

NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE

The Palestine ISD will hold a public meeting at 6:00 PM, August 26, 2024 in Palestine ISD Board Room, 1007 East Park Avenue Palestine, 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 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	\$0.8042/\$100 (proposed rate for maintenance and operations)
School Debt Service Tax	\$0.2700/\$100 (proposed rate to pay bonded indebtedness)
Approved by Local Voters	

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	-1.50 % decrease
Debt Service	0.00 % increase
Total Expenditures	-1.37 % decrease

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

	<u>Preceding Tax Year</u>	<u>Current Tax Year</u>
Total appraised value* of all property	\$2,858,068,264	\$2,918,112,632
Total appraised value* of new property**	\$18,597,694	\$18,036,416
Total taxable value*** of all property	\$1,478,159,035	\$1,559,258,254
Total taxable value*** of new property**	\$15,255,387	\$14,039,238

*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* \$42,895,000

*Outstanding principal.

Comparison of Proposed Rates with Last Year's Rates

	<u>Maintenance & Operations</u>	<u>Interest & Sinking Fund*</u>	<u>Total</u>	<u>Local Revenue Per Student</u>	<u>State Revenue Per Student</u>
Last Year's Rate	\$0.8237	\$0.2700	\$1.0937	\$5,027	\$7,925
Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service	\$0.8552	\$0.2817	\$1.1369	\$5,280	\$7,682
Proposed Rate	\$0.8042	\$0.2700	\$1.0742	\$5,169	\$7,851

*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

	<u>Last Year</u>	<u>This Year</u>
Average Market Value of Residences	\$162,081	\$191,675
Average Taxable Value of Residences	\$62,081	\$91,675
Last Year's Rate Versus Proposed Rate per \$100 Value	\$1.0937	\$1.0742
Taxes Due on Average Residence	\$678.98	\$984.77
Increase (Decrease) in Taxes		\$305.79

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 \$1.0802. This election will be automatically held if the district adopts a rate in excess of the voter-approval rate of \$1.0802.

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)	\$8,500,000
Interest & Sinking Fund Balance(s)	\$5,000,000

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.

o New Revenue Tax Rate

Line	No New Revenue Tax Rate	Amount/Rate
1.	2023 total taxable value. Enter the amount of 2023 taxable value on the 2023 tax roll today. Include any adjustments since last year's certification; exclude one-fourth and one-third over-appraisal corrections made under Tax Code Section 25.25(d) from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2).	\$ 1,478,159,035
2.	2023 tax ceilings. Enter 2023 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled	\$ 124,683,976
3.	Preliminary 2023 adjusted taxable value. Subtract Line 2 from Line 1.	\$ 1,353,475,059
4.	2023 total adopted tax rate.	\$ 1.0937 /\$100
5.	2023 taxable value lost because court appeals of ARB decisions reduced 2023 appraised value. A. Original 2023 ARB values: \$ 0 B. 2023 values resulting from final court decisions: - \$ 0 C. 2023 value loss. Subtract B from A.	\$ 0
6.	2023 taxable value subject to an appeal under Chapter 42, as of July 25. A. 2023 ARB certified value: \$ 0 B. 2023 disputed value: - \$ 0 C. 2023 undisputed value. Subtract B from A.	\$ 0
7.	2023 Chapter 42-related adjusted values. Add Line 5 and 6.	\$ 0
8.	2023 taxable value, adjusted for actual and potential court-ordered reductions. Add Line 3 and Line 7.	\$ 1,353,475,059
9.	2023 taxable value of property in territory the school deannexed after Jan. 1, 2023. Enter the 2023 value of property in deannexed territory.	\$ 0
10.	2023 taxable value lost because property first qualified for an exemption in 2024. . If the school district increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport or goods-in-transit, or temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in 2024 does not create a new exemption or reduce taxable value. A. Absolute exemptions. Use 2023 market value: \$ 0 B. Partial exemptions. 2024 exemption amount or 2024 percentage exemption times 2023 value: + \$ 0 C. Value loss. Add A and B.	\$ 0
11.	2023 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2024. Use only properties that qualified in 2024 for the first time; do not use properties that qualified in 2023. A. 2023 market value: \$ 0 B. 2024 productivity or special appraised value: - \$ 0 C. Value loss. Subtract B from A.	\$ 0
12.	Total adjustments for lost value. Add Lines 9, 10C and 11C.	\$ 0
13.	Adjusted 2023 taxable value. Subtract Line 12 from Line 8.	\$ 1,353,475,059
14.	Adjusted 2023 total levy Multiply Line 4 by Line 13 and divide by \$100.	\$ 14,802,956
15.	Taxes refunded for years preceding tax year 2023. Enter the amount of taxes refunded by the district for tax years preceding tax year 2023. Types of refunds include court decisions, Tax	\$ 0

Line	No New Revenue Tax Rate	Amount/Rate
	Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2023. This line applies only to tax years preceding tax year 2023.	
16.	Adjusted 2023 levy with refunds. Add Lines 14 and 15. Note: If the governing body of the school district governs a junior college district in a county with a population of more than two million, subtract the amount of taxes the governing body dedicated to the junior college district in 2023 from the result.	\$ 14,802,956
17.	Total 2024 taxable value on the 2024 certified appraisal roll today. This value includes only certified values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 19). These homesteads include homeowners age 65 or older or disabled. A. Certified values: ³ \$ 1,559,258,254 B. Pollution control and energy storage system exemption: Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property: - \$ 0 C. Total 2024 value. Subtract B from A.	\$ 1,559,258,254
18.	Total value of properties under protest or not included on certified appraisal roll. A. 2024 taxable value of properties under protest: The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value under protest. \$ 0 B. 2024 value of properties not under protest or included on certified appraisal roll: The chief appraiser gives school districts a list of those taxable properties that the chief appraiser knows about, but are not included in the appraisal roll certification. These properties are also not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value not on the roll. + \$ 0 C. Total value under protest or not certified. Add A and B.	\$ 0
19.	2024 tax ceilings. Enter 2024 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled.	\$ 158,324,769
20.	2024 total taxable value. Add Lines 17C and 18C. Subtract Line 19.	\$ 1,400,933,485
21.	Total 2024 taxable value of properties in territory annexed after Jan. 1, 2023. Include both real and personal property. Enter the 2024 value of property in territory annexed by the school district.	\$ 0
22.	Total 2024 taxable value of new improvements and new personal property located in new improvements. New means the item was not on the appraisal roll in 2023. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the school district after Jan. 1, 2023, and be located in a new improvement.	\$ 14,039,238
23.	Total adjustments to the 2024 taxable value. Add lines 21 and 22.	\$ 14,039,238
24.	Adjusted 2024 taxable value. Subtract Line 23 from Line 20.	\$ 1,386,894,247
25.	2024 NNR tax rate. Divide Line 16 by Line 24 and multiply by \$100.	\$ 1.0673 /\$100

¹Tex. Tax Code Section 26.012(14)²Tex. Tax Code Section 26.012(6)³Tex. Tax Code Section 26.012(6)⁴Tex. Tax Code Section 26.012(6)(A)(i)⁵Tex. Tax Code Section 26.012(6)(A)(ii)

Voter-Approval Tax Rate

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
26.	2024 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. <i>ACT Tip: This number will be provided through the TEA website in August.</i>	\$ 0.6659
27.	2024 enrichment tax rate. Enter the greater of A and B. A. Enter the district's 2023 enrichment tax rate, minus any required reduction under Education Code Section 48.202(f) \$ 0.1383 B. \$0.05 per \$100 of taxable value. \$ 0.0500	\$ 0.1383
28.	2024 maintenance and operations (M&O) tax rate. Add Lines 26 and 27. Note: M&O tax rate may not exceed the sum of \$0.17 and the district's maximum compressed rate.	\$ 0.8042
29.	Total 2024 debt to be paid with property tax revenue. <i>ACT Tip: Please enter your debt information on the debt screen.</i> Debt means the interest and principal that will be paid on debts that: (1) Are paid by property taxes; (2) Are secured by property taxes; (3) Are scheduled for payment over a period longer than one year; and (4) Are not classified in the school district's budget as M&O expenses. A. Debt includes contractual payments to other school districts that have incurred debt on behalf of this school district, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. If the governing body of a taxing unit authorized or agreed to authorize a bond, warrant, certificate of obligation, or other evidence of indebtedness on or after Sept. 1, 2023, verify if it meets the amended definition of debt before including it here. Enter debt amount \$ 3,828,050 B. Subtract unencumbered fund amount used to reduce total debt. - \$ 0 C. Subtract state aid received for paying principal and interest on debt for facilities through the existing debt allotment program and/or instructional facilities allotment program. - \$ 0 D. Adjust debt: Subtract B and C from A.	\$ 3,828,050
30.	Certified 2023 excess debt collections. Enter the amount certified by the collector.	\$ 0
31.	Adjusted 2024 debt. Subtract Line 30 from Line 29D.	\$ 3,828,050
32.	2024 anticipated collection rate. If the anticipated collection rate in A is lower than actual rates in B, C and D, enter the lowest rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100% A. Enter the 2024 anticipated collection rate certified by the collector 99.00 % B. Enter the 2023 actual collection rate. 97.00 % C. Enter the 2022 actual collection rate. 97.00 % D. Enter the 2021 actual collection rate. 97.00 %	\$ 99.00 %
33.	2024 debt adjusted for collections. Divide Line 31 by Line 32. Note: If the governing body of the school district governs a junior college district in a county with a population of more than two million, add the amount of taxes the governing body proposes to dedicate to the junior college district in 2024 to the result.	\$ 3,866,717
34.	2024 total taxable value. Enter the amount on Line 20 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 1,400,933,485

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
35.	2024 debt tax rate. Divide Line 33 by Line 34 and multiply by \$100.	\$ 0.2760 /\$100
36.	2024 voter-approval tax rate. Add lines 28 and 35. 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 28 and 35.	\$ 1.0802 /\$100

