



**SOUTH TEXAS
COLLEGE**

Board of Trustees
Public Hearing & Special
Board Meeting

Tuesday, September 27, 2022
5:15 p.m.

Pecan Campus
Ann Richards Administration Building
Board Room
McAllen, Texas

Online Board Packet

**SOUTH TEXAS COLLEGE
BOARD OF TRUSTEES
PUBLIC HEARING AND SPECIAL BOARD MEETING
Tuesday, September 27, 2022 @ 5:15 p.m.
Ann Richards Administration Building Board Room
Pecan Campus, McAllen, Texas 78501**

AGENDA

"At anytime during the course of this meeting, the Board of Trustees may retire to Executive Session under Texas Government Code 551.071(2) to confer with its legal counsel on any subject matter on this agenda in which the duty of the attorney to the Board of Trustees under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code. Further, at anytime during the course of this meeting, the Board of Trustees may retire to Executive Session to deliberate on any subject slated for discussion at this meeting, as may be permitted under one or more of the exceptions to the Open Meetings Act set forth in Title 5, Subtitle A, Chapter 551, Subchapter D of the Texas Government Code. At this meeting, the Board of Trustees may deliberate on and take any action deemed appropriate by the Board of Trustees on the following subjects:"

- I. Call Meeting to Order**
- II. Determination of Quorum**
- III. Public Hearing on South Texas College Proposed 2022 Tax Rate..... 3 - 12**
 - Presentation on South Texas College Proposed 2022 Tax Rate
 - Public Comments
 - Close of Public Hearing on South Texas College Proposed 2022 Tax Rate
- IV. Consideration and Action on Agenda Items**
 - 1. Review and Recommend Action on Order 2023-001 Adopting the Tax Rate for 2022 13 - 17
- V. Announcements**
 - A. Next Meeting:
 - Regular Meeting of Board of Trustees, September 27, 2022 at 5:30 p.m., Ann Richards Administration Building Board Room, McAllen, Texas

The Public Hearing on South Texas College Proposed 2022 Tax Rate

Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, will provide a presentation on the proposed 2022 tax rate for South Texas College to the public and Board of Trustees.

Chapter 26 of the Property Tax Code requires taxing units to comply with truth-in-taxation laws in adopting the tax rate. The laws have two purposes: to make taxpayers aware of tax rate proposals and to allow taxpayers, in certain cases, to rollback or limit a tax increase. The truth-in-taxation requires a taxing unit to calculate two (2) tax rates after receiving the certified appraisal roll from the chief appraiser, the no-new-revenue tax rate and the voter-approval tax rate.

Comparing a proposed tax rate to these two (2) rates determines which truth-in-taxation steps apply. A taxing unit must publish special notices and hold a public hearing before adopting a tax rate that exceeds the no-new-revenue tax rate and/or the voter-approval tax rate. The College is proposing to adopt a tax rate that does exceed the no-new-revenue tax rate but does not exceed the voter-approval tax rate and therefore, is required to hold a public hearing.

The notice concerning the 2022 Property Tax Rates has been published in accordance with the Truth-In-Taxation requirements on the South Texas College website. The Notice of Public Hearing on Tax Increase has been published in accordance with the Truth-In-Taxation requirements on The Monitor, the Starr County Town Crier, and on the South Texas College website. Attached are copies of the Proposed 2022 Tax Presentation, 2022 Property Tax Rates, and the Notice of Public Hearing on Tax Increase for your information and review.

The tax rate for the 2021 Tax Year was as follows:

2021 Tax Rate			
	M&O Rate	Debt Rate	Total Rate
2021 Tax Rate	\$0.1400	\$0.0315	\$0.1715

The proposed tax rate for the 2022 Tax Year is as follows:

2022 Tax Rates				
	M&O Rate	Debt Rate	Total Rate	Revenue
No-New-Revenue Tax Rate (Formerly Effective Tax Rate)	-	-	\$0.1572	\$79,363,113
Voter-Approval Tax Rate (Formerly Rollback Tax Rate)	\$0.1388	\$0.0227	\$0.1615	\$81,351,314
Proposed Tax Rate	\$0.1388	\$0.0227	\$0.1615	\$81,351,314

Determination of Tax Rates (M&O Rate)

The proposed maintenance and operations (M&O) tax rate of \$0.1388 is the maximum rate that the College can adopt to not exceed the voter-approval tax rate and not be required to hold an election to vote on the proposed tax rate.

Public Hearings Prior to Adoption of the Proposed 2022 Tax Rate

South Texas College is required to hold a public hearing and publish special notices before adopting the proposed tax rate of \$0.1615 since this tax rate does exceed the no-new-revenue tax rate but does not exceed the voter-approval tax rate. At the August 23, 2022 Board of Trustees meeting, the Board of Trustees took a record vote and scheduled a public hearing for the proposed tax rate of \$0.1615.

Public Hearing

The Public Hearing on the proposed 2022 tax rate was scheduled for Tuesday, September 27, 2022 at 5:15 p.m. and special notices were published in accordance with state law.

The Board of Trustees of South Texas College is scheduled to take action on the proposed 2022 tax rate at a public meeting to be held on September 27, 2022 at South Texas College, Board Room, Annex Bldg., 2nd Floor, 3201 W. Pecan, McAllen, Texas at 5:15 p.m.

No action is requested of the Board at this time.

Proposed 2022 Property Tax Rates

Board of Trustees
Public Hearing & Special Board Meeting
September 27, 2022



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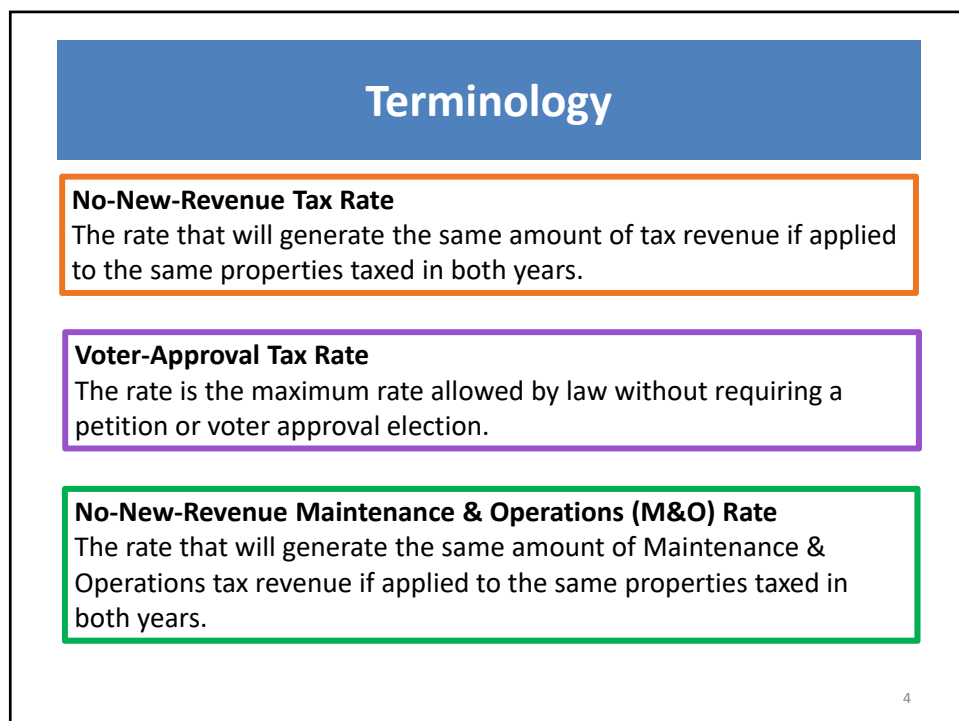
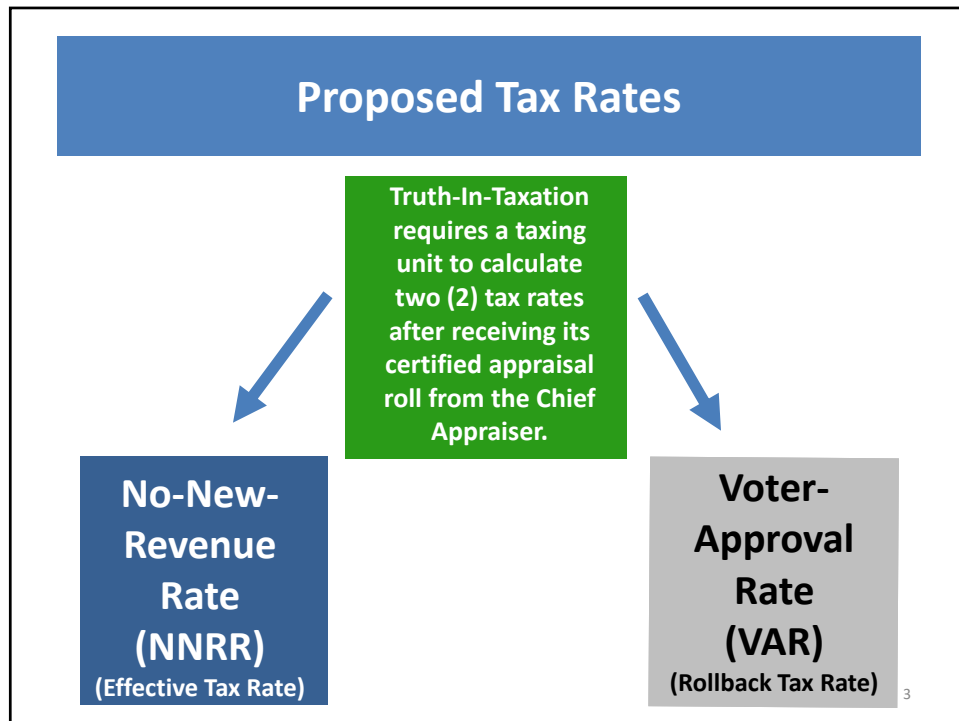
Proposed Tax Rates



Chapter 26 of the Property Tax Code requires taxing units to comply with truth-in-taxation laws in adopting the tax rate.

Truth in taxation is designed to inform the public of increases in total tax revenues assessed by taxing units.

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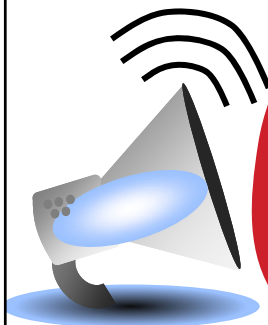
Special Notices & Public Hearing Requirement

A taxing unit must publish special notices and hold one public hearing before adopting a tax rate if the taxing unit proposes a tax rate that:

- Exceeds the no-new-revenue tax rate and the voter-approval tax rate;
- Exceeds the no-new-revenue tax rate but does not exceed the voter-approval tax rate; or
- Does not exceed the no-new-revenue tax rate but exceeds the voter-approval tax rate

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Proposed Total Tax Rate: \$0.1615



The College is required to hold one public hearing and publish special notices before adopting the proposed tax rate since the proposed rate (\$0.1615) does exceed the lower of:

- the no-new-revenue rate of (\$0.1572) but does not exceed
- the voter-approval rate of (\$0.1615)

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Tax Rates Calculations

	M&O Rate	Debt Rate	Rate	Revenue
No-New-Revenue Rate (Formerly Effective Tax Rate)			\$0.1572	\$79,363,113
Voter-Approval Rate (Formerly Rollback Tax Rate)	\$0.1388	\$0.0227	\$0.1615	\$81,351,314
Proposed Tax Rate	\$0.1388	\$0.0227	\$0.1615	\$81,351,314

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Required Steps

- July 25, 2022 – Deadline for chief appraiser to certify rolls to taxing units
- Certification of anticipated collection rate by collector
- Calculation of no-new-revenue and voter-approval tax rates
- August 23, 2022 – Meeting of governing body to discuss tax rate
- August 23, 2022 – The recommended proposed tax rate does exceed the lower of the no-new-revenue but does not exceed the voter-approval tax rate, take record vote and schedule one public hearing
- August 24, 2022 – Notice About 2022 Tax Rates published on South Texas College website

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Required Steps

- September 14, 2022 – Publish Notice of Public Hearing on Tax Increase
- September 23, 2022 – Schedule and announced meeting to adopt tax rate
- September 27, 2022 – Public Hearing
- September 27, 2022 – Meeting to adopt tax rate

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Thank You Questions?



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Notice about 2022 Tax Rates

Property tax rates in South Texas College.

This notice concerns the 2022 property tax rates for South Texas College. This notice provides information about two tax rates used in adopting the current tax year's tax rate. The no-new-revenue tax rate would impose the same amount of taxes as last year if you compare properties taxed in both years. In most cases, the voter-approval tax rate is the highest tax rate a taxing unit can adopt without holding an election. In each case, these rates are calculated by dividing the total amount of taxes by the current taxable value with adjustments as required by state law. The rates are given per \$100 of property value.

This year's no-new-revenue tax rate	\$0.1572/\$100
This year's voter-approval tax rate	\$0.1615/\$100

To see the full calculations, please visit South Texas College for a copy of the Tax Rate Calculation Worksheet.

Unencumbered Fund Balances

The following estimated balances will be left in the taxing unit's accounts at the end of the fiscal year. These balances are not encumbered by corresponding debt obligation.

Type of Fund	Balance
Interest and Sinking Account	15,156,973

Current Year Debt Service

The following amounts are for long-term debts that are secured by property taxes. These amounts will be paid from upcoming property tax revenues *(or additional sales tax revenues, if applicable)*.

Description of Debt	Principal or Contract Payment to be Paid from Property Taxes	Interest to be Paid from Property Taxes	Other Amounts to be Paid	Total Payment
Limited Tax Bonds, Series 2014	2,760,000	138,000	0	2,898,000
Limited Tax Bonds, Series 2015	5,465,000	445,450	0	5,910,450
Limited Tax Refunding Bonds, Taxable Series 2020	375,000	1,680,850	0	2,055,850
Limited Tax Refunding Bonds, Taxable Series 2021	235,000	2,099,223	0	2,334,223

Total required for 2022 debt service	\$13,198,523
- Amount (if any) paid from funds listed in unencumbered funds	\$2,600,000
- Amount (if any) paid from other resources	\$0
- Excess collections last year	\$0
= Total to be paid from taxes in 2022	\$10,598,523
+ Amount added in anticipation that the unit will collect only 100.94% of its taxes in 2022	\$-98,699
= Total debt levy	\$10,499,824

This notice contains a summary of actual no-new-revenue and voter-approval calculations as certified by Mary G. Elizondo, Vice President for Finance and Administrative Services on 08/24/2022 .

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.

NOTICE OF PUBLIC HEARING ON TAX INCREASE

A tax rate of \$0.1615 per \$100 valuation has been proposed by the governing body of South Texas College.

PROPOSED TAX RATE	\$0.1615 per \$100
NO-NEW-REVENUE TAX RATE	\$0.1572 per \$100
VOTER-APPROVAL TAX RATE	\$0.1615 per \$100

The no-new-revenue tax rate is the tax rate for the 2022 tax year that will raise the same amount of property tax revenue for South Texas College from the same properties in both the 2021 tax year and the 2022 tax year.

The voter-approval rate is the highest tax rate that South Texas College may adopt without holding an election to seek voter approval of the rate.

The proposed tax rate is greater than the no-new-revenue tax rate. This means that South Texas College is proposing to increase property taxes for the 2022 tax year.

A PUBLIC HEARING ON THE PROPOSED TAX RATE WILL BE HELD ON September 27, 2022 AT 5:15 PM AT South Texas College Board Room Annex Bldg 2nd Floor 3201 W. Pecan, McAllen, Texas.

The proposed tax rate is not greater than the voter-approval tax rate. As a result, South Texas College is not required to hold an election at which voters may accept or reject the proposed tax rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the South Texas College of South Texas College at their offices or by attending the public hearing mentioned above.

YOUR TAXES OWED UNDER ANY OF THE RATES MENTIONED ABOVE CAN BE
CALCULATED AS FOLLOWS:

Property tax amount= (tax rate) x (taxable value of your property)/100

FOR the proposal:

Rose Benavidez
Victoria Cantú
Dalinda Gonzalez-Alcantar

Alejo Salinas, Jr.
Paul R. Rodriguez

**AGAINST the
proposal:**

PRESENT and not
voting:

ABSENT:

Rene Guajardo

Danny Guzman

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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.

The following table compares the taxes imposed on the average residence homestead by South Texas College last year to the taxes proposed to be imposed on the average residence homestead by South Texas College this year.

	2021	2022	Change
Total tax rate (per \$100 of value)	\$0.1715	\$0.1615	decrease of -0.0100, or -5.83%
Average homestead taxable value	\$94,462	\$111,009	increase of 16,547, or 17.52%
Tax on average homestead	\$162.00	\$179.28	increase of 17.28, or 10.67%
Total tax levy on all properties	\$70,908,004	\$74,673,109	increase of 3,765,105, or 5.31%

For assistance with tax calculations, please contact the tax assessor for South Texas College at 956-872-3558 or marye@southtexascollege.edu, or visit www.southtexascollege.edu for more information.

Review and Recommend Action on Order 2023-001 Adopting the Tax Rate for 2022

Approval of Order 2023-001 adopting the tax rate for 2022 by taking record vote of the members of the Board is requested.

Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, will provide a presentation on the proposed 2022 tax rate for South Texas College to the public and Board of Trustees.

Chapter 26 of the Property Tax Code requires taxing units to comply with truth-in-taxation laws in adopting the tax rate. The laws have two purposes: to make taxpayers aware of tax rate proposals and to allow taxpayers, in certain cases, to rollback or limit a tax increase. The truth-in-taxation requires a taxing unit to calculate two (2) tax rates after receiving the certified appraisal roll from the chief appraiser, the no-new-revenue tax rate and the voter-approval tax rate.

Comparing a proposed tax rate to these two (2) rates determines which truth-in-taxation steps apply. A taxing unit must publish special notices and hold a public hearing before adopting a tax rate that exceeds the no-new-revenue tax rate and/or the voter-approval tax rate. The College is proposing to adopt a tax rate that does exceed the no-new-revenue tax rate but does not exceed the voter-approval tax rate and therefore, is required to hold one public hearing.

The notice concerning the 2022 Property Tax Rates has been published in accordance with the Truth-In-Taxation requirements in the South Texas College website. The Notice of Public Hearing on Tax Increase has been published in accordance with the Truth-In-Taxation requirements on The Monitor, the Starr County Town Crier, and on the South Texas College website. Attached are copies of the Proposed 2022 Tax Presentation, 2022 Property Tax Rates, and the Notice of Public Hearing on Tax Increase for your information and review.

The tax rate for 2021 Tax Year was as follows:

2021 Tax Rate			
	M&O Rate	Debt Rate	Total Rate
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<i>Proposed Tax Rate</i>	<i>\$0.1388</i>	<i>\$0.0227</i>	<i>\$0.1615</i>	<i>\$81,351,314</i>

Determination of Tax Rates (M&O Rate)

The proposed maintenance and operations (M&O) tax rate of \$0.1388 is the maximum rate that the College can adopt to not exceed the voter-approval tax rate and not be required to hold an election to vote on the proposed tax rate.

The proposed tax rate reflects a tax decrease of \$0.0100 per hundred dollars in property value.

Public Hearings Prior to Adoption of the Proposed 2022 Tax Rate

South Texas College was required to hold one public hearing and publish special notices before adopting the proposed tax rate of \$0.1615 since this rate does exceed the no-new-revenue tax rate but does not exceed the voter-approval tax rate. At the August 23, 2022 Board of Trustees meeting, the Board of Trustees took a record vote and scheduled one public hearing for the proposed tax rate of \$0.1615.

Public Hearing

The Public Hearing on the proposed 2022 tax rate was held on Tuesday, September 27, 2022 at 5:15 p.m. and special notices were published in accordance with state law.

The Board of Trustees of South Texas College is scheduled to take action on the proposed 2022 tax rate at a public meeting to be held on September 27, 2022 at South Texas College, Board Room, Annex Bldg., 2nd Floor, 3201 W. Pecan, McAllen, Texas at 5:15 PM.

Voting Requirements

State Tax Code, Sec. 26.05 requires that any action by the South Texas College Board of Trustees to set a tax rate that exceeds the no-new-revenue tax rate must be a record vote, and at least 60 percent of the members of the Board must vote in favor of the ordinance, resolution, or order establishing that rate.

For South Texas College Board of Trustees, this means that successful establishment of the proposed 2022 Tax Rate requires the support of at least five of the seven Trustees. This rule is beyond the normal quorum and voting requirements for other action.

Approval to adopt a debt service rate of \$0.0227 and maintenance and operations rate of \$0.1388 will be required. Approval of the Order 2023-001 will require a roll call vote of the

members of the Board. A copy of the Order 2023-001 follows in the packet for the Board's review.

While the proposed tax rate has not increased over the past year, the proposed rate does exceed the no-new-revenue tax rate, as defined by the State. Because of this, State tax code requires that the motion to adopt the proposed 2022 Tax Rate be made according to the following script:

"I move that the property tax rate be increased by the adoption of a tax rate of \$0.1615, which is effectively a 2.74 percent increase in the tax rate."

It is recommended that the Board of Trustees of South Texas College approve and authorize the following Minute Order proposed for consideration:

The Board of Trustees of South Texas College approves and authorizes by record vote the Order 2023-001 establishing the tax rate for 2022 tax year as presented.

The motion must be made in the following form: "I move that the property tax rate be increased by the adoption of a tax rate of \$0.1615, which is effectively a 2.74 percent increase in the tax rate.

Approval Recommended:

Dr. Ricardo J. Solis
President

ORDER 2023-001

AN ORDER ADOPTING THE TAX RATE AND LEVYING AD VALOREM TAXES FOR THE SOUTH TEXAS COLLEGE DISTRICT FOR THE FISCAL YEAR ENDING AUGUST 31, 2023 AND THE TAX YEAR 2022 IN CONFORMITY WITH THE PROPERTY TAX CODE OF THE STATE OF TEXAS; AND ORDERING OTHER PROVISIONS RELATED TO THE SUBJECT MATTER HEREOF.

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF TRUSTEES OF THE SOUTH TEXAS COLLEGE DISTRICT THAT:

SECTION I: There shall be and is hereby levied for the fiscal year ending August 31, 2023, and the Tax Year 2022, upon the assessed value of all property of every description subject to taxation within the South Texas College District on the 1st day of January A.D. 2022, the following taxes rates, to wit:

- (a) An ad valorem tax to be computed at the rate of \$ 0.1388 per \$100 of the assessed value thereof estimated in lawful currency of the United States of America for the purpose of paying the annual maintenance expense of the College for the period ending August 31, 2023 as provided in the Appropriation Order adopted by the Board of Trustees of the South Texas College District, and when collected such monies are to be deposited in the fund therefore and disbursed for the purposes stated in said Order.
- (b) An ad valorem tax of be computed at the rate of \$ 0.0227 per \$ 100 of the assessed value thereof estimated in lawful currency of United States of America for the purpose of paying the interest and principal on the outstanding bonds series 2014, bonds series 2015, refunding bonds taxable series 2020, and refunding bonds taxable series 2021 issued of the South Texas College District, such levy being in conformity with the requirement of the levy of taxes hereof made by Order of the Board of Trustees of the South Texas College District relating to such indebtedness.
- (c) THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.
- (d) THE TAX RATE WILL EFFECTIVELY BE RAISED BY 7.93 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$-1.20.

SECTION II: All Orders or parts of Orders in conflict herewith are hereby repealed.

SECTION III: This Order shall be and remain in full force and effect from and after its passage by the Board of Trustees.

SECTION IV: If any part or parts of this Order are found to be invalid or unconstitutional by a court having competent jurisdiction, then such invalidity or unconstitutionality shall not affect the remaining parts hereof and such remaining parts shall remain in full force and effect, and to that extent this Order is considered severable.

CONSIDERED, PASSED, AND APPROVED this 27th day of September, 2022 at a meeting of the Board of Trustees of the South Texas College District at which a quorum was present and which was held in accordance with Chapter 551, Texas Government Code.

SIGNED this 27th September, 2022.

South Texas College District

By: _____
Rose Benavidez, Chair

I hereby certify that the above Order passed on September 27th, 2022 by the following record vote:

Rose Benavidez:	Yea____	Nay____	Absent____
Alejo Salinas, Jr.:	Yea____	Nay____	Absent____
Victoria Cantú:	Yea____	Nay____	Absent____
Paul R. Rodriguez:	Yea____	Nay____	Absent____
Dalinda Gonzalez-Alcantar:	Yea____	Nay____	Absent____
Rene Guajardo :	Yea____	Nay____	Absent____
Danny Guzman:	Yea____	Nay____	Absent____

ATTEST:

By: _____
Alejo Salinas, Jr., Vice-Chair