

Approval of Tax Rate Ordinance

August 12, 2025

SUMMARY:

This item requests approval of the Tax Rate Ordinance for 2025.

PREVIOUS BOARD ACTION:

This item is routinely acted upon each year.

BACKGROUND INFORMATION:

The Board reviewed preliminary values for the 2025-2026 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 County 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 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 June 10, 2025.

The District must adopt the tax rate by September 30, 2025 or 60 days after receiving the certified appraisal roll, whichever date is later.

SIGNIFICANT ISSUES:

The proposed tax rate is as follows:

M & O	\$ 0.7269
Debt Service	\$ 0.4800
Total	\$ 1.2069

FISCAL IMPLICATIONS:

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 \$0.6169 for tax year 2025. The Tier 2 rate will remain at \$0.06, unless the Board of Trustees adopts a higher rate that would require voter approval. The debt service rate portion is the tax rate necessary to pay the school's debt payments in the coming year. The debt rate remains at \$0.48. The 2025 voter approval rate is \$1.1569.

Adopting a tax rate that is higher than \$1.1569 will require voter approval. The election would be held on November 4, 2025. An order calling an election must be approved no later than August 18, 2025.

PUBLIC COMMENT RECEIVED:

A Public Hearing was held on August 12, 2025 to discuss the proposed tax rate.

SUPERINTENDENT'S RECOMMENDATION:

This year's voter approval tax rate was calculated at \$1.1569. Recommend approval of the Ordinance Setting the Tax Rate for 2025 above the voter approval tax rate.

"I move that the property tax rate be increased by the adoption of a tax rate of \$1.2069, which is effectively an 2.91% percent increase in the tax rate."

STAFF PERSONS RESPONSIBLE:

Dr. Jeremy Thompson, Deputy Superintendent
Jennifer Stewart, Executive Director of Budget

ATTACHMENT:

Ordinance Setting the Tax Rate

APPROVAL:

Signature of Staff Member Proposing Recommendation: _____

Comments: _____

Signature of Divisional Leader: _____

Comments: _____

Signature of Superintendent: _____

Comments: _____