



To: Board of Trustees  
From: Diana Sircar  
Date: August 22, 2022  
cc: Brad Hunt

**RE: Adoption of 2022-2023 Tax Rates; Maintenance & Operations (M&O) and Debt Service (I&S)**

2022-2023 Proposed Total Tax Rate     \$1.2173  
2021-2022 Adopted Total Tax Rate     \$1.292

The proposed tax rate is being reduced by \$0.0747.

The proposed tax rate includes **\$0.9867** for the amount of taxes needed to fund maintenance and operation expenditures for the 2022-2023 fiscal year. The proposed tax rate includes **\$0.2306** for the amount of taxes needed to service the District's debt for the 2022-2023 fiscal year."

The Dallas County Tax Assessor calculates the district's No New Revenue and Voter Approved Tax Rates.

The M&O No New Revenue (NNR) tax rate is the calculated rate that is intended to produce no additional M&O property tax levy. The NNR tax rate would produce the same amount of M&O revenue if applied to the same properties that are taxed in both years. When appraisal values increase, the NNR tax rate should decrease. ((Last year's adjusted tax levy/This year's adjusted tax levy) x 100 = NNR tax rate) Coppell ISD values increased approximately 9.8% in 2022, thus reducing the NNR tax rate.

The Voter Approved Tax Rate (VATR) is the highest tax rate that the district may adopt without holding an election to seek voter approval of the rate. (TEA calculated Max Compressed Rate + voter approved enrichment pennies + debt tax rate)

The 2022-2023 proposed tax rate will exceed the M&O No New Revenue tax rate but will not exceed the Voter Approved Tax Rate. To comply with Property Tax Code §26.05(b), the following statements must be made in order to adopt the proposed tax rate:

**Statements and Motion by Board of Trustee Member:**

“This tax rate will raise more taxes for maintenance and operations than last year’s tax rate” and

“The tax rate will effectively be raised by **4.93%** and will raise taxes for Maintenance and Operations on a \$100,000 home by approximately \$ -60.50.”

*The tax rate is effectively “raised” because it is higher than the No New Revenue (NNR) tax rate, not the district’s prior year tax rate. This percentage is calculated as (Proposed M&O tax rate – NNR M&O tax rate)/NNR M&O tax rate. The taxes on a \$100,000 home will be reduced by \$60.50 however the legal language requires that the statement say that taxes will be raised.*

“I move that the property tax rate be increased by the adoption of a tax rate of **\$1.2173**, which is effectively a **4.92%** increase in the tax rate, and that the accompanying Resolution setting the tax rate be approved and adopted by the Board of Trustees.”

**Recommendation: The Board of Trustees adopts the resolution as presented.**