



ALEDO ISD BOARD MEETING TEMPLATE

MEETING DATE: August 23, 2021

AGENDA ITEM: Consider Approval of Adoption of Tax Rate for the 2021-2022 Fiscal Year

PRESENTER: Earl Husfeld, Chief Financial Officer

BACKGROUND INFORMATION:

- After adoption of the fiscal year budget, the Board of Trustees must adopt a tax rate through the adoption of an ordinance, resolution, or order.
- The tax rate consists of two components, Maintenance and Operations (M&O) and Interest and Sinking (I&S).
- The following ordinance provides for the levying and assessing of ad valorem taxes for the Aledo Independent School District for tax year 2021.
- The ordinance establishes a total tax rate of \$1.3929 per one hundred dollars of value, with \$0.9679 being allocated to the General Fund (M&O) and \$0.4250 allocated to the Debt Service Fund (I&S).
- The proposed total tax rate of \$1.3929 is the tax rate needed to fund the 2021-2022 fiscal year budget approved by the Board of Trustees during the meeting this evening.
- The proposed tax rate of \$1.3929 is a decrease of \$0.0868 from the 2020 tax rate of \$1.4797.
- Although the proposed tax rate of \$1.3929 is actually \$0.0868 less than the 2020 tax rate, state law requires that the motion for the adoption of the tax rate states that the 2021 proposed tax rate is a 0.70 percent “increase” in the tax rate. See the wording of the recommendation below. Attached for your review is a worksheet showing the required calculations that determined this “increase.”

FISCAL INFORMATION:

The proposed tax rate is the tax rate needed to fund the 2021-2022 fiscal year budget.

ATTACHMENTS:

An Ordinance Levying and Assessing Ad Valorem Taxes for the Aledo Independent School District for the 2021 Tax Year and Worksheet for Determination of Steps Required for Adoption of Tax Rate

ADMINISTRATIVE RECOMMENDATION:

The Administration recommends the Board of Trustees move that the property tax rate be increased by the adoption of a tax rate of \$1.3929, which is effectively a 0.70 percent increase in the tax rate and adopt the following ordinance levying and assessing ad valorem taxes for the Aledo Independent School District for the 2021 tax year. This ordinance sets the 2021 total tax rate at \$1.3929 per one hundred dollars of valuation, of which \$0.9679 is allocated to the General Fund and \$0.4250 is allocated to the Debt Service Fund.

**AN ORDINANCE LEVYING AND
ASSESSING AD VALOREM TAXES FOR THE
ALEDO INDEPENDENT SCHOOL DISTRICT
FOR THE 2021 TAX YEAR**

Whereas, the Board of Trustees of the Aledo Independent School District hereby levies and adopts a tax rate on each one hundred dollars (\$100.00) of assessed valuation on all property, real and personal, situated in the Aledo Independent School District for tax year 2021, except such property as may be exempt from taxation by the Constitution and Statues of the State of Texas, and policies of the Aledo Independent School District; and,

Whereas, the Board of Trustees of the Aledo Independent School District has adopted the 2021-2022 fiscal year budget for the General Fund; and,

Whereas, the Board of Trustees of the Aledo Independent School District has also adopted the 2021-2022 fiscal year budget for the Debt Service Fund, which provides for the repayment of principal, interest, and fees on bonded indebtedness of the District; and,

Whereas, the total tax rate proposed to fund these budgets is less than the voter-approval rate for the 2021-2022 fiscal year; and,

Whereas, all required notices and advertisements relating to the adoption of the tax rates have been posted and printed; and,

Whereas, this meeting has been duly posted for more than 72 hours; therefore,

BE IT RESOLVED AND ORDAINED, the Board of Trustees of the Aledo Independent School District does hereby adopt the tax rates for the local taxes to fund the General Fund budget and the Debt Service Fund budget as follows:

Maintenance and Operations Tax Rate	\$ 0.9679
Interest and Sinking Tax Rate	<u>\$ 0.4250</u>
Total Tax Rate	<u>\$ 1.3929</u>

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

This vote being taken on the 23rd day of August 2021, received a recorded vote of _____ AYES and _____ NAYS.

APPROVED:

ATTEST:

President, Board of Trustees

Secretary, Board of Trustees

Section 26.05(b) of Property Tax Code
Worksheet for Determination of Steps Required for Adoption of Tax Rate
Aledo Independent School District

Date: 08/18/2021 04:44 PM

M&O Tax Increase in Current Year	
1. Last year's taxable value, adjusted for court-ordered reductions. Enter Line 8 of the No New Revenue Tax Rate Worksheet.	\$3,772,796,674
2. Last year's M&O tax rate.	\$1.054700
3. M&O taxes refunded for years preceding tax year 2020.	\$0
4. Last year's M&O tax levy. Multiply line 1 times line 2 and divide by 100. To the result, add line 3.	\$39,791,687
5. This year's total taxable value. Enter line 20 of the No New Revenue Tax Rate Worksheet.	\$4,251,570,351
6. This year's proposed M&O tax rate Enter the proposed M&O tax rate approved by the Governing Body.	\$0.967900
7. This year's M&O tax levy. Multiply line 5 times line 6 and divide by 100.	\$41,150,949
8. M&O Tax Increase (Decrease). Subtract line 4 from line 7.	\$1,359,262
Comparison of Total Tax Rates	
9. No New Revenue Total Tax Rate.	\$1.383166
10. This year's proposed total tax rate.	\$1.392900
11. This year's rate minus no new revenue rate. Subtract line 9 from line 10.	\$0.009734
12. Percentage change in total tax rate. Divide Line 11 by line 9.	0.70%
Comparison of M&O Tax Rates	
13. No New Revenue M&O Tax Rate.	\$1.090300
14. This year's proposed M&O tax rate.	\$0.967900
15. This year's rate minus no new revenue rate. Subtract line 13 from line 14.	\$-0.122400
16. Percentage increase/decrease. Divide line 15 by line 13.	-11.23%
Raised M&O Taxes on a \$100,000 Home	
17. This year's taxable value on a \$100,000 home.	\$100,000
18. Last year's M&O tax rate.	\$1.054700
19. This year's proposed M&O tax rate.	\$0.967900
20. This year's raised M&O taxes. Subtract line 18 from line 19 and multiply result by line 17. Divide by 100.	\$-86.80
21. Percentage increase/decrease. Divide line 20 by line 18. Divide by 10.	-8.23%