

# Approval of Tax Rate Ordinance

September 8, 2009

## SUMMARY:

This item requests approval of the Tax Rate Ordinance for 2009.

## PREVIOUS BOARD ACTION:

This item is routinely acted upon each year.

## BACKGROUND INFORMATION:

The board reviewed preliminary values for the 2009-2010 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 27, 2009. 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 rollback tax rate. For the past few 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 11, 2009. The District must adopt the tax rate by September 29, 2009 or 60 days after receiving the certified appraisal roll, whichever date is later.

## SIGNIFICANT ISSUES:

The proposed tax rate is as follows:

M & O	\$ 1.040
Debt Service	\$ .450
Total	\$ 1.490

## FISCAL IMPLICATIONS:

House Bill 1, 79<sup>th</sup> Legislature, 3<sup>rd</sup> Called Session: Beginning in the 2006 tax year, a school district at the \$1.50 per \$100 of property value M & O tax rate cap must compress its M & O rate by 88.67 percent, reducing the rate to \$1.33. In 2007 the compression rate was 66.67 percent, reducing the rate to \$1.00. A school district also may adopt a rate up to \$.50 for "new" debt plus a rate for "old" debt. New debt is debt authorized after April 1, 1991 and issued after September 1, 1992; old debt is debt authorized prior to those dates.

## BENEFIT OF ACTION:

Passage will allow the district to notify the Denton County Tax Office of the adopted tax rate so that they may begin preparation of the tax bills. The tax bills must be mailed to each property owner by October 1 or as soon thereafter as practicable.

## PUBLIC COMMENT RECEIVED:

A Public Hearing was held on June 9, 2009 to discuss the budget and proposed tax rate.

## SUPERINTENDENT'S RECOMMENDATION:

This year's proposed tax rate does not exceed the rollback tax rate of \$1.4901 or the effective rate of \$1.575193. Recommend approval of the Ordinance Setting the Tax Rate for 2009.

## STAFF PERSONS RESPONSIBLE:

Debbie Monschke, Executive Director of Administrative Services

## ATTACHMENT:

Ordinance Setting the Tax Rate

## APPROVAL:

Signature of Staff Member Proposing Recommendation: \_\_\_\_\_  
Comments: \_\_\_\_\_

Signature of Divisional Leader: \_\_\_\_\_  
Comments: \_\_\_\_\_

Signature of Superintendent: \_\_\_\_\_  
Comments: \_\_\_\_\_