

Certification of Appraisal Roll, Collection Rate, And Voter Approval Tax Rates

September 10, 2019

SUMMARY:

This item requests approval of the certified appraisal roll, the collection rate, and confirmation of the District's voter approval tax rate.

PREVIOUS BOARD ACTION:

This item is routinely acted upon each year. For the 2018-2019 school year, this item was approved at the September 11, 2018 board meeting. The 2019-2020 contract with Denton County was approved on August 27, 2019.

BACKGROUND INFORMATION:

The Board reviewed preliminary values for the 2019-2020 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 were due to entities by July 25, 2019. The appraisal roll, as presented by the Denton Central 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 August 27, 2019.

SIGNIFICANT ISSUES:

The certified appraisal roll freeze adjusted taxable value for the 2019-2020 school year is \$17,690,221,785. The appraisal roll under review freeze adjusted taxable value is \$339,546,616 for a total of \$18,029,768,401. This represents an 11.85% increase or an increase of \$1,910,765,060 in value for the upcoming year.

FISCAL IMPLICATIONS:

Approval of the appraisal roll will allow the District to begin its process of taxation by having an official roll upon which it can levy taxes.

House Bill 3, 86th Legislature: Beginning in the 2019 tax year, a school district's Tier I M & O tax rate is the lesser of \$1.00 or the total number of cents levied by the district for M & O in 2018 multiplied by the state compression percentage of 93 percent. In 2018, the Tier I M & O rate was \$1.00, reducing the rate to \$0.93. The voter approval tax rate is set to the sum of \$0.93 plus: the greater of 4 cents or the district's enrichment tax rate after tax compression. In 2018, the enrichment tax rate was \$0.06. The debt service rate portion is the tax rate necessary to pay the school's debt payments in the coming year. House Bill 3 makes no changes to the calculation of a district's debt service tax rate. The 2019 voter approval rate is \$1.4982.

The notice of public meeting to discuss budget and proposed tax rate was published timely prior to the approval of the budget. The notice does not require a second publication unless the tax rate will be set to exceed the amounts published. The rates that were published are the proposed rates of \$1.06 for M & O and \$.48 for Debt Service.

SUPERINTENDENT'S RECOMMENDATION:

Approve the 2019 Certified Appraisal Roll, tax collection rate at 100%, and confirm the voter approval tax rate of \$1.4982.

STAFF PERSONS RESPONSIBLE:

Debbie Monschke, Assistant Superintendent of Administrative Services
Jennifer Stewart, Director of Budget

ATTACHMENT:

- Letters of Approval and Certification
- Certification of 2019 Roll
- Order Approving Appraisal Records For 2019
- Certification of 2019 and Prior Year Supplemental Roll
- 2019 Certified Totals
- 2019 Effective and Voter Approval Tax Rate Worksheets
- Notice of Public Meeting to Discuss Budget and Proposed Tax Rate

APPROVAL:

Signature of Staff Member Proposing Recommendation: _____

Comments: _____

Signature of Divisional Leader: _____

Comments: _____

Signature of Superintendent: _____

Comments: _____