



Board Action Required

No Action Required

Date: September 14, 2012

To: CISD Board of Trustees

From: Kelly Penny

CC: Dr. Jeff Turner, Sid Grant

RE: Adoption of 2012-2013 Tax Rates, Maintenance & Operations & Debt Service

2011-2012 Adopted Total Tax Rate \$1.4242

2012-2013 Proposed Total Tax Rate \$1.4188

Below is the motion language that is required for adopting the tax rate since our effective tax rate exceeds the proposed tax rate. The effective rate “is a calculated rate that would provide the school district with about the same amount of revenue it received in the year before, on properties taxed in both years. If property values rise, the effective tax rate will go down and vice versa.”

The calculation of the effective tax rate compared to proposed tax rate is only comparing local taxes, not state aid, or recapture. Therefore, while the property tax values did increase logic would dictate that the M&O tax rate should drop. However, once the loss of state aid and recapture are accounted for, the district will only see an approximate net increase in operating fund revenue of \$250,000.

Additionally, included in the resolution is specific language that must be posted on the District’s homepage website since the proposed tax rate exceeds the effective tax rate.

Board of Trustees Tax Rate Motion and Resolution to be used when Tax Rate exceeds Effective Tax Rate, Texas Tax Code 26.05 (a) and (b)

I. Board Motion When Adopting a Resolution with a Tax Rate that Exceeds the Effective Tax Rate

Motion by Board of Trustee Member:

“I move that the Board adopt a tax rate of \$1.17 for the amount of taxes needed to fund maintenance and operation expenditures for the next year.”

“I move that the Board adopt a tax rate of \$.2488 for the amount of taxes needed to service the District’s debt.”

“I move that the property tax rate be increased by the adoption of a tax rate of \$1.4188, which is effectively a 2.95% percent increase in the tax rate, and that the accompanying Resolution setting the tax rate be passed and adopted by the Board of Trustees.”

II. Tax Rate Resolution When Effective Tax Rate Exceeded and Maintenance and Operations Taxes Exceed Prior Year.

The proposed tax rate Resolution must be used when adopting the District’s tax rate when the following conditions are satisfied:

1. The tax rate to be adopted exceeds the effective maintenance and operations tax rate; and
2. The tax rate to be set, if applied to the total taxable value, will impose an amount of taxes to fund maintenance and operation expenditures of the District that exceeds the amount of taxes imposed for that purpose in the preceding year.

Recommendation: The Board of Trustees adopts the resolution as presented.