Approval of Tax Rate Ordinance

September 22, 2026

SUMMARY:

This item requests approval of the Tax Rate Ordinance for 2026.

PREVIOUS BOARD ACTION:

This item is routinely acted upon each year.

BACKGROUND INFORMATION:

The Board reviewed preliminary values for the 2026-2027 school year as part of its budget presentations. These preliminary values are subject to change after the appraisal district conducts its appraisal review board hearings. The certified values are typically received by entities by July 25th. The appraisal roll, as presented by the Denton County Appraisal District, must then be approved by the Board of Trustees.

The certified collection rate is used in the tax rate calculations. The District routinely recommends a 100% collection rate since overall collections generally range around this figure. A district may not certify a collection rate greater than 100%.

The District must authorize someone to calculate and certify the District's voter approval tax rate. For the past several years, this has been the Denton County Tax Assessor/Collector. Provision for this function was included in the tax collection contract with the county that was approved by the Board and signed on June 10, 2025.

The District must adopt the tax rate by September 30, 2026 or 60 days after receiving the certified appraisal roll, whichever date is later.

SIGNIFICANT ISSUES:

The proposed tax rate is as follows:

M & O	$ 0.6728
Debt Service	$ 0.4800
Total	$ 1.1528

FISCAL IMPLICATIONS:

Beginning in the 2020 tax year, a school district's Tier 1 M&O tax rate is calculated and set by the Texas Education Agency. Denton ISD received a calculated Tier 1 rate of $0.5628 for tax year 2026. The Tier 2 rate will remain at $0.11. The debt service rate portion is the tax rate necessary to pay the school's debt payments in the coming year. The debt rate remains at $0.48. The 2026 voter approval rate is $1.1528.

PUBLIC COMMENT RECEIVED:

A Public Hearing was held on June 9th to discuss the proposed tax rate.

SUPERINTENDENT'S RECOMMENDATION:

This year's voter approval tax rate was calculated at $1.1528. Recommend approval of the Ordinance Setting the Tax Rate for 2026.

"I move that the property tax rate be increased by the adoption of a tax rate of $1.1528, which is effectively a 7.8% percent increase in the tax rate."

Additional Comments: The proposed tax rate is not increasing by 7.8% over the prior year adopted tax rate. This motion (required by law to be stated) represents the increase as compared to the No-New-Revenue Tax Rate. The No-New-Revenue Tax Rate is the rate that would produce the same amount of taxes if applied to the same properties taxed in both years. It is essentially the tax rate that would produce the same revenue as the prior year.

STAFF PERSONS RESPONSIBLE:

Dr. Jeremy Thompson, Deputy Superintendent
Jennifer Stewart, Chief Financial Officer

ATTACHMENT:

Ordinance Setting the Tax Rate
Taxpayer Impact Statement

APPROVAL:
Signature of Staff Member Proposing Recommendation: ______________________________
Comments:______________________________

Signature of Divisional Leader: ______________________________
Comments:______________________________

Signature of Superintendent: ______________________________
Comments:______________________________