

# Action Sheet

**MEETING DATE:**

**August 2, 2023**

**AGENDA ITEM:**

**Consider Approval of 2023 Proposed Tax Rate  
to be Published in Notice of Public Hearing**

According to the Texas Comptroller of Public Accounts, a proposed tax rate must be adopted by the Board of Trustees prior to publishing the Notice of Public Meeting to Discuss Budget and Proposed Tax Rate. As part of HB 3, the 86th Legislature compressed maintenance and operations (M&O) tax rates for school districts. TEA calculates a Maximum Compressed Rate for M&O after Certified Property Values are received from local appraisal districts, and districts must wait for TEA's approval before adopting M&O rates. GISD's 2023 M&O tax rate is summarized as follows:

Maximum Compressed Rate	\$0.6192 (Awaiting TEA Approval)
Golden Pennies	\$0.0600
Copper Pennies	<u>\$0.0000</u>
2023 Proposed M&O Rate	\$0.6792

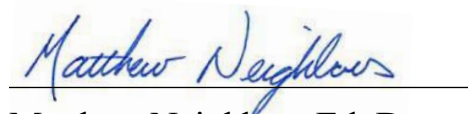
By law, districts are allowed to levy an Interest and Sinking (I&S) tax rate that will cover the annual debt service on their bonds. Over the last two years, GISD has sold \$314.8 million bonds related to Bond 2022 construction projects. GISD's proposed tax rate for 2023 is below:

Maintenance and Operations:	\$0.6792 (a decrease of \$0.1854 from the prior year)
Interest and Sinking Fund:	<u>\$0.1683 (a decrease of \$0.0021 from the prior year)</u>
<b>Total Proposed Rate</b>	<b>\$0.8475 (a decrease of \$.1875 from the prior year)</b>

The 2023 Certified Property Values are attached for your review. Although values increased by 13%, the M&O tax rate decreased due to tax compression and an increase to the homestead exemption enacted by the Texas 88<sup>th</sup> Legislature in a special session in June 2023. The Galveston County Tax Office is responsible for GISD's Truth in Taxation calculations after obtaining certain information from the Chief Financial Officer, who reviews the final worksheets.

**RECOMMENDATION:**

**I move that the board approve \$0.6792 for maintenance and operations and \$0.1683 for interest and sinking for a total 2023 proposed tax rate of \$.8475 to be published in the Notice of Public Meeting to discuss budget and tax rate.**



Matthew Neighbors Ed. D.  
Acting Chief Executive Officer



Jeff Martello  
Chief Financial Officer