S fund balance. For the past several years, the district has used a small percentage of the I&S fund balance toward the annual debt service payment to avoid increasing the I&S tax rate.

Since our last meeting, the district has received our certified values from the appraisal district. Our values have increased by approximately \$11 million. Based on this, we project the the shortfall in the I&S tax collections to be less that previously estimated.

RECOMMENDATION:

The administration recommends setting the proposed 2019 tax rate as follows:

- Maintenance and Operations: \$0.97
- Interest in Sinking (Debt Service): \$0.307
- Total Tax Rate: \$1.277

CONTACT PERSON(S):

Sonny Cruse
Don Davis