



Board Action Required

No Action Required

Date: August 19, 2014

To: CISD Board of Trustees

From: Kelly Penny

CC: Dr. Mike Waldrip, Sid Grant

RE: Adoption of 2014-2015 Tax Rates, Maintenance & Operations & Debt Service

2013-2014 Adopted Total Tax Rate \$1.4324

2014-2015 Proposed Total Tax Rate \$1.4490

Below is the motion language that is required for adopting the tax rate due to the effective tax rate exceeding the proposed tax rate. The effective rate “is a calculated tax rate that would provide the school district with approximately the same amount of tax revenue it received in the year before. If property values rise, the effective tax rate will drop and vice versa.”

The calculation of the total effective tax rate compared to the proposed tax rate is only comparing local taxes and does account for state aid, or recapture. Therefore, while the property tax values did increase logic would dictate that the M&O tax rate should drop. However, the calculation does not take into consideration the loss of state aid, the increase in recapture, or the average daily attendance.

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 **\$1.1700** 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 **\$0.2790** 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 **\$1.4490**, which is effectively a 6.82 percent increase in the tax rate, and that the accompanying Resolution setting the tax rate be passed and adopted by the Board of Trustees.”

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