

Action Sheet

MEETING DATE:

August 4, 2021

AGENDA ITEM:

Consider Approval of 2021 Proposed Tax Rate to be Published in Notice of Public Hearing

According to the Texas Comptroller of Public Accounts, a proposed tax rate must be adopted by the Board of Trustees prior to publishing the Notice of Public Meeting to Discuss Budget and Proposed Tax Rate. As part of HB 3, the 86th Legislature compressed maintenance and operations (M&O) tax rates for school districts. TEA calculates a Maximum Compressed Rate for M&O after Certified Property Values are received from local appraisal districts, and districts must wait for TEA's approval before adopting M&O rates. If values grow by >2.5%, the formula will restrict the Tier 1 tax levy to no more than 2.5% more than the prior year. GISD's 2021 M&O tax rate is summarized as follows:

- Maximum Compressed Rate \$0.8220 (Approved by TEA 7-26-2021)
- Golden Pennies \$0.06
- Copper Pennies \$0.00
- 2021 Proposed M&O Rate \$0.8820

By law, districts are allowed to levy an Interest and Sinking (I&S) tax rate that will cover the annual debt service on their bonds. GISD's total proposed tax rate for 2021 is below:

Maintenance and Operations:	\$0.8820 (a decrease of \$0.0494 from the prior year)
Interest and Sinking Fund:	<u>\$0.0812 (a decrease of \$0.0138 from the prior year)</u>
Total Proposed Rate	<u>\$0.9632 (a decrease of \$0.0632 from the PY)</u>

The Tax Rate Calculation Worksheet and Certified Property Values are attached for your review. The Galveston County Tax Office is responsible for GISD's Truth in Taxation calculations after obtaining certain information from the Assistant Superintendent of Business and Operations.

RECOMMENDATION:

I move that the board approve \$0.8820 for maintenance and operations and \$0.0812 for interest and sinking for a total 2021 proposed tax rate of \$0.9632 to be published in the Notice of Public Meeting to discuss budget and tax rate.

Dr. Jerry Gibson
Superintendent

Connie Morgenroth
Asst. Superintendent of Business and Operations