
Board Action Required



No Action Required

To: Coppell ISD Board of Trustees
From: Diana Sircar
Date: August 19, 2024

cc: Brad Hunt

Re: Order calling a Voter Approval Tax Rate Election (VATRE)

The Board will be required to adopt resolutions, in order, for:

1. The budget
2. The tax rate and, if higher than the voter-approved tax rate,
3. Calling a Voter Approval Tax Rate Election

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. (Texas Education Agency calculated Maximum Compressed Rate + Voter Approved Enrichment Pennies + Debt Service Rate)

The State calculates the majority of the M&O tax rate. The only part of the M&O rate that local taxpayers control is the Voter Approved enrichment pennies. Voters within Coppell ISD previously approved all 17 of the available enrichment pennies. These pennies were reduced by 3.17 pennies as a result of legislation passed in 2019.

The Maximum Compressed Rate = \$0.6169
Current Voter Approved enrichment pennies = \$0.1383
Total : \$0.7552

The current Voter-Approved Tax Rate for 2024 is: \$1.002641

- M&O tax rate: \$0.7552
- I&S tax rate: \$0.2474

The proposed Tax Rate that would require an election is: \$1.0343

- M&O tax rate: \$0.7869
- I&S tax rate: \$0.2474

The 2024 proposed tax rate will exceed the Voter Approved Tax Rate by \$0.0317, the amount that the voters will be asked to approve. The election is required to be held on the next uniform election date, November 5, 2024.

The required ballot language is:

Ratifying the ad valorem tax rate of 1.0343 in Coppell Independent School District for the current year, a rate that will result in an increase of 8.28 percent in maintenance and operations tax revenue for the district for the current year as compared to the preceding year, which is an additional \$11,166,995.

The 8.28% increase in the M&O tax revenue is a comparison of the M&O tax revenue calculated on the taxable property base in 2023 versus the M&O tax revenue calculated on the tax base in 2024. The tax base has increased with the completion of commercial and residential buildings and the taxable value of commercial and residential properties has increased, both factors in the increase in revenue. Commercial property makes up more than 58% of CISD's tax base.

Of the \$11,166,955 in increased M&O revenue cited on the ballot, \$5.28 million would have been increased just due to the increase in taxable property values and none of it will increase the school district's funding. All of it will be recaptured by the state. Of the remaining \$5.88 million, CISD will keep approximately \$2.4 million with the rest being recaptured by the state.

Recommendation: The Board of Trustees adopt the Resolution calling a voter approval tax rate election.