

2017 EFFECTIVE TAX RATE CALCULATION

School Districts

PARADISE ISD

STEP 1: Effective Tax Rate (No New Taxes)

The effective 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 taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the effective tax rate should decrease.

Line	Effective Tax Rate Activity	Amount / Rate
1	2016 Total Taxable Value Enter the amount of 2016 taxable value on the 2016 tax roll today. Include any adjustments since last year's certification; exclude Section 25.25(d) one-third over- appraisal corrections from these adjustments. This total includes the taxable value of homesteads with tax ceilings (will deduct in line 2) and the captured value for tax increment financing (will deduct taxes in line 14).	\$361,891,197
2	2016 Tax Ceilings and Chapter 313 limitations a. Enter 2016 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older disabled. b. Enter 2016 total taxable value of applicable Chapter 313 limitations when calculating effective maintenance and operations taxes. Enter zero when calculating effective debt service taxes. (Use these numbers on the advice of your attorney.) c. Add A and B	\$37,420,006 \$0 \$37,420,006
3	Prelim 2016 adjusted taxable value (Subtract Line 2 from Line 1)	\$324,471,191
4	2016 Adopted Tax Rate	\$1.3400
5	2016 Taxable Value Lost because Court Appeals of ARB decisions reduced 2016 appraised value. a. Original 2016 ARB values b. 2016 values resulting from final court decisions. c. 2016 value loss (Subtract B from A)	\$0 \$0 \$0
6	2016 taxable value adjusted for court ordered decisions Add line 3 and line 5C.	\$324,471,191

Line	Effective Tax Rate Activity	Amount / Rate
7	2016 Taxable value of property the unit deannexed after January 01, 2016. Enter the 2016 value of property in denanexed territory.	\$0
8	2016 Taxable value lost because property first qualified for an exemption in 2017. Note that lowering the amount of percentage of an existing exemption does not create a new exemption or reduce taxable value. If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost to freeport exemptions or tax abatements, a. Absolute exemptions (use 2016 Market Value) b. Partial exemptions. 2017 exemption amount or 2017 percentage exemption times 2016 value. c. Value Lost (Add A + B)	\$30,830 \$2,231,798 \$2,262,628
9	2016 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 2017. Use only those properties that first qualified in 2017; do not use properties that qualified in 2016. a. 2016 Market Value b. 2017 Productivity value or special appraised value c. Value Lost (Subtract B from A)	\$3,401,620 \$35,870 \$3,365,750
10	Total Adjustments for Lost Value Add lines 7,8C, and 9C.	\$5,628,378
11	2016 Adjusted taxable value Subtract line 10 from line 6.	\$318,842,813
12	Adjusted 2016 taxes Multiply line 4 by line 11 and divided by \$100.	\$4,272,494
13	Taxes refunded for years preceding year 2016. Enter the amount of taxes refunded during the last budget year for tax years preceding tax year 2016. Types of refunds include court decisions, Section 25.25 b and c corrections and Section 31.11 payment errors. Do not include refunds for tax year 2016. This line applies only to tax years preceding 2016.	\$14,891
14	Adjusted 2016 taxes with refunds. Add lines 12 and 13.	\$4,287,385
15	Total 2017 taxable value on the 2017 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 17). These homesteads includes homeowners age 65 or older or disabled. A. Certified values only B. Pollution control exemption: Deduct the value of property exempted for the current tax year for the first time as pollution control property (use this line based on attorney's advice): C. 2017 Value. A minus B.	\$403,978,720 \$0 \$403,978,720

Line	Effective Tax Rate Activity	Amount / Rate
16	<p>Total 2017 taxable value of property under protest or not included on certified roll.</p> <p>A. 2017 Taxable Value of properties under protest. The chief appraiser certifies a list of properties still under ARB protest. The list shows the 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 lower of these values. Enter the total value.</p> <p>B. 2017 value of properties not under protest or included on certified appraisal roll. The Chief Appraiser gives the taxing units a list of those properties that the Chief Appraiser knows about but are not included at appraisal roll certification. These properties also are not on the 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 tax year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value.</p> <p>C. Total value under protest or not certified. Add A and B.</p>	<p style="text-align: right;">\$0</p> <p style="text-align: right;">\$0</p> <p style="text-align: right;">\$0</p>
17	<p>2017 Tax Ceilings and Chapter 313 limitations.</p> <p>A. Enter 2017 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older.</p> <p>B. Enter 2017 total taxable value of Chapter 313 limitations when calculating effective maintenance and operations taxes. Enter zero when calculating effective debt service taxes. (Use these numbers on advise fo your attorney.)</p> <p>C. Add A and B</p>	<p style="text-align: right;">\$43,622,353</p> <p style="text-align: right;">\$0</p> <p style="text-align: right;">\$43,622,353</p>
18	<p>2017 Total Taxable Value Add lines 15C and 16C. Subtract line 17.</p>	<p style="text-align: right;">\$360,356,367</p>
19	<p>Total 2017 taxable value of properties annexed after January 01, 2016. Include both real and personal property. Enter the 2017 value of property in territory annexed.</p>	<p style="text-align: right;">\$0</p>
20	<p>Total 2017 taxable value of new improvements and new personal property located in new Improvements. "New" means the Item was not on the appraisal roll in 2016.</p> <p>An improvement is a building, structure, fixture or fence erected or affixed to land. A transportable structue located on its owner's land is also included unless it is held for sale or is there only temporarily. 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 unit after January 1, 2016 and located in a new improvement. New improvements do not include property on which a tax abatement agreement has expired for 2017. New improvements do not include mineral interests produced for the first time, omitted property that is back assessed and increased appraisals on existing property.</p>	<p style="text-align: right;">\$10,913,783</p>
21	<p>Total adjustments to the 2017 taxable value Add llnes 20 and 21.</p>	<p style="text-align: right;">\$10,913,783</p>
22	<p>2017 Adjusted taxable value Subtract line 21 from line 18.</p>	<p style="text-align: right;">\$349,442,584</p>
23	<p>2017 Effective tax rate Divide lline 14 by lline 22 and multiply by \$100.</p>	<p style="text-align: right;">\$1.2269</p>
24	<p>2017 Effective Tax Rate for ISDs with Chapter 313 Limitations. Add together the effective tax rates for maintenance and operations and debt service for those school districts that participate in an applicable Chapter 313 Limitations agreement.</p>	

STEP 2: Rollback Tax Rate

Most school districts calculate a rollback tax rate that is split into two separate rates:

1. Maintenance and Operations (M&O): School districts must use the lesser amount of the following methods to calculate the M&O rate:

> Four cents (\$0.04) PLUS current year's compression rate multiplied by \$1.50 (usually \$1) PLUS any additional cents approved by voters at a 2006 or subsequent rollback election; OR

> Current year's compression rate multiplied by six cents (usually four cents) PLUS effective M&O rate which includes school formula funding calculations.⁶

2. Debt: The debt tax 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.

In most cases the rollback tax rate exceeds the effective tax rate, but occasionally decreases in a school district's debt service will cause the effective tax rate to be higher than the rollback tax rate.

Line	Rollback Tax Rate Activity	Amount / Rate
25	Maintenance & Operations tax rate. Enter \$1.50 or 2005 adopted M&O rate if voters approved a rate higher than \$1.50.	\$1.50000
26	Multiply Line 24 times .66667	\$1.0000
27	2017 Rollback maintenance & operation rate. Use the lessed of the maintenance and operations rate as calculated in Tax Code Section 23.08(n)(2)(A)&(B)	\$1.0400
28	Total 2017 debt to be paid with property taxes and additional sales tax revenues. "Debt" means the interest and principal that will be paid on debts that: (1) are paid from 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 unit's budget as M&O expenses. Debt also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit. If those debts meet then four conditions above. Include only amounts that will be paid from property tax revenues (or additional sales tax revenue). Do not include appraisal district budget payments. List the debt in "Schedule B: Debt Service." If using unencumbered fund amount used from total debt and list remainder. A. Debt also 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. Do not include appraisal district budget payments. B. If using unencumbered funds, subtract unencumbered fund amount used for total debt. 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. D. Total: Subtract B and C from A	<div style="display: flex; justify-content: space-between;"> \$1,195,462 \$0 \$0 </div> <div style="text-align: right; color: blue; margin-top: 10px;">\$1,195,462</div>
29	Certified 2016 excess debt collections. Enter the amount certified by the collector.	\$0
30	Adjusted 2017 debt Subtract line 28 from line 27d	\$1,195,462
31	Certified 2016 Anticipated Collection Rate Enter the rate certified by the collector. If the rate is 100 percent or greater, enter 100 percent.	98%
32	2017 Debt adjusted for Collections Divide line 29 by line 30.	\$1,219,859
33	2017 Total Taxable Value Enter amount form line 18.	\$360,356,367
34	2017 Debt Tax Rate Divide line 32 by line 33 and multiply by \$100.	\$0.33851
35	2017 Rollback Tax Rate Add lines 26 and 34.	\$1.37852

STEP 5: Additional Rollback Protection for Pollution Control

Line	Rollback Tax Rate Activity	Amount / Rate
36	Certified expenses from the Texas Commission on Environmental Quality (TCEQ). Enter the amount certified in the determination letter from TCEQ. The taxing unit shall provide its tax assessor with a copy of the letter.	\$0
37	2017 total taxable value. Enter the amount from line 33 of the Rollback Tax Rate Worksheet.	\$360,356,367
38	Additional rate for pollution control. Divide Line 36 by Line 37 and multiply by \$100	\$0
39	2017 Rollback Tax Rate, adjusted for pollution control. Add line 38 and line 35	\$1.37852

STEP 5: Total Tax Rate

Indicate the applicable tax rates as calculated above:

Effective Tax Rate (Line 23; or line 24 for a school district with Tac Code Chapter 12 limitations)	\$1.226921
Rollback Tax Rate (Line 35)	\$1.378520
Rollback Tax Rate adjusted for pollution control (Line 39)	\$1.378520

STEP 6: School District Representative Name and Signature

Enter the name of the person preparing the tax rate authorized by the school board.

Name Michael (Mickey) Hand

Sign *Michael (Mickey) Hand*

7/24/2017