



# Ector County ISD

## Tax Rate

### 2024 – 2025

Presented by: Deborah Ottmers, ECISD Chief Financial Officer

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9/17/2024

## NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE

The Ector County Independent School District will hold a public meeting at 6:00 p.m. Tuesday, June 18, 2024 in the ECTISD Central Administration Office first floor Board Room at 802 N. Sam Houston, Odessa TX. The purpose of this meeting is to discuss the school district's budget that will determine the tax rate that will be adopted. Public participation in the discussion is invited.

The tax rate that is ultimately adopted at this meeting or at a separate meeting at a later date may not exceed the proposed rate shown below unless the district publishes a revised notice containing the same information and comparisons set out below and holds another public meeting to discuss the revised notice.

Maintenance Tax	\$ .7596	/\$100 (Proposed rate for maintenance and operations)
School Debt Service Tax approved by local voters	\$ .2544	/\$100 (Proposed rate to pay bonded indebtedness)

### Comparison of Proposed Rates with Last Year's Budget

The applicable percentage increase or decrease (or difference) in the amount budgeted in the preceding fiscal year and the amount budgeted for the fiscal year that begins during the current tax year is indicated for each of the following expenditure categories:

Maintenance and operations	2.32	%	increase
Debt service	.63	%	increase
Total expenditures	2.12	%	increase

### Total Appraised Value and Total Taxable Value

(as calculated under Section 26.04, Tax Code)

	Preceding Tax Year	Current Tax Year
Total appraised value* of all property	\$ 24,232,771,178	\$ 24,339,746,048
Total appraised value* of new property**	\$ 839,819,651	\$ 1,836,819,063
Total taxable value*** of all property	\$ 18,054,865,100	\$ 17,582,027,735
Total taxable value*** of new property**	\$ 617,331,002	\$ 1,479,809,046

\* "Appraised value" is the amount shown on the appraisal roll and defined by Section 1.04 (8), Tax Code

\*\* "New property" is defined by Section 26.012 (17), Tax Code

\*\*\* "Taxable value" is defined by Section 1.04 (10), Tax Code

### Bonded Indebtedness

Total amount of outstanding and unpaid bonded indebtedness\* \$ 344,365,000

\* Outstanding Principal for 2024/25

### Comparison of Proposed Rates with Last Year's Rates

	Maintenance & Operations*	Interest & Sinking Fund**	Total	Local Revenue Per Student	State Revenue Per Student
Last Year's Rate	\$ .75960	\$ .25440	\$ 1.01400	\$ 5.987	\$ 5.784
Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service	\$ .74974	\$ .24998	\$ .99971	\$ 5.962	\$ 5.778
Proposed Rate	\$ .75960	\$ .25440	\$ 1.01400	\$ 5.963	\$ 5.794

\*\* The Interest & Sinking Fund tax revenue is used to pay for bonded indebtedness on construction, equipment, or both. The bonds, and the tax rate necessary to pay those bonds, were approved by the voters of this district.

### Comparison of Proposed Levy with Last Year's Levy on Average Residence

	Last Year	This Year
Average Market Value of Residences	\$ 202,180	\$ 220,486
Average Taxable Value of Residences	\$ 81,635	\$ 85,984
Last Year's Rate Versus Proposed Rate per \$100 Value	\$ 1.014	\$ 1.014
Taxes Due on Average Residence	\$ 827.78	\$ 871.58
Increase (Decrease) in Taxes		\$ 44.10

Under state law, the dollar amount of school taxes imposed on the residence homestead of a person 65 years of age or older or of the surviving spouse of such a person, if the surviving spouse was 55 years of age or older when the person died, may not be increased above the amount paid in the first year after the person turned 65, regardless of changes in tax rate or property value.

Notice of Voter-Approval Rate: The highest tax rate the district can adopt before requiring voter approval at an election is \$1.014. This election will be automatically held if the district adopts a rate in excess of the voter-approval rate of \$1.014.

### Fund Balances

The following estimated balances will remain at the end of the current fiscal year and are not encumbered with or by a corresponding debt obligation, less estimated funds necessary for operating the district before receipt of the first state aid payment:

Maintenance and Operations Fund Balance(s)	\$ 43,535,927
Interest & Sinking Fund Balance(s)	\$ 4,831,267

A school district may not levy the district's maintenance and operations tax rate to create a surplus in maintenance and operations tax revenue for the purpose of paying the district's debt service.

Visit [Texas.gov/PropertyTaxes](http://Texas.gov/PropertyTaxes) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property. The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

## Property Tax

Based on  
estimated  
property  
values in  
April 2024

Published in  
Newspaper  
on 6/8/24 for  
Budget  
Hearing and  
Adoption

Propose adopting \$1.014 rate

...same rate as prior year

...total tax rate is the same as  
the Voter-Approval rate

...total tax rate is effectively  
higher than the No New  
Revenue tax rate due to value  
increases

# Values and estimated tax

<b>ECISD</b>				
<b>Calcs for Notice</b>				
<b>For year 24/25</b>				
<b>Tax Rate: \$ 1.01400</b>				
		<b>as of July 2023</b>	<b>as of April 2024</b>	
		<b>for 23/24</b>	<b>for 24/25</b>	
		<b>Ector</b>	<b>Ector</b>	
		<b>County</b>	<b>County</b>	
<b>Values:</b>				<b>Difference</b>
Total Market value of All property	\$	24,232,771,178	\$ 24,339,746,048	0.441%
Total Market value of New property	\$	839,819,651	\$ 800,000,000	-4.741%
Net Taxable value of All property	\$	18,054,865,100	\$ 17,582,027,735	-2.619%
Net Taxable value of New property	\$	617,331,002	\$ 600,000,000	-2.807%
<b>Average Residence:</b>				
Market Value average	\$	202,180	\$ 220,486	9.054%
Exemption average (with state & local homestead)	\$	120,545	\$ 134,502	11.578%
Taxable Value average	\$	81,635	\$ 85,984	5.327%
Tax estimate 1.014	\$	827.78	\$ 871.88	\$ 44.10
Tax est for each year's tax rate				
\$100,000 home value				
			\$ 20.00	
			(\$15 M&O & \$5 I&S)	

The \$44 increase is due to a combination of increased average values and increased exemptions which lowered the taxable value.

The \$20 increase is based on a \$100,000 taxable home value.

## Property Tax

Comparison of Proposed Rates with Last Year's Rates					
	Maintenance & Operations*	Interest & Sinking Fund**	Total	Local Revenue Per Student	State Revenue Per Student
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Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service	\$ .74974	\$ .24998	\$ .99971	\$ 5,962	\$ 5,778
Proposed Rate	\$ .75960	\$ .25440	\$ 1.01400	\$ 5,963	\$ 5,794
** The Interest & Sinking Fund tax revenue is used to pay for bonded indebtedness on construction, equipment, or both. The bonds, and the tax rate necessary to pay those bonds, were approved by the voters of this district.					

...even though the total tax rate is the same (\$1.014),

the state considers this an increase

because the No New Revenue tax rate (or the Rate to Maintain Same Level at .99971) calculates at a lower rate.

This occurs due to property value increases.

# Maximum Compressed Rate (MCR)

## ESC 13 template

Appendix

This tab calculated your max M&O tax rate w/o voter approval and what your VATRE would be.

88th Legislature	
SS #2	
	2024-25
1) Compressed Tax Rate (MCR)	0.6213
2) Plus: Greater of (A) or (B):	
(A) Enrichment Tax Rate for Preceding Year	0.1383
Less: Compression of Copper Pennies	0.0000
	0.1383
(B) \$0.05	0.0500
3) M&O "Voter-Approval" (Rollback) Rate	0.1383
(4) Plus Debt Rate	0.7596
(5) Total Maximum Rate Without TRE (#3 + #4)	0.2544
	1.0140

Calculated rates were the same using the estimated and certified values

# Maximum Compressed Rate (MCR)

Texas Education Agency

Appendix

TEA final calculated rate in early August prior to adoption of tax rate in September.

It is the same rate when budget was adopted in mid June.

68901	ECTOR COUNTY ISD
TY 2023 Value Lost to the Local Optional Homestead Exemption	\$1,209,699,330
TY 2023 Comptroller Certified School District Taxable Value for M&O Purposes (T2)	\$18,351,234,763
TY 2023 Chief Appraiser's July 25th Certified Taxable Property Values from the Certified Appraisal Roll (\$100K HSE)	\$18,054,865,100
TY 2024 Chief Appraiser's July 25th Certified Taxable Property Values from the Certified Appraisal Roll (\$100K HSE)	\$17,967,940,049
CAD Value Growth (calculated)	-0.48%
TY 2024 Property Value No Longer Subject to a Limitation on Appraised Value under Chapter 313, Tax Code	\$0
TY 2024 Property Value No Longer Subject to a Limitation on Appraised Value under Chapter 311, Tax Code	\$0
Total Exemption expiry (E) (per TEC §48.2551 (a))	\$0
Growth Net of Expiring Chapter 313 or 311 Agreements (calculated)	-0.48%
TY 2024 Local Optional Homestead Exemption Value Loss	\$1,309,222,524
Local Optional Homestead Exemption Value Change (calculated)	\$99,523,194
Estimated TY 2024 Comptroller Certified School District Value for M&O purposes (T2)	\$18,368,230,127
Prior Year (TY 2023) Maximum Compressed Tax Rate (MCR)	0.6213
Local Preliminary MCR = $(1.025 ((TY\ 2023\ DPV+E) * PYMCR)) / TY\ 2024\ T2$	0.6213
TY 2024 State Compression Percentage (lesser of PY State MCR or $0.6880 * (1.025/1.0287) - 0$ )	0.6855
TEC §48.2552 TY 2024 Limitation on Maximum Compressed Tax Rate ( $0.6855 * 0.9$ )	0.6169
MCR (lesser of state or local compression) (greater of local compression limitation under TEC §48.2552)	0.6213

Based on **certified** property values in July 2024



# Maximum Compressed Rate (MCR)

Texas Education Agency

Appendix

**Texas Education Agency**  
Tax Year 2024 (School Year 2024-2025)  
Final Maximum Compressed Tax Rate (MCR)  
August 29, 2024

District Number	District Name	Tax Year 2024 MCR
68901	ECTOR COUNTY ISD	0.6213

# Voter Approved Tax Rate (VATR)

## Texas Education Agency

Appendix

These numbers are illustrative only and do not constitute a legal opinion of the TEA.	
Districts should in all cases consult with their tax attorney before adopting a tax rate.	
Data entry cells are highlighted in yellow in column B. Do not enter data in other cells containing formulas.	
<b>ECTOR COUNTY ISD</b>	
District's total adopted (allowed) TY 2023 M&O tax rate	\$0.7596
Enter TY 2023 Tax effort adopted by district in response to a disaster under 26.08 (a-1), Tax Code	\$ -
District's total adopted (allowed) TY 2023 M&O tax rate net of pennies adopted to respond to disaster	\$0.7596
<b>Maximum Tier one tax rate (limited to 90% of highest taxing district)</b>	<b>\$0.6213</b>
Golden Pennies	\$0.0800
Copper Pennies	\$0.0583
Unequalized pennies for certain Harris County districts under special law	\$0.0000
<b>TY 2024 Total M&amp;O tax rate with no increase</b>	<b>\$0.7596</b>
<b>Voter Approval Tax Rate for TY 2024</b>	
Section 26.08 (n) (A) District Maximum Compressed Tax Rate (MCR)	\$0.6213
(B) (i) Districts TY 2023 enrichment Tax rate	\$0.1383
(B) (ii) 5 cents if applicable	\$0.0000
Enter TY 2024 Tax effort adopted by district in response to a disaster under 26.08 (a-1), Tax Code	\$ -
TY 2024 I&S Tax Rate	\$ 0.2544
<b>Voter Approval Tax Rate</b>	<b>\$1.0140</b>



# Ector County Appraisal District calculation of no new revenue tax rates (Form 50-884)

## 2024 Tax Rate Calculation Worksheet School Districts with Chapter 313 Agreements

Form 50-884

Ector County ISD

School District's Name

Phone (area code and number)

School District's Address, City, State, ZIP Code

School District's Website Address

**GENERAL INFORMATION:** Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the no-new-revenue tax rate and voter-approval tax rate for the taxing unit. These tax rates are expressed in dollars per \$100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll or certified estimate of value and the estimated values of properties under protest. The designated officer or employee shall submit the rates to the governing body by August 7 or as soon thereafter as practicable. Tax Code Section 26.04(e-1) does not require school districts to certify tax rate calculations or comply with certain Tax Code notice requirements. School districts are required to provide notice regarding tax rate calculations pursuant to Education Code Chapter 44.

This worksheet is for **school districts with Chapter 313 agreements only**. School districts that do not have a Chapter 313 agreement should use Comptroller Form 50-859 *Tax Rate Calculation Worksheet, School District without Chapter 313 Agreements*.

### SECTION 1: No-New-Revenue Tax Rate

The no-new-revenue (NNR) tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of revenue if applied to the same properties that are taxed in both years (no new taxes). When appraisal values increase, the NNR tax rate should decrease.

Chapter 313 agreements allow a school district to limit the value of certain qualified property subject to the agreement for the purposes of maintenance and operations (M&O) taxation. The value of the same property is not limited for the purposes of debt service, or interest and sinking (I&S) taxation. School districts that have entered into a Chapter 313 agreement must calculate the NNR tax rate for M&O and I&S purposes separately and then add together to determine the current year total NNR tax rate.

# Ector County Appraisal District calculation of No New Revenue tax rates (Form 50-884)

34.	<b>Current year NNR M&amp;O tax rate.</b> Divide line 21 by line 32 and multiply by \$100. Please consult with counsel before using this rate for the purposes of Tax Code §26.05(b).	\$ 0.770892 /\$100
35.	<b>Current year NNR I&amp;S tax rate.</b> Divide line 22 by line 33 and multiply by \$100.	\$ 0.257366 /\$100
36.	<b>Current year NNR total tax rate.</b> Add Line 34 and Line 35.	\$ 1.028258 /\$100

proposed

.7596

.2544

1.014

Note: The same total tax rate of \$1.014 does not exceed the No New Revenue total tax rate cap of \$1.028258 that the ECAD has calculated.

The M&O tax rate of .7596 does not exceed the No New Revenue rate of .770892.

# Ector County Appraisal District calculation of no new revenue tax rates (Form 50-884)

## SECTION 2: Voter-Approval Tax Rate

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the rate. Most school districts calculate a voter-approval tax rate that is split into three separate rates.<sup>18</sup>

1. **Maximum Compressed Tax Rate (MCR):** A district's maximum compressed tax rate is defined as the tax rate for the current tax year per \$100 of valuation of taxable property at which the district must levy a maintenance and operations tax to receive the full amount of the tier one allotment.<sup>19</sup>
2. **Enrichment Tax Rate:**<sup>20</sup> A district's enrichment tax rate is defined as any tax effort in excess of the district's MCR and less than \$0.17. The enrichment tax rate is divided into 'golden pennies' and the 'copper pennies.' School districts can claim up to 8 'golden pennies,' not subject to compression, and 9 'copper pennies' which are subject to compression with any increases in the guaranteed yield.<sup>21</sup>
3. **Debt Rate:** The debt rate includes the debt service necessary to pay the school district's debt payments in the coming year. This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

The MCR and Enrichment Tax Rate added together make up the school district's maintenance and operations (M&O) tax rate. Districts cannot increase the district's M&O tax rate to create a surplus in M&O tax revenue for the purpose of paying the district's debt service.<sup>22</sup>

If a school district adopted a tax rate that exceeded its voter-approval tax rate without holding an election to respond to a disaster in the prior year, as allowed by Tax Code Section 26.042(e), the school district may not consider the amount by which it exceeded its voter-approval tax rate (disaster pennies) in the calculation this year. This adjustment will be made in Section 4 of this worksheet.

A district must complete an efficiency audit before seeking voter approval to adopt a M&O tax rate higher than the calculated M&O tax rate, hold an open meeting to discuss the results of the audit, and post the results of the audit on the district's website 30 days prior to the election.<sup>23</sup> Additionally, a school district located in an area declared a disaster by the governor may adopt a M&O tax rate higher than the calculated M&O tax rate during the two-year period following the date of the declaration without conducting an efficiency audit.<sup>24</sup>

Districts should review information from TEA when calculating their voter-approval tax rate.

# Ector County Appraisal District calculation of no new revenue tax rates (Form 50-884)

Line	Voter-Approval Tax Rate Worksheet		Amount/Rate
37.	<b>Current year maximum compressed tax rate (MCR).</b> TEA will publish compression rates based on district and statewide property value growth. Enter the school districts' maximum compressed rate based on guidance from TEA. <sup>25</sup>		\$ 0.621300 /\$100
38.	<b>Current year enrichment tax rate.</b> Enter the greater of A and B. <sup>26</sup>		
	A. The district's prior year enrichment tax rate, minus any required reduction under Education Code Section 48.202(f) .....	\$ 0.1383 /\$100	
	B. \$0.05 per \$100 of taxable .....	\$ 0.0500 /\$100	\$ 0.1383 /\$100
39.	<b>Current year maintenance and operations (M&amp;O) tax rate (TR).</b> Add Lines 37 and 38.  Note: M&O tax rate may not exceed the sum of \$0.17 and the district's maximum compressed rate. <sup>27</sup>		\$ 0.7596 /\$100

Proposed .2544 Debt Service rate is lower than allowable .265098

46.	<b>Current year debt rate.</b> Divide Line 44 by Line 45 and multiply by \$100.	\$ 0.265098 /\$100
47.	<b>Current year voter-approval tax rate.</b> Add Lines 39 and 46.  If the school district received distributions from an equalization tax imposed under former Chapter 18, Education Code, add the NNR tax rate as of the date of the county unit system's abolition to the sum of Lines 39 and 46. <sup>32</sup>	\$ 1.024698 /\$100



Ector County ISD  
Tax Rate History  
Per \$100 valuation  
Required by Section 26.16 Texas Tax Code



Fiscal Year	M&O Rate	I&S Rate	Total Tax Rate	Change
2003/04	1.500000	0.061000	1.561000	
2004/05	1.450000	0.069200	1.519200	-2.68%
2005/06	1.280000	0.072500	1.352500	-10.97%
2006/07	1.030000	0.080000	1.110000	-17.93%
2007/08	1.030000	0.082000	1.112000	0.18%
2008/09	1.040000	0.082000	1.122000	0.90%
2009/10	1.040000	0.088600	1.128600	0.59%
2010/11	1.040000	0.095000	1.135000	0.57%
2011/12	1.040000	0.095000	1.135000	0.00%
2012/13	1.070000	0.079500	1.149500	1.28%
2013/14	1.040000	0.121000	1.161000	1.00%
2014/15	1.040000	0.121000	1.161000	0.00%
2015/16	1.040000	0.110000	1.150000	-0.95%
2016/17	1.040000	0.110000	1.150000	0.00%
2017/18	1.040000	0.109570	1.149570	-0.04%
2018/19	1.170000	0.109570	1.279570	11.31%
2019/20	1.068350	0.109570	1.177920	-7.94%
2020/21	1.054700	0.123220	1.177920	0.00%
2021/22	1.051700	0.126220	1.177920	0.00%
2022/23	0.981000	0.196920	1.177920	0.00%
2023/24	0.759600	0.254400	1.014000	-13.92%
2024/25	0.759600	0.254400	1.014000	0.00%



# Proposed Tax Rate compared to prior year

- The total tax rate is the same as the prior year. ✓
- The M&O tax rate is the same. ✓
- The I&S tax rate is the same. ✓
- The total tax rate is at or below the voter approval rate, and therefore less than the maximum tax rate allowed without a tax rate election. ✓
- The M&O tax rate is at or below the voter approval tax rate. ✓
- The I&S tax rate is at or below the allowable to cover bond costs. ✓



# No New Revenue Tax Rate

- However, while the ECAD calculates the proposed rate is less than the No New Revenue tax rate, the state's template calculations show that the No New Revenue/Rate to Maintain rate is lower.
- Therefore, it is wise to utilize the required motion to adopt a tax rate that exceeds the No New Revenue tax rate.
- We are required to obtain a supermajority (at least 5 of 7) vote in favor of the proposed rate because the proposed tax rate of \$1.014 is higher than the calculated No New Revenue rate of \$0.99971.
- Difference in revenue would be about \$2.5 million less without this favorable vote which would increase the deficit budget.

# Tax Rate ordinance special wording

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 1.4 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$15.00.



# Ector County ISD

## Tax Rate

### 2024 – 2025

Presented by: Deborah Ottmers, ECISD Chief Financial Officer

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9/17/2024