

Public Hearing on Proposed Tax Rate for Fiscal Year 2024-2025

September 17, 2024



Property Taxes

What are property taxes?

- Property taxes are local taxes that pay for schools, streets, police, fire protection and many other services depending on the governmental entity levying the tax.

What is the District's tax rate comprised of?

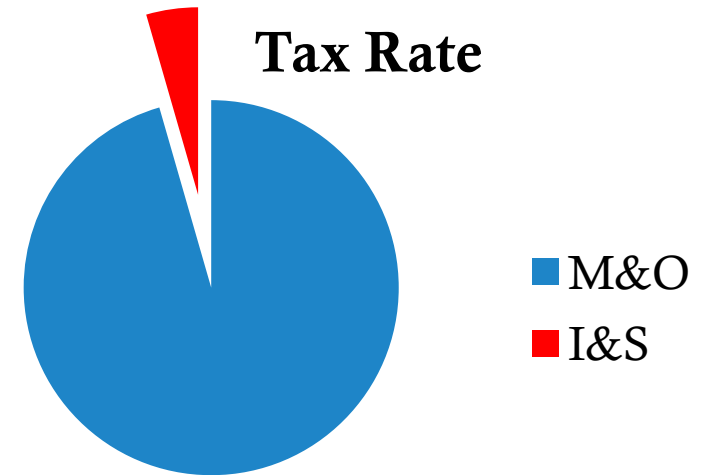
Maintenance & Operations (M&O)

- Teachers/Support Staff Salaries
- Supplies, Materials, & Equipment
- Transportation & Utilities

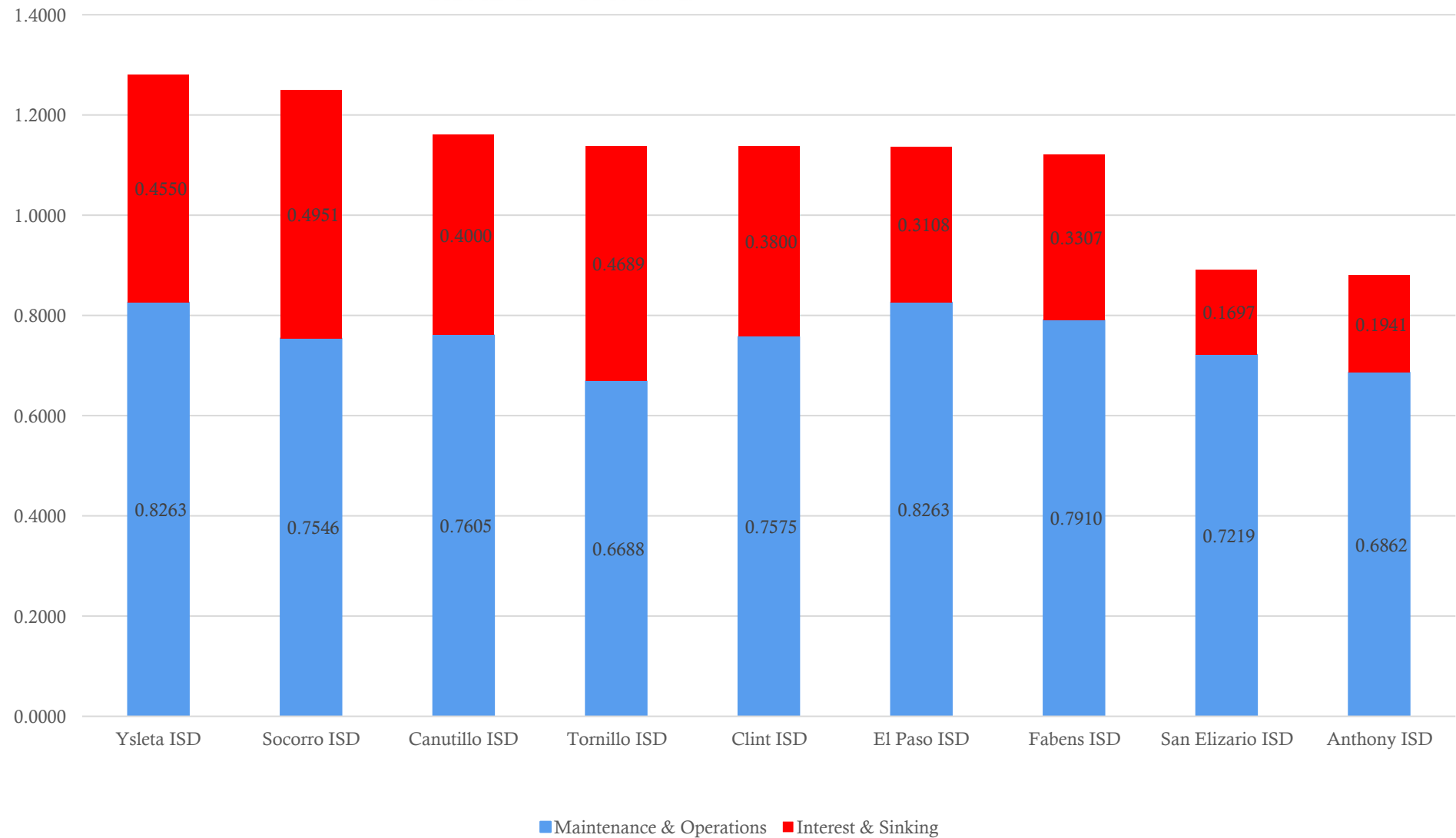
Interest & Sinking (I&S)

- Construction Projects
- School Buildings

- Bond proposition approved on November 4, 2014

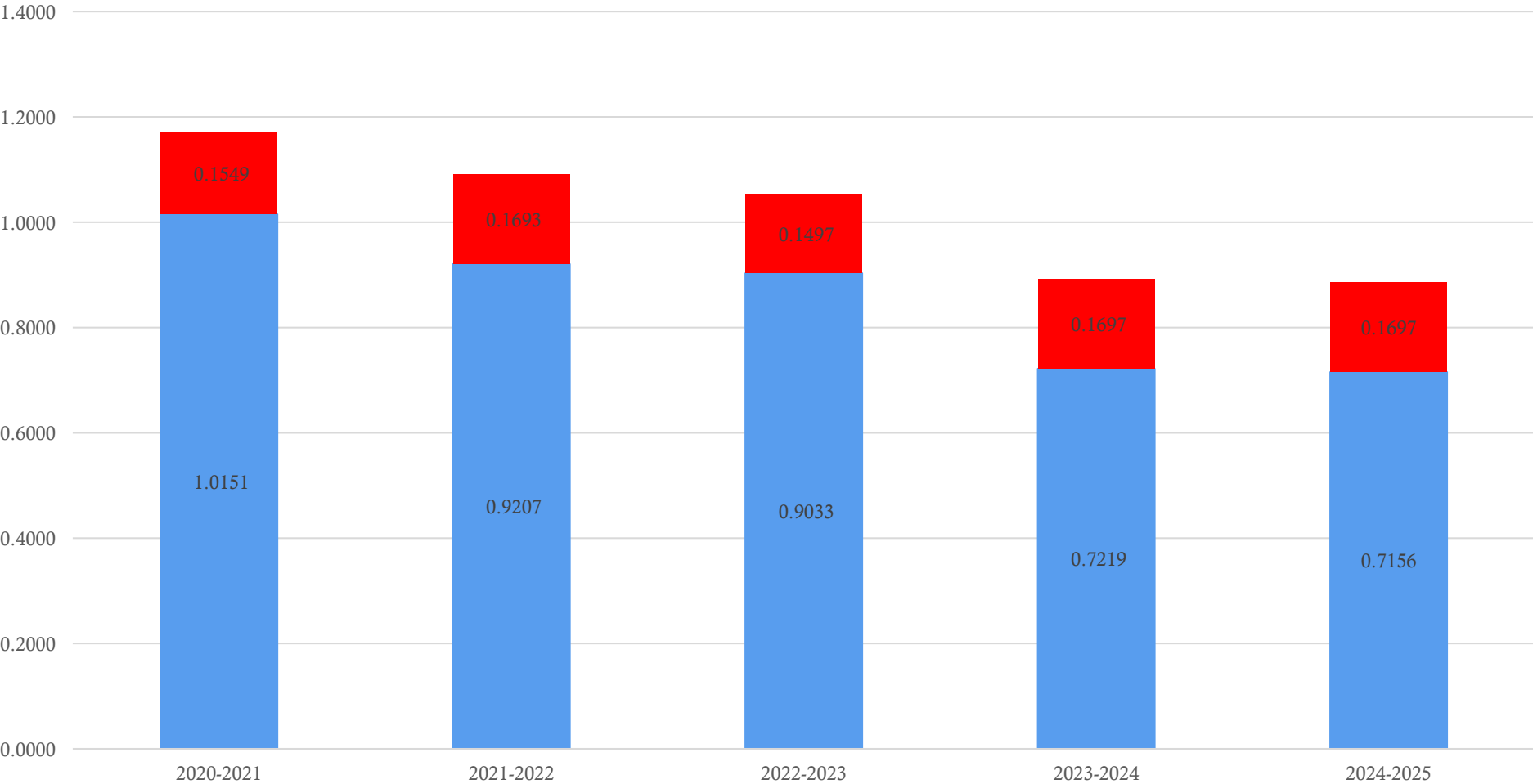


2023 Tax Rate Comparison



Source: City of El Paso, 2023 Taxing Entities & Rates

Tax Rate History



■ Maintenance & Operations ■ Interest & Sinking

Proposed
Rate

Legal Notice & Public Hearing

NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE

The San Elizario Independent School District will hold a public meeting at 5:30 P.M. on Tuesday, June 25, 2024 in the SEISD Administrative Office, 1050 Chicken Ranch Rd., San Elizario, Texas. 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 tax 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	\$0.715600/\$100 (Proposed rate for maintenance and operations)
School Debt Service Tax	
Approved by Local Voters	\$0.169700/\$100 (Proposed rate to pay bonded indebtedness)

Comparison of Proposed Budget 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	4.35%	Decrease
Debt Service	0.25%	Increase
Total Expenditures	4.17%	Decrease

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	\$ 644,381,950	\$ 719,196,671
Total appraised value* of new property**	\$ 9,173,086	\$ 8,721,025
Total taxable value*** of all property	\$ 291,908,505	\$ 337,984,881
Total taxable value*** of new property**	\$ 8,464,304	\$ 8,425,049

* "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 28.012(17), Tax Code.

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

Bonded Indebtedness

Total amount of outstanding and unpaid bonded indebtedness* \$23,620,000

* Outstanding principal.

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	\$ 0.721900	\$ 0.169700*	\$ 0.891600	\$ 943	\$ 11,582
Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service	\$ 0.757060	\$ 0.159600*	\$ 0.916660	\$ 1,085	\$ 11,445
Proposed Rate	\$ 0.715600	\$ 0.169700*	\$ 0.885300	\$ 1,051	\$ 11,463

*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	\$ 145,700	\$ 153,556
Average Taxable Value of Residences	\$ 14,518	\$ 23,724
Last Year's Rate Versus		
Proposed Rate per \$100 Value	\$ 0.891600	\$ 0.885300
Taxes Due on Average Residence	\$ 129.44	\$ 210.03
Increase (Decrease) in Taxes		\$ 80.59

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 the 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 \$0.885300. This election will be automatically held if the district adopts a rate in excess of the voter-approval rate of \$0.885300.

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)	\$ 10,841,681
Interest & Sinking Fund Balance(s)	\$ 416,778

A school district may not increase 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](https://www.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.

Types of Rates

The tax rate that would generate the same amount of revenue in the current tax year as was generated by a taxing unit's adopted tax rate in the preceding tax year from property that is in both the current tax year and the preceding tax year.

Description of Rate	Tax Rate
No-New-Revenue Tax Rate	\$0.8294
No-New-Revenue M&O Rate	\$0.6355
Voter-Approval Tax Rate	\$0.8853
Proposed Tax Rate	\$0.8853

The highest tax rate a taxing unit may adopt before requiring voter approval at an election.

The tax rate that would generate the same amount of revenue for maintenance and operations in the current tax year as was generated by a taxing unit's maintenance and operations rate in the preceding tax year from property that is in both the current tax year and the preceding tax year.

The total proposed rate includes both the M&O and I&S rates

Description of Rate	Tax Rate
Maintenance & Operations (M&O)	\$0.7156
Interest & Sinking (I&S)	\$0.1697
Total Proposed Tax Rate	\$0.8853

Comparing The Rates

Description of Rate	2023 Actual Tax Rate	2024 Proposed Tax Rate
Maintenance & Operations (M&O)	\$0.7219	\$0.7156
Interest & Sinking (I&S)	\$0.1697	\$0.1697
Total Tax Rate	\$0.8916	\$0.8853
Increase (Decrease) in Total Tax Rate		(\$0.0063)

The M&O rate is being decreased as a result of House Bill 3's tax rate compression. The proposed I&S rate remains the same as prior year.

Description of Rate	Tax Rate
No-New-Revenue Tax Rate	\$0.8294
No-New-Revenue M&O Rate	\$0.6355
Voter-Approval Tax Rate	\$0.8853
2024 Proposed Tax Rate	\$0.8853

Even though the proposed rate of \$0.8853 is lower than last year's adopted rate of \$0.8916, the proposed rate is higher than the no-new-revenue tax rate of \$0.8294. The proposed rate of \$0.8853 is effectively a 6.73% percent increase in the tax rate.

Proposed Rate Breakdown

Description of Rate	Tax Rate
Maintenance & Operations (M&O)	\$0.7156
Interest & Sinking (I&S)	\$0.1697
Total Proposed Tax Rate	\$0.8853

\$0.6169, TEA approved maximum compressed rate (MCR)
 + \$0.0987, Enrichment tax rate, tax rate election approved 11/3/2009
 = \$0.7156, Maintenance & Operations Rate

M&O Rate Tiers	Pennies	Action to Access
Tier Two Copper Pennies	9 – 17	Voter Approval
Tier Two Golden Pennies	6 – 8	Voter Approval
Tier Two Golden Pennies	1 – 5	No Voter Approval
Tier One	0 - MCR	No Voter Approval

\$0.1697 = Interest & Sinking Rate, bond proposition election approved 11/4/2014

Rates and Funding Yields

Due to the continued increase in property appraisal values, the No-New-Revenue-Rate is often compared to the Proposed Tax Rate. Local property value collections can be a very significant source of budget revenues for some local governments and municipalities.

TEC 48.001 (b) The public school finance system of this state shall adhere to a standard of neutrality that provides for substantially equal access to similar revenue per student at similar tax effort, considering all state and local tax revenues of districts after acknowledging all legitimate student and district cost differences.

Rates

Estimated Collections & Funding Yields

Description of Rate	Tax Rate		Local Levy	State Aid	Total Funding
No-New-Revenue Tax Rate	\$0.8294	→	\$2,580,586	\$28,208,499	\$30,789,052
2024 Proposed Tax Rate	\$0.8853	→	\$2,753,420	\$30,476,875	\$33,230,295
			\$172,834	\$2,268,376	<i>Funding Difference</i>

As a result of state funding formulas, property wealth per student and our district's percentage of local share vs state aid, the total funding in state aid relative to our district's tax rate to include the enrichment rate and taxing effort is noted above. Decreasing the proposed rate to the no-new-revenue-rate would significantly decrease state aid revenues.

Impact of Tax Rate to Taxpayer

Impact of Tax Rate on Average Resident	This Year (2024)	Last Year (2023)
Average Taxable Value of Residences	\$22,739	\$13,622
Last Year's Rate Versus Proposed Rate per \$100 Value	\$0.8853	\$0.8916
Tax Due on Average Residence	\$201.31	\$121.45
Increase(Decrease) in Taxes	\$79.85	

- Questions
- Public input

