

Action Sheet

MEETING DATE:

August 3, 2022

AGENDA ITEM:

Consider Approval of 2022 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. If values grow by >2.5%, the formula will restrict the Tier 1 tax levy to no more than 2.5% more than the prior year. GISD's 2022 M&O tax rate is summarized as follows:

- Maximum Compressed Rate \$0.8046 (Approved by TEA 7-26-2022)
- Golden Pennies \$0.0600
- Copper Pennies \$0.0000
- 2022 Proposed M&O Rate \$0.8646

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. On August 2, 2022, GISD sold \$235,840,000 in bonds related to Bond 2022 construction projects. GISD's proposed tax rate for 2022 is below:

Maintenance and Operations:	\$0.8646 (a decrease of \$0.0174 from the prior year)
Interest and Sinking Fund:	<u>\$0.1704 (an increase of \$0.0892 from the prior year)</u>
Total Proposed Rate	\$1.0350 (an increase of \$.0718 from the prior year)

The 2022 Certified Property Values are attached for your review. The Galveston County Tax Office is responsible for GISD's Truth in Taxation calculations after obtaining certain information from the Assistant Superintendent of Business and Operations, who reviews the final worksheets.

RECOMMENDATION:

I move that the board approve \$0.8646 for maintenance and operations and \$.1704 for interest and sinking for a total 2022 proposed tax rate of \$1.035 to be published in the Notice of Public Meeting to discuss budget and tax rate.

Connie Morgenroth

Dr. Jerry Gibson
Superintendent

Connie Morgenroth
Asst. Superintendent of Business and Operations