

# **Certification of Appraisal Roll, Collection Rate, And Voter Approval Tax Rates**

September 22, 2020

## **SUMMARY:**

This item requests approval of the certified appraisal roll, the collection rate, and confirmation of the District's voter approval tax rate.

## **PREVIOUS BOARD ACTION:**

This item is routinely acted upon each year. For the 2019-2020 school year, this item was approved at the September 10, 2019 board meeting.

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 August 27, 2019.

## **BACKGROUND INFORMATION:**

The Board reviewed preliminary values for the 2020-2021 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 25<sup>th</sup>. The appraisal roll, as presented by the Denton Central Appraisal District, must then be approved by the Board of Trustees. Due to the hardships placed on the Appraisal District due to the COVID-19 pandemic, certified values were not distributed until September 18, 2020.

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%.

## **SIGNIFICANT ISSUES:**

The certified appraisal roll limit adjusted taxable value for the 2020-2021 school year is \$19,654,094,380. This represents a 9.01% increase or an increase of \$1,624,325,979 in value for the upcoming year.

## **FISCAL IMPLICATIONS:**

Approval of the appraisal roll will allow the District to begin its process of taxation by having an official roll upon which it can levy taxes.

House Bill 3, 86<sup>th</sup> Legislature: HB 3 requires additional tax rate compression as property values continue to grow. The compression applies to the Tier 1 portion of our M&O tax rate. Districts which grow faster than the statewide average growth rate will see their tax rates compressed further so that the district's local collections only increase by 2.5% year over year. 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 \$.8676. The Tier 2 portion remains at \$0.06.

The debt service rate portion is the tax rate necessary to pay the school's debt payments in the coming year. House Bill 3 makes no changes to the calculation of a district's debt service tax rate. The 2020 voter approval rate is \$1.4076.

The notice of public meeting to discuss budget and proposed tax rate was published timely prior to the approval of the budget. The notice did require a second publication after calculations were received from the Texas Education Agency. The rates that were published are the proposed rates of \$0.9276 for M&O and \$.48 for Debt Service.

## **SUPERINTENDENT'S RECOMMENDATION:**

Approve the 2020 Certified Appraisal Roll, tax collection rate at 100%, and confirm the voter approval tax rate of \$1.4076.

## **STAFF PERSONS RESPONSIBLE:**

Dr. J. Scott Niven, Chief Financial Officer  
Jennifer Stewart, Director of Budget

**ATTACHMENT:**

Letters of Approval and Certification  
Certification of 2020 Roll  
Order Approving Appraisal Records For 2020  
Certification of 2020 and Prior Year Supplemental Roll  
2020 Certified Totals  
2020 No-New-Revenue and Voter Approval Tax Rate Worksheets  
Notice of Public Meeting to Discuss Budget and Proposed Tax Rate

**APPROVAL:**

Signature of Staff Member Proposing Recommendation: \_\_\_\_\_

Comments: \_\_\_\_\_

Signature of Divisional Leader: \_\_\_\_\_

Comments: \_\_\_\_\_

Signature of Superintendent: \_\_\_\_\_

Comments: \_\_\_\_\_