Ector County ISD

Tax Rate

2023 – 2024

50-280 (Rev -4-22/6)

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 20, 2023 in the ECISD 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	$ .92350	/$100 (Proposed rate for maintenance and operations)
School Debt Service Tax approved by local voters	$ .25442	/$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	4.89 %	increase
Debt service	38.02 %	increase
Total expenditures	7.80 %	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	$ 20,592,082,595	$ 22,848,689,145
Total appraised value* of new property**	$ 299,728,670	$ 345,905,814
Total taxable value*** of all property	$ 15,733,506,416	$ 17,956,312,591
Total taxable value*** of new property**	$ 265,489,607	$ 287,635,351

* "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* $ 107,635,000

* Outstanding Principal for 2023/24

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	$ .98100	$ .19692	$ 1.17792	$ 6,111	$ 4,448
Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service	$ .89125	$ .23172	$ 1.12297	$ 6,408	$ 4,412
Proposed Rate	$ .92350	$ .25442	$ 1.17792	$ 6,481	$ 4,489

** 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	$ 226,046	$ 236,650
Average Taxable Value of Residences	$ 144,345	$ 148,278
Last Year's Rate Versus Proposed Rate per $100 Value	$ 1.17792	$ 1.17792
Taxes Due on Average Residence	$ 1,700	$ 1,747
Increase (Decrease) in Taxes		$ 47

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 $1.17792. This election will be automatically held if the district adopts a rate in excess of the voter-approval rate of $1.17792.

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)	$ 45,486,713
Interest & Sinking Fund Balance(s)	$ 7,789,453

A school district may not levy the district's maintenance taxes described by Section 45.002 at a rate intended to create a surplus in maintenance tax revenue for the purpose of paying the district's debt service.

Visit 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 2023

Published in Newspaper on 6/10/23 for Budget Hearing and Adoption

Propose adopting at $1.014

…lower rate than proposed rate in June of $1.17792

…total tax rate is lower than Voter-Approval and No New Revenue tax rate

…so a second hearing and republishing is not required

Certified Values and estimated tax

Calcs for Notice				
For yr	23/24	as of July 2022 for 22/23	as of July 2023 for 23/24	
Tax Rate:	$1.01400			
		Ector	Ector	
Values:		County	County	Diff
Total Market value of All property		$ 20,975,132,440	$ 24,232,771,178	15.531%
Total Market value of New property		$ 292,693,252	$ 839,819,651	186.928%
Net Taxable value of All property		$ 16,070,401,685	$ 17,779,488,928	10.635%
Net Taxable value of New property		$ 247,536,605	$ 617,331,002	149.390%
Average Residence:				
Market Value average		$ 194,562	$ 202,180	3.915%
Exemption average		$ 29,984	$ 60,914	103.155%
Taxable Value average		$ 164,578	$ 141,266	-14.165%
Tax estimate		$ 1,668.82	$ 1,432.44	$ (236.38)

The $236 savings is using the new tax rate for PY as well to see reduction of exemptions.

When using old tax rate for PY, savings is now $506 and this is what we expect taxpayers to realize.

Maximum Compressed Rate (MCR)

Appendix

ESC 13 template

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

	SB 1		88th Legislature SS #2	
		2022-23		2023-24
1) Compressed Tax Rate (MCR)		0.8427		0.6213
2) Plus: Greater of (A) or (B):				
(A) Enrichment Tax Rate for Preceding Year	0.1383		0.1383	
Less: Compression of Copper Pennies	0.0000		0.0000	
	0.1383		0.1383	
(B) $0.05	0.0500	0.1383	0.0500	0.1383
3) M&O "Voter-Approval" (Rollback) Rate		0.98100		0.75960
(4) Plus Debt Rate		0.196920		0.25440
(5) Total Maximum Rate Without TRE (#3 + #4)		1.17792		1.0140

Maximum Compressed Rate (MCR)

Appendix

Texas Education Agency

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

68901	ECTOR COUNTY ISD
17,779,488,2	
TY 2022 Value Lost to the Local Optional Homestead Exemption	$1,159,734,280
TY 2022 Comptroller Certified School District Taxable Value for M&O Purposes (T2)	$16,987,007,404
TY 2022 Chief Appraiser's July 25th Certified Taxable Property Values from the Certified Appraisal Roll ($40K HSE)	$16,070,401,685
TY 2023 Chief Appraiser's July 25th Certified Taxable Property Values from the Certified Appraisal Roll ($40K HSE)	$19,227,591,760
CAD Value Growth (calculated)	19.65%
TY 2023 Property Value No Longer Subject to a Limitation on Appraised Value under Chapter 313, Tax Code	$0
TY 2023 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)	19.65%
TY 2023 Local Optional Homestead Exemption Value Loss	$1,209,699,330
Local Optional Homestead Exemption Value Change (calculated)	$49,965,050
Estimated TY 2023 Comptroller Certified School District Value for M&O purposes (T2)	$20,146,397,508
Prior Year (TY 2022) Maximum Compressed Tax Rate (MCR)	0.8427
Local Preliminary MCR = (1.025((TY 2022 DPV+E) * PYMCR)) / TY 2023 T2	0.7283
TY 2022 State Compression Percentage (lesser of PY State MCR or (0.8941 * (1.025/1.0443))-0.0825)	0.7950
TEC §48.2552 TY 2023 Limitation on Maximum Compressed Tax Rate (0.7950* 0.9)	0.7155
Current Law (88-R) **MCR (lesser of state or local compression) (greater of local compression limitation under TEC §48.2552)**	0.7283
additional MCR reduction amount from LPVS MCR	-0.1070
MCR with SB 2 (88-2) assumptions - USE THIS VERSION OF YOUR MCR FOR TAX RATE ADOPTION PURPOSES.	0.6213
SB 2 (88-2) assumptions - Projected MCR:	

Voter Approved Tax Rate (VATR)

Appendix

Texas Education Agency

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.	
ECTOR COUNTY ISD	
District's total adopted (**allowed**) TY 2022 M&O tax rate	$0.9810
Enter TY 2022 Tax effort adopted by district in response to a disaster under 26.08 (a-1), Tax Code	$ -
District's total adopted (**allowed**) TY 2022 M&O tax rate net of pennies adopted to respond to disaster	$0.9810
Maximum Tier one tax rate (limited to 90% of highest taxing district)	***$0.6213***
Golden Pennies	$0.0800
Copper Pennies	$0.0583
Unequalized pennies for certain Harris County districts under special law	$0.0000
TY 2023 Total M&O tax rate with no increase	**$0.7596**
Voter Approval (Rollback) Tax Rate for TY 2023	
Section 26.08 (n) (A) District Maximum Compressed Tax Rate (MCR)	**$0.6213**
(B) (i) Districts TY 2022 enrichment Tax rate	$0.1383
(B) (ii) 5 cents if applicable	$0.0000
Enter TY 2023 Tax effort adopted by district in response to a disaster under 26.08 (a-1), Tax Code	$ -
TY 2023 I&S Tax Rate	
Voter Approval Tax Rate	**$0.7596**
Debt Service	0.2544
Total	$1.0140

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

2023 Tax Rate Calculation Worksheet

Form 50-884

School Districts with Chapter 313 Agreements

Ector County ISD

School District's Name

Uses values that include a 20% ECISD local homestead exemption and a planned increase in the state homestead exemption from $40k to $100k

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 certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submit the rates to the governing body by August 7 or as soon thereafter as practicable. Tax Code Section 26.04(e) does not require school districts to certify tax rate calculations.

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)

			proposed
34.	**2023 NNR M&O tax rate.** 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).	$ 0.862762 /$100	.7596
35.	**2023 NNR I&S tax rate.** Divide line 22 by line 33 and multiply by $100.	$ 0.174048 /$100	.2544
36.	**2023 NNR total tax rate.** Add Line 34 and Line 35.	$ 1.036810 /$100	1.014

Note: The lower total tax rate of $1.014 is a decrease in the tax rate and it does not exceed the No New Revenue total tax rate cap of $1.036810.

The M&O tax rate of .7596 does not exceed the No New Revenue rate of .862762.

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.[18]

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.[19]
2. **Enrichment Tax Rate:** [20] 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.[21]
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. [22]

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. [23] 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. [24]

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.	**2023 maximum compressed tax rate (MCR).** 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. [25]	$ 0.621300 /$100
38.	**2023 enrichment tax rate.** Enter the greater of A and B. [26] **A.** The district's 2022 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.	**2023 maintenance and operations (M&O) tax rate (TR).** 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. [27]	$ 0.7596 /$100

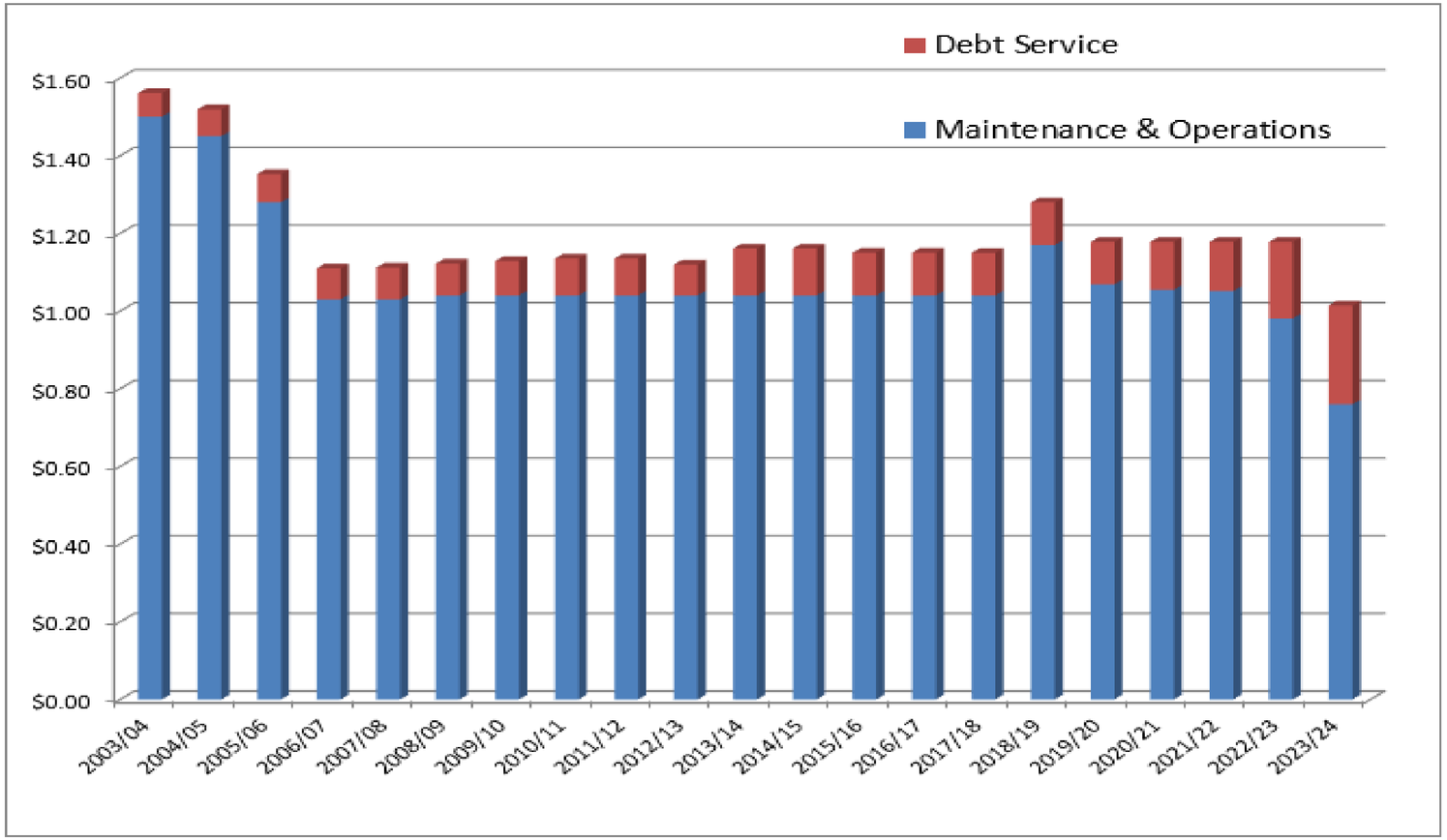
Proposed .2544 is lower than allowable .256418

46.	**2023 debt rate.** Divide Line 44 by Line 45 and multiply by $100.	$ 0.256418 /$100
47.	**2023 voter-approval tax rate.** 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.[32]	$ 1.016018 /$100

Ector County ISD
Tax Rate History
Per $100 Valuation

Required by Section 26.16 Tax Code

Fiscal Year	(M&O) Maintenance & Operations	(I&S) Debt Service	Total Tax Rate	Change
2003/04	1.50000	0.06100	1.56100	
2004/05	1.45000	0.06920	1.51920	-0.04180
2005/06	1.28000	0.07250	1.35250	-0.16670
2006/07	1.03000	0.08000	1.11000	-0.24250
2007/08	1.03000	0.08200	1.11200	0.00200
2008/09	1.04000	0.08200	1.12200	0.01000
2009/10	1.04000	0.08860	1.12860	0.00660
2010/11	1.04000	0.09500	1.13500	0.00640
2011/12	1.04000	0.09500	1.13500	0.00000
2012/13	1.04000	0.07950	1.11950	-0.01550
2013/14	1.04000	0.12100	1.16100	0.04150
2014/15	1.04000	0.12100	1.16100	0.00000
2015/16	1.04000	0.11000	1.15000	-0.01100
2016/17	1.04000	0.11000	1.15000	0.00000
2017/18	1.04000	0.10957	1.14957	-0.00043
2018/19	1.17000	0.10957	1.27957	0.13000
2019/20	1.06835	0.10957	1.17792	-0.10165
2020/21	1.05470	0.12322	1.17792	0.00000
2021/22	1.05170	0.12622	1.17792	0.00000
2022/23	0.98100	0.19692	1.17792	0.00000
2023/24	0.75960	0.25440	1.01400	-0.16392



16.392 cents and 13.92% decrease

Tax Rate compared to prior year

- The total tax rate proposed at $1.014 is the less than the prior year of $1.17792.
- The total tax rate of $1.014 is below the total voter approval rate of $1.016.
- The total tax rate of $1.014 is below the total No New Revenue tax rate of $1.03681.
- The total tax rate of $1.014 is below the maximum tax rate allowed of $1.016 without a tax rate election.
- The M&O tax rate of .7596 is below the voter approval/rollback/no new revenue tax rate of .862762.
- The M&O tax rate is decreasing down from .9810 to .7596.
- The I&S tax rate is increasing from .19692 to .25440, but is lower than the allowable of .256418 to cover bond costs.
- There is no required motion to adopt a tax rate that exceeds the No New Revenue tax rate.
- There is no supermajority (5) vote required because the proposed tax rate of $1.014 is less than the sum of the No New Revenue M&O of .862762 plus current debt rate of .19692 = 1.059682.

Ector County ISD

Tax Rate

2023 – 2024

Presented by: Deborah Ottmers, ECISD Chief Financial Officer

9/19/2023