

# Approval of Tax Rate Ordinance

June 13, 2017

## SUMMARY:

This item requests approval of the Tax Rate Ordinance for 2017.

## PREVIOUS BOARD ACTION:

This item is routinely acted upon each year.

## BACKGROUND INFORMATION:

The District received preliminary values for the 2017-2018 school year for use in the budget projections. These preliminary values are subject to change after the appraisal district conducts its appraisal review board hearings. The certified values are due to entities by July 25, 2017. The appraisal roll, as presented by the Denton Central 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. A district may not certify a collection rate greater than 100%.

The District must authorize someone to calculate and certify the District's rollback 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 will be presented to the Board on July 25, 2017. The District must adopt the tax rate by September 29, 2017 or 60 days after receiving the certified appraisal roll, whichever date is later.

## SIGNIFICANT ISSUES:

The proposed tax rate is as follows:

M & O	\$ 1.060
Debt Service	\$ .480
Total	\$ 1.540

## FISCAL IMPLICATIONS:

House Bill 1, 79<sup>th</sup> Legislature, 3<sup>rd</sup> Called Session: Beginning in the 2006 tax year, a school district at the \$1.50 per \$100 of property value M & O tax rate cap must compress its M & O rate by 88.67 percent, reducing the rate to \$1.33. In 2007, the compression rate was 66.67 percent, reducing the rate to \$1.00. A school district also may adopt a rate up to \$.50 for "new" debt plus a rate for "old" debt. New debt is debt authorized after April 1, 1991 and issued after September 1, 1992; old debt is debt authorized prior to those dates.

## BENEFIT OF ACTION:

Passage will allow the district to notify the Denton County Tax Office of the adopted tax rate so that they may begin preparation of the tax bills. The tax bills must be mailed to each property owner by October 10<sup>th</sup> or as soon thereafter as practicable.

## PUBLIC COMMENT RECEIVED:

A Public Hearing was held on June 13, 2017 to discuss the proposed tax rate.

## PROCEDURAL AND REPORTING IMPLICATIONS:

The district was notified by TEA of Preliminary Chapter 41 status in May 2017. An Agreement for the Purchase of Attendance Credits (Netting Chapter 42 Funding) will be considered by the Board on July 25, 2017. TEA has authorized the district to proceed with its tax rate adoption process.

## SUPERINTENDENT'S RECOMMENDATION:

This year's rollback tax rate was calculated at \$1.5401 and the effective rate was \$1.1330. Recommend approval of the Ordinance Setting the Tax Rate for 2017.

"I move that this tax rate will raise more taxes for maintenance and operations than last year's tax rate."

## STAFF PERSONS RESPONSIBLE:

Debbie Monschke, Assistant Superintendent of Administrative Services  
Jennifer Stewart, Director of Budget & Payroll

## ATTACHMENT:

Ordinance Setting the Tax Rate  
Letter – TEA: Chapter 41 Intent

## APPROVAL:

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

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

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

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

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

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