

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

September 26, 2023

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 2022-2023 school year, this item was approved at the September 27, 2022 board meeting.

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 10, 2021.

BACKGROUND INFORMATION:

The Board reviewed preliminary values for the 2023-2024 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 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%.

SIGNIFICANT ISSUES:

The certified appraisal roll limit adjusted taxable value for the 2023-2024 school year is \$28,556,995,922. This represents a 14.90% increase or an increase of \$3,703,498,931 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.

Senate Bill 2, 88th Legislature: SB 2 requires additional tax rate compression as property values continue to grow. The additional compression applies to the Tier 1 portion of our M&O tax rate.

Senate Bill 2 also increases the homestead exemption from \$40,000 to \$100,000.

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 \$.6192 for tax year 2023. The Tier 2 portion remains at \$.06. The debt service rate portion is the tax rate necessary to pay the school's debt payments in the coming year. Senate Bill 2 made no changes to the calculation of a district's debt service tax rate. The debt rate remains at \$.48. The 2023 voter approval rate is \$1.1592.

The notice of public meeting to discuss budget and proposed tax rate was published timely prior to the approval of the budget.

SUPERINTENDENT'S RECOMMENDATION:

Approve the 2023 Certified Appraisal Roll, tax collection rate at 100%, and confirm the voter approval tax rate of \$1.1592.

STAFF PERSONS RESPONSIBLE:

Dr. J. Scott Niven, Deputy Superintendent
Jennifer Stewart, Executive Director of Budget

ATTACHMENT:

- Letters of Approval and Certification
- 2023 Certified Totals
- 2023 No-New-Revenue 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: _____