

The background of the slide is a dense field of three-dimensional numbers in various shades of blue and white. The numbers are of different sizes and are scattered across the entire frame, creating a sense of depth and complexity. Some numbers are more prominent than others, while others are partially obscured or in the background.

# Tax Year 2021 Truth In Taxation Briefing

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# Truth In Taxation

## Texas Constitution

- Requires local taxing units to make taxpayers aware of tax rate proposals and to afford taxpayers the opportunity to limit tax increases

## Tax Code Chapter 26

- Defines calculation, notices and hearings

## Defined Process

- Draft a budget
- Calculate the tax rate
- Publish notice
- Hold a public hearing
- Adopt a tax rate
- Hold election if necessary

## SB2 Changes

- SB2 adopted during the 2019 legislative session
- First effective for tax year 2020
- Changed terminology, timelines, and notice requirements

# Definitions

## No New Revenue Tax Rate (NNR)

- Formally the *effective tax rate*. The rate that effectively produces the same revenue as the prior tax year based on the new appraised value of the same base property.

## Voter Approval Tax Rate (VAR)

- Formally the *rollback tax rate*. The maximum rate that can be adopted before triggering an automatic election for approval.

## No New Revenue Maintenance and Operations (M&O) Rate

- The rate that produces the same revenue for maintenance and operations as prior tax year. This rate is can only increase up to 3.5% or an election is automatically triggered

## Interest and Sinking (I & S) Rate

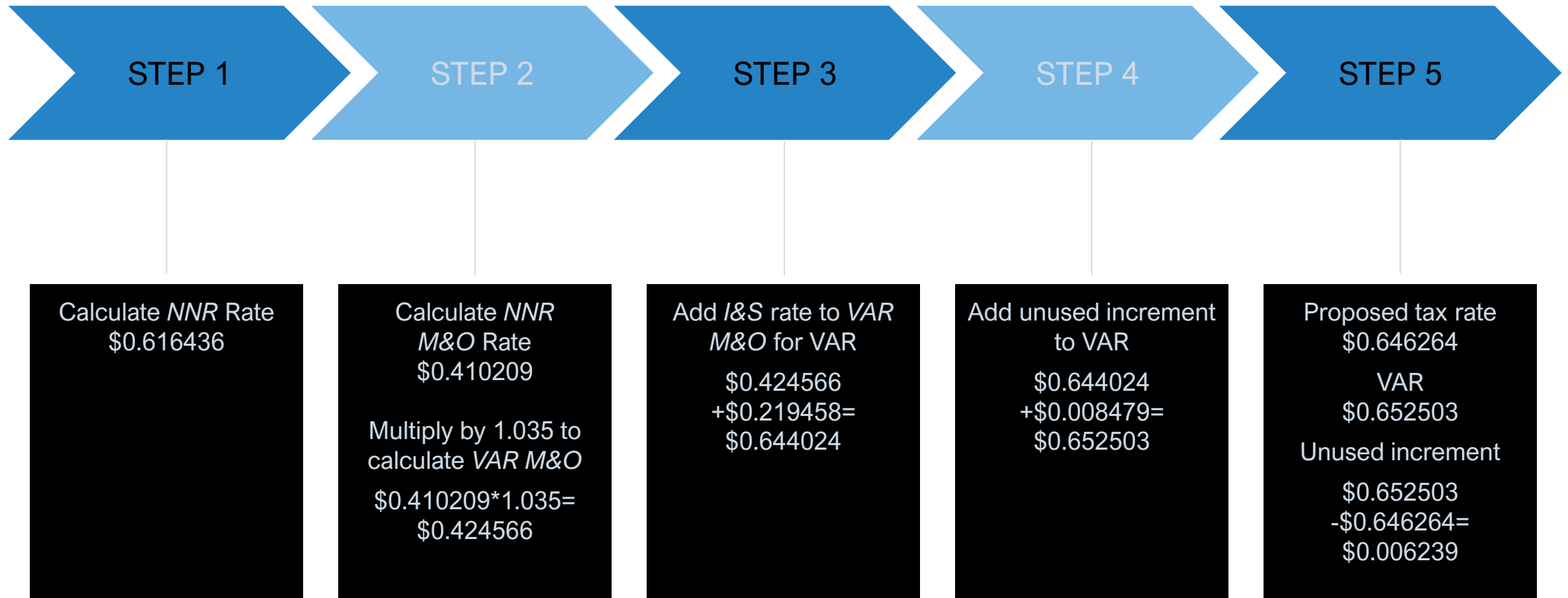
- The portion of the tax rate for debt service. This portion of the tax rate is based on the required debt service for the year and is not subject to the 3.5% limitation.

## Unused Increment

- The increment between the adopted tax rate and the voter approval tax rate. This increment can be rolled for up to 3 tax years and applied to the voter approval tax rate total.



# Tax Rate Calculation



# Truth In Taxation Tax Year 2021

## Unused Increment

Tax Year 2020  
\$0.008479

Proposed Tax Year 2021  
\$0.006239

## Interest & Sinking (I&S) Rate

\$0.219458

This rate has remained the same since  
FY 2019

## Maintenance & Operations (M&O) Rate

\$0.410209  
NNR M&O

\$0.424566  
Voter Approval M&O

# Truth In Taxation Tax Year 2021

## No New Revenue Rate

\$0.616436  
per \$100 valuation

## Voter Approval Rate

\$0.644024  
per \$100 valuation as calculated

\$0.652503  
per \$100 valuation including \$0.008479  
unused increment from Tax Year 2020

## Proposed Tax Rate

\$0.646264  
per \$100 valuation

I&S \$0.219458  
M&O \$0.426806

This rate is the same as the prior two  
fiscal years.