New Requirement from SB 1453 (2025)

Motion Language to Approve a Proposed Interest & Sinking Rate for Debt Service that Exceeds the Minimum Amount Required

Pursuant to Texas Tax Code §26.05(a-1), the Board of Trustees must first approve the proposed interest and sinking (I&S) tax rate used to pay debt service that exceeds the minimum debt service tax rate prior to adopting the tax rate. The following motion must be read aloud and must receive a 60 percent approval from the members of the board.

I move that San Elizario Independent School District approve the proposal of an interest and sinking (I&S) rate to pay debt service that exceeds the minimum debt service tax rate as defined by the Texas Tax Code and the Texas Education Code. The Board finds that the District's minimum debt service tax rate is ***$0.1912*** *per $100 valuation, and that the proposed interest and sinking tax rate of* ***$0.20350*** *used to pay debt service exceeds the minimum debt service tax rate by* ***$0.0123*** *per $100 valuation. Additional revenue generated by the proposed rate will be used for lawful debt service purposes, including:*

The excess revenue collected from the proposed rate will be used to restore the Interest and Sinking Fund balance to an adequate level and ensure sufficient resources are available for the timely payment of the District's outstanding debt obligations.

Example uses of excess revenues for motion language

- early defeasance or retirement of outstanding bonded indebtedness;
- establishment or maintenance of prudent debt service reserves;
- reduction of future interest costs to District taxpayers;
- mitigation of future tax rate volatility;
- payment of scheduled or anticipated debt obligations.