



SMARTER SCHOOL SPENDING

FOR STUDENT SUCCESS

Tax Rate Adoption
August 23, 2022



Fort Worth
INDEPENDENT SCHOOL DISTRICT

Proposed 2022-23 Tax Rates – A 6.16 cent reduction over the prior year

Tax Rate	Adopted Rate 2021-2022	Proposed Rate 2022-23	Diff
Maintenance & Operations (M&O)	\$1.0512	\$0.9896	(\$0.0616)
Interest & Sinking (I&S)	\$0.2920	\$0.2920	\$0.0000
Total Tax Rate	\$1.3432	\$1.2816	(\$0.0616)

Notice of tax rate was published in the Fort Worth Star Telegram on 08/12/22.

Taxes on Average Taxable Value

Tax Rate	Adopted Rate 2021-2022	Proposed Rate 2022-23	Diff
Average market value of residence	\$206,172	\$235,913	\$29,741
Average taxable value of residence	\$152,417	\$156,850	\$4,433
Total Tax Rate	\$1.3432	\$1.2816	(\$0.0616)
Taxes on Taxable Value	\$2,047.27	\$2,010.19	(\$37.08)

Tax Rate Adoption – Motion Language

The ordinance adopting the tax rate includes verbiage that implies the tax rate is increasing. Why? – A comparison to what is called the “No-New-Revenue Tax Rate.”

The “No-New-Revenue Tax Rate” is simply a calculation that determines a tax rate that would be needed to produce the same amount of tax revenue as last year based on this year’s taxable values.

Fort Worth ISD’s certified tax base grew by 10.2% this year. With that growth, it would take a lower tax rate to produce the same amount of tax revenue as last year.

Ordinance Language

- **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 5.29 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$-61.60**

**Section 26.05(b) of Property Tax Code
Worksheet for Determination of Steps Required for Adoption of Tax Rate
Fort Worth ISD**

Date: 08/05/2022 09:25 AM

M&O Tax Increase in Current Year	
1. Last year's taxable value, adjusted for court-ordered reductions. Enter Line 8 of the No New Revenue Tax Rate Worksheet.	\$39,820,079,695
2. Last year's M&O tax rate.	\$1.051200
3. M&O taxes refunded for years preceding tax year 2021.	\$9,305,994
4. Last year's M&O tax levy. Multiply line 1 times line 2 and divide by 100. To the result, add line 3.	\$427,894,672
5. This year's total taxable value. Enter line 20 of the No New Revenue Tax Rate Worksheet.	\$44,988,103,120
6. This year's proposed M&O tax rate Enter the proposed M&O tax rate approved by the Governing Body.	\$0.989600
7. This year's M&O tax levy. Multiply line 5 times line 6 and divide by 100.	\$445,202,268
8. M&O Tax Increase (Decrease). Subtract line 4 from line 7.	\$17,307,596
Comparison of Total Tax Rates	
9. No New Revenue Total Tax Rate.	\$1.201128
10. This year's proposed total tax rate.	\$1.281600
11. This year's rate minus no new revenue rate. Subtract line 9 from line 10.	\$0.080472
12. Percentage change in total tax rate. Divide Line 11 by line 9.	6.70%
Comparison of M&O Tax Rates	
13. No New Revenue M&O Tax Rate.	\$0.939877
14. This year's proposed M&O tax rate.	\$0.989600
15. This year's rate minus no new revenue rate. Subtract line 13 from line 14.	\$0.049723
16. Percentage increase/decrease. Divide line 15 by line 13.	5.29%
Raised M&O Taxes on a \$100,000 Home	
17. This year's taxable value on a \$100,000 home.	\$100,000
18. Last year's M&O tax rate.	\$1.051200
19. This year's proposed M&O tax rate.	\$0.989600
20. This year's raised M&O taxes. Subtract line 18 from line 19 and multiply result by line 17. Divide by 100.	\$-61.60
21. Percentage increase/decrease. Divide line 20 by line 18. Divide by 10.	-5.86%

Tax Rate Adoption

Final Step in Annual Process

Section 26.5(a), Texas Tax Code, requires the governing body to adopt an Ordinance setting tax rates to fund the adopted budgets.

The Notice of Public Meeting on the proposed tax rates was advertised as required by law for the August 23, 2022, Board Meeting.

Impact of Tax Rate Reduction on General Fund Revenue

- The reduction in the tax rate is due to state mandated compression from HB3, and is a reduction on the M&O tax rate from the 2021-2022 fiscal year.
- The reduced tax rate translates into less tax revenue, and the state will make up for that loss in revenue with state funding.
 - Generally, combined State and Local funding will remain the same as a result.
 - Ultimately, the “driver” in general fund revenue is ADA, or students.
- A revenue budget amendment will be presented at a future board meeting to reflect the change in the local/state revenues

Questions?



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