

Action Sheet

MEETING DATE:

August 7, 2024

AGENDA ITEM:

Discuss and consider Approval of 2024 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 (MCR) 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. This year, Galveston County Appraisal District submitted a Certified Estimate of Certified Property Values as allowable by law. These values were used to determine the MCR Rate submitted to TEA. GISD's 2024 M&O tax rate is summarized as follows:

Maximum Compressed Rate	\$0.6169
Golden Pennies	<u>\$0.0600</u>
2024 Proposed M&O Rate	\$0.6769

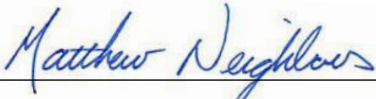
By law, districts are allowed to levy an Interest and Sinking (I&S) tax rate that will cover the annual debt service on their bonds. This year the District plans to defease \$1.4 Million in bonds. The proposed defeasance will strengthen the District's financial position and save taxpayers the payment of interest that would otherwise accrue on said debt. GISD's proposed total tax rate for 2024 is below:

Maintenance and Operations:	\$0.6769 (a decrease of \$0.0023 from the prior year)
Interest and Sinking Fund:	<u>\$0.1680 (a decrease of \$0.0003 from the prior year)</u>
Total Proposed Rate	\$0.8449 (a decrease of \$0.0026 from the prior year)

The 2024 Certified Estimate of Certified Property Values are attached for your review. Although values increased by over 9%, the total tax rate decreased due to tax compression. 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 \$0.6769 for maintenance and operations and \$0.1680 for interest and sinking for a total 2024 proposed tax rate of \$.844900, to be published in the Notice of Public Meeting to discuss budget and tax rate.



Matthew Neighbors Ed. D.
Superintendent



Jeff Martello
Chief Financial Officer