

**RIVER ROAD INDEPENDENT SCHOOL DISTRICT
BOARD OF EDUCATION
AMARILLO, TEXAS**

Subject: 2013 Tax Rate Adoption

Date: Monday, August 5, 2013

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Business Manager

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ACTION

BACKGROUND INFORMATION:

On June 24, 2013 the Board of Trustees held the required public hearing for the discussion of the proposed budget for 2013-2014 and of the proposed tax rates for 2013. At that same meeting the Board adopted the budget, but because the school district had not received certified values from the Chief Appraiser of the Potter-Randall Appraisal District, the Board did not adopt the tax rate that evening.

The official certified taxable values for 2013 were received from the Appraisal District on July 19, 2013. The total certified taxable value for 2013 is \$253,288,628 which is \$9,288,628 higher than the estimated values that we had been given in the spring. The value is also \$1,185,348 higher than the certified taxable value from 2012.

Should the Board decide to set an M&O fund tax rate that is higher than the rollback rate of \$1.04, it will automatically require that a Tax Ratification Election be held. There are currently 322 school districts in Texas with rates above \$1.04. Since 2006 when current school taxation laws took effect, there have been 466 Tax Ratification Elections. 73% of those were ratified.

The M&O tax rate that we have advertised is \$1.09. While we have advertised a Debt Service tax rate of \$0.31, we would suggest that you adopt a rate of \$0.26 so that there is **no tax increase to the public**. The increase in the M&O Fund tax rate would generate an additional \$401,720 with over 70% coming from the state.

BOARD ACTION REQUESTED

It is requested that the Board adopt the \$1.09 Maintenance & Operations tax rate for 2013 and the \$0.26 Interest & Sinking Fund tax rate for 2013. These rates combine for a total tax rate of \$1.35 which is the same rate that was adopted last year. It is also requested that the Board issue the BOARD RESOLUTION SETTING THE 2013 TAX RATES that is attached to this agenda item.

The MANDATORY wording of the motion to adopt the tax rates is:

"I move that property tax rate for the 2013 M&O Fund be increased by the adoption of a tax rate of \$1.09 which is effectively a 7.56% increase in the tax rate." "I further move that the property tax rate for the 2013 Debt Service Fund be decreased by the adoption of a tax rate of \$0.26, resulting in a total tax rate of \$1.31, the same total tax rate that was adopted for 2012."