Ector County ISD

Tax Rate Hearing

2022 – 2023

Presented by: Deborah Ottmers, ECISD Chief Financial Officer

9/20/2022

50-280 (Rev -10/5)

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 21, 2022 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	$ .99840	/$100 (Proposed rate for maintenance and operations)
School Debt Service Tax Approved by Local Voters	$ .17952	/$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	10.05 %	increase
Debt service	54.99 %	increase
Total expenditures	12.50 %	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	$ 19,238,355,839	$ 20,592,082,595
Total appraised value* of new property**	$ 250,092,196	$ 299,728,670
Total taxable value*** of all property	$ 14,992,297,409	$ 15,733,506,416
Total taxable value*** of new property**	$ 223,039,996	$ 265,489,607

* "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* $ 155,000,000

* Outstanding Principal for 2022/23

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	$ 1.05170	$ .12622	$ 1.17792	$ 5,661	$ 4,279
Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service	$ 1.05178	$ .17583	$ 1.22761	$ 6,058	$ 4,145
Proposed Rate	$ .99840	$ .17952	$ 1.17792	$ 5,687	$ 4,262

* 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.
** 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	$ 218,400	$ 226,046
Average Taxable Value of Residences	$ 148,452	$ 144,345
Last Year's Rate Versus Proposed Rate per $100 Value	$ 1.17792	$ 1.17792
Taxes Due on Average Residence	$ 1,749	$ 1,700
Increase (Decrease) in Taxes		$ (49)

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-Approved 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-approved 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)	$ 54,722,333
Interest & Sinking Fund Balance(s)	$ 14,314,999

Property Tax

Based on estimated property values in April 2022

Published in Newspaper on 6/11/22

Based on **certified** property values in **July** 2022

Notice Published in Newspaper on **9/7/22**

50-777

NOTICE OF PUBLIC MEETING TO DISCUSS PROPOSED TAX RATE

The Ector County Independent School District will hold a public meeting at 6:00 p.m. Tuesday, September 20, 2022 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 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	$ .98100	/$100 (Proposed rate for maintenance and operations)
School Debt Service Tax Approved by Local Voters	$ .19692	/$100 (Proposed rate to pay bonded indebtedness)

Total Appraised Value and Total Taxable Value
(as calculated under Tax Code Section 26.04)

	Preceding Tax Year	Current Tax Year****
Total appraised value* of all property	$ 18,641,884,578	$ 20,975,132,440
Total appraised value* of new property**	$ 248,208,775	$ 292,693,252
Total taxable value*** of all property	$ 14,448,009,937	$ 16,070,401,685
Total taxable value*** of new property**	$ 215,914,153	$ 247,536,605

* "Appraised value" is the amount shown on the appraisal roll and defined by Tax Code Section 1.04 (8)
** "New property" is defined by Tax Code Section 26.012 (17)
*** "Taxable value" is defined by Tax Code Section 1.04 (10)
**** All values identified are based on estimate(s) of taxable value received pursuant to Tax Code Section 26.01(e).

Bonded Indebtedness

Total amount of outstanding and unpaid bonded indebtedness principal* $ 155,000,000

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	$ 1.05170	$ .12622	$ 1.17792	$ 5,698	$ 4,319
Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service	$ 1.01020	$ .20713	$ 1.21733	$ 5,835	$ 4,429
Proposed Rate	$ .98100	$ .19692	$ 1.17792	$ 5,748	$ 4,449

* 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.
** 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	$ 218,400	$ 229,619
Average Taxable Value of Residences	$ 148,452	$ 144,329
Last Year's Rate Versus Proposed Rate per $100 Value	$ 1.17792	$ 1.17792
Taxes Due on Average Residence	$ 1,749	$ 1,700
Increase (Decrease) in Taxes		$ (49)

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-Approved 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-approved 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:

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Interest & Sinking Fund Balance(s)	$ 14,314,999

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	$ .98100	/$100 (Proposed rate for maintenance and operations)
School Debt Service Tax	$ .19692	/$100 (Proposed rate to pay bonded indebtedness)
Approved by Local Voters		

Total tax rate same; 1.74 cents adj between M&O and I&S from June

Total Appraised Value and Total Taxable Value
(as calculated under Tax Code Section 26.04)

	Preceding Tax Year	Current Tax Year****
Total appraised value* of all property	$ 18,641,884,578	$ 20,975,132,440
Total appraised value* of new property**	$ 248,208,775	$ 292,693,252
Total taxable value*** of all property	$ 14,448,009,937	$ 16,070,401,685
Total taxable value*** of new property**	$ 215,914,153	$ 247,536,605

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

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

**** All values identified are based on estimate(s) of taxable value received pursuant to Tax Code Section 26.01(e)

Approximate increase in total value: 12% (instead of the 7% we expected based on estimated values)

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	$ 1.05170	$ .12622	$ 1.17792	$ 5,698	$ 4,319
Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service	$ 1.01020	$ .20713	$ 1.21733	$ 5,835	$ 4,429
Proposed Rate	$ .98100	$ .19692	$ 1.17792	$ 5,748	$ 4,449

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** 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.

Gross revenue per penny of tax: $1.55 million

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

	Last Year	This Year
Average Market Value of Residences	$ 218,400	$ 229,619
Average Taxable Value of Residences	$ 148,452	$ 144,329
Last Year's Rate Versus Proposed Rate per $100 Value	$ 1.17792	$ 1.17792
Taxes Due on Average Residence	$ 1,749	$ 1,700
Increase (Decrease) in Taxes		$ (49)

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 a [illegible] **year after the person turned 65, regardless of changes in tax rate or property value.**

Approximate decrease in average homestead taxes: $49

Notice of Voter-Approved 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-approved rate of $1.17792.

Tax Rate compared to prior year

- The total tax rate is the same as the prior year.
- The M&O tax rate is compressed down from 1.0517 to .9810
- The I&S tax rate is increased from .12622 to .19692
- The I&S tax rate is not higher than the allowable to cover bond costs.
- The total tax rate is not higher than the effective tax rate.
- The total tax rate is not higher than the voter approval rate.
- The M&O tax rate is not higher than the effective tax rate.
- The total tax rate is effectively a 7.10% increase over the no-new-revenue tax rate due to the I&S tax rate increase.

Maximum Compressed Rate (MCR)

Appendix

Texas Education Agency

TEA final calculated rate on 8/4/22 prior to adoption of tax rate in September.

68901	ECTOR COUNTY ISD
TY 2021 Value Lost to the Local Optional Homestead Exemption	$1,062,118,094
TY 2021 Comptroller Certified School District Taxable Value for M&O Purposes (T2)	$15,245,722,555
TY 2021 Chief Appraiser's July 25th Certified Taxable Property Values from the Certified Appraisal Roll	$14,448,009,937
TY 2022 Chief Appraiser's July 25th Certified Taxable Property Values from the Certified Appraisal Roll	$16,070,401,685
CAD Value Growth (calculated)	11.23%
TY 2022 Property Value No Longer Subject to a Limitation on Appraised Value under Chapter 313, Tax Code	$0
TY 2022 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)	11.23%
TY 2022 Local Optional Homestead Exemption Value Loss	$1,159,746,676
Local Optional Homestead Exemption Value Change (calculated)	$97,628,582
Estimated TY 2022 Comptroller Certified School District Value for M&O purposes (T2)	$16,936,052,342
Prior Year (TY 2021) Maximum Compressed Tax Rate (MCR)	0.9134
Local Preliminary MCR = (1.025((TY 2021 DPV+E) * PYMCR)) / TY 2022 T2	0.8427
TY 2022 State Compression Percentage (lesser of PY State MCR or (0.9134 * (1.025/1.0436))-0.003	0.8941
TEC §48.2552 TY 2022 Limitation on Maximum Compressed Tax Rate (0.8941 * 0.9)	0.8046
MCR (lesser of state or local compression) (greater of local compression limitation under TEC §48.2552)	**0.8427**

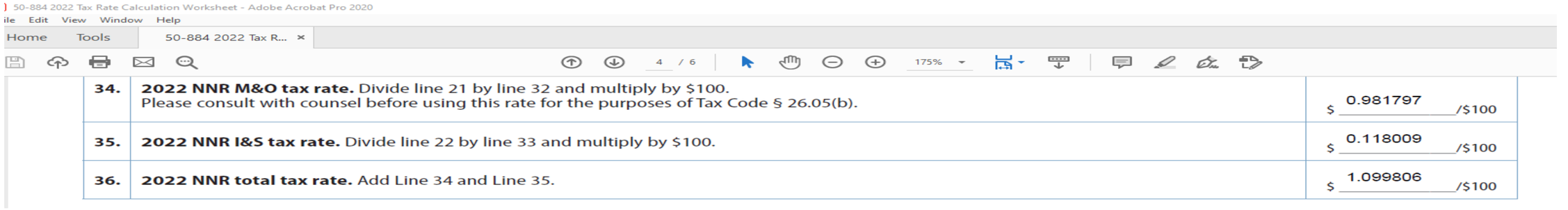
No New Revenue (NNR) and Voter Approved Tax Rate (VATR)

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.	
ECTOR COUNTY ISD	
District's total adopted (**allowed**) TY 2021 M&O tax rate	$1.0517
Enter TY 2021 Tax effort adopted by district in response to a disaster under 26.08 (a-1), Tax Code	$ -
District's total adopted (**allowed**) TY 2021 M&O tax rate net of pennies adopted to respond to disaster	$1.0517
Maximum Tier one tax rate (limited to 90% of highest taxing district)	***$0.8427***
Golden Pennies	$0.0800
Copper Pennies	$0.0583
Unequalized pennies for certain Harris County districts under special law	$0.0000
TY 2022 Total M&O tax rate with no increase	**$0.9810**
Voter Approval (Rollback) Tax Rate for TY 2022	
Section 26.08 (n) (A) District Maximum Compressed Tax Rate (MCR)	**$0.8427**
(B) (i) Districts TY 2021 enrichment Tax rate	$0.1383
(B) (ii) 5 cents if applicable	$0.0000
Enter TY 2022 Tax effort adopted by district in response to a disaster under 26.08 (a-1), Tax Code	$ -
TY 2022 I&S Tax Rate	
Voter Approval Tax Rate	**$0.9810**
Debt Svc	0.19692
	$1.17792

Ector County Appraisal District calculation of no new revenue tax rates


50-884 2022 Tax Rate Calculation Worksheet - Adobe Acrobat Pro 2020

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34.	**2022 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).	$ 0.981797 /$100
35.	**2022 NNR I&S tax rate.** Divide line 22 by line 33 and multiply by $100.	$ 0.118009 /$100
36.	**2022 NNR total tax rate.** Add Line 34 and Line 35.	$ 1.099806 /$100

Note: The same total tax rate of $1.17792 is effectively a 7.10%increase in the tax rate since it exceeds the no new revenue tax rate of $1.099806.

It is only the I&S tax rate that is higher than the no new revenue rate, but it is not higher than allowed to make required bond payments.

39.	**2022 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]	$ 0.9810 /$100
46.	**2022 debt rate.** Divide Line 44 by Line 45 and multiply by $100.	$ 0.203239 /$100

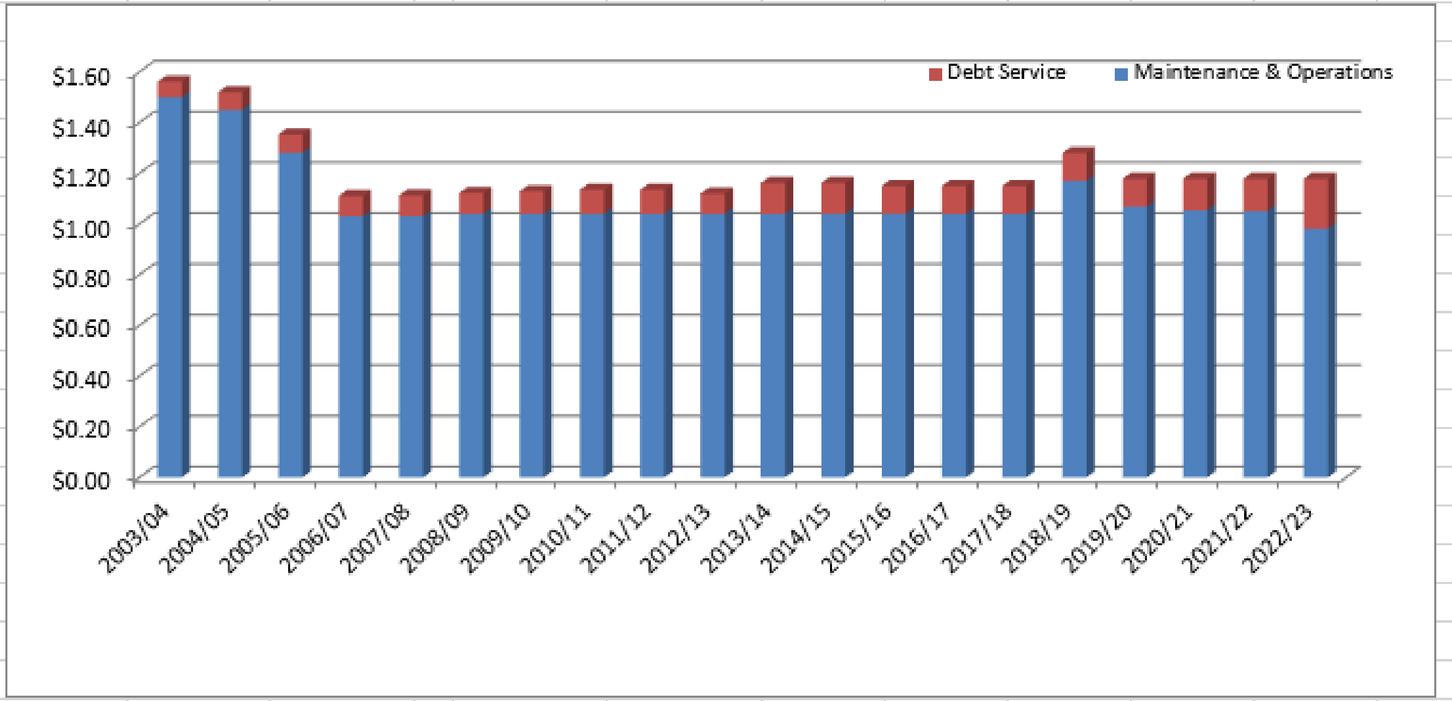
Ector County ISD

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	0.10960	1.14960	-0.00040
2018/19	1.17000	0.10960	1.27960	0.13000
2019/20	1.06835	0.10957	1.17792	-0.10168
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



Ector County ISD

Tax Rate Hearing

2022 – 2023

Presented by: Deborah Ottmers, ECISD Chief Financial Officer

9/20/2022