

**SOUTH TEXAS COLLEGE
BOARD OF TRUSTEES
PUBLIC HEARING AND SPECIAL BOARD MEETING
Tuesday, September 22, 2020 @ 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:”

COVID-19 Public Health / Attendance Measures

Due to COVID-19 and Social Distancing recommendations, members of the public are encouraged to watch the live broadcast of the meeting at: <https://admin.southtexascollege.edu/president/agendas/live.html>.

- Anyone wishing to make Public Comments as provided in the public hearing agenda is asked to sign up prior to the meeting, and they will be called into the Board Room individually when it is their turn to make comments.

I. Call Meeting to Order

II. Determination of Quorum

III. Public Hearing on South Texas College Proposed 2020 Tax Rate..... 3 - 18

- Presentation on South Texas College Proposed 2020 Tax Rate
- Public Comments
- Close of Public Hearing on South Texas College Proposed 2020 Tax Rate

IV. Announcements

A. Next Meeting:

- Regular Meeting of Board of Trustees, September 22, 2020 at 5:30 p.m., Ann Richards Administration Building Board Room, McAllen, Texas

The Public Hearing on South Texas College Proposed 2020 Tax Rate

Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, will provide a presentation on the proposed 2020 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 lower of the no-new-revenue tax rate or the voter-approval tax rate.

The Notice concerning the 2020 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 in The Monitor, the Starr County and Mid-Valley Town Crier, and South Texas College website. Attached are copies of the Proposed 2020 Tax Presentation, 2020 Property Tax Rates, and the Notice of Public Hearing on Tax Increase for the Board's information and review.

The tax rate for the 2019 Tax Year was as follows:

2019 Tax Rate			
	M&O Rate	Debt Rate	Total Rate
2019 Tax Rate	\$0.1400	\$0.0333	\$0.1733

The proposed tax rate for the 2020 Tax Year is as follows:

2020 Tax Rates				
	M&O Rate	Debt Rate	Total Rate	Revenue
No-New-Revenue Tax Rate (Formerly Effective Tax Rate)	-	-	\$0.1683	\$70,629,810
Voter-Approval Tax Rate (Formerly Rollback Tax Rate)	\$0.1475	\$0.0318	\$0.1793	\$74,851,946
Proposed Tax Rate	\$0.1400	\$0.0318	\$0.1718	\$71,973,217

Determination of Tax Rates (M&O Rate and Debt Rate)

The proposed maintenance and operations (M&O) tax rate of \$0.1400 is the maximum rate that the College may adopt as approved by the voters on November 5, 2013 and is the M&O rate levied since Levy 2014.

The proposed debt rate of \$0.0318 is the amount necessary to fully fund all the debt service payments that consist of the Bonds Series 2014, Bond Series 2015, and Refunding Bonds Taxable Series 2020.

Public Hearings Prior to Adoption of the Proposed 2020 Tax Rate

South Texas College is required to hold one public hearing and publish special notices before adopting the proposed tax rate of \$0.1718 since this rate exceeds the lower of the no-new-revenue tax rate or the voter-approval tax rate. At the August 25, 2020 Board of Trustees meeting, the Board of Trustees took a record vote and scheduled one public hearing for the proposed tax rate of \$0.1718.

Public Hearing

The Public Hearing on the proposed 2020 tax rate was scheduled for Tuesday, September 22, 2020 at 5:15 p.m. and special notices were published in accordance with state law.

Regular Board Meeting

The Board of Trustees of South Texas College is scheduled to take action on the proposed 2020 tax rate at a public meeting to be held on September 22, 2020 at South Texas College, Board Room, Ann Richards Administration Building, 2nd Floor, 3201 W. Pecan, McAllen, Texas at 5:30 p.m.

No action is requested of the Board at this time.

NOTICE OF PUBLIC HEARING ON TAX INCREASE

A tax rate of 0.1718 per \$100 valuation has been proposed by the governing body of South Texas College.

PROPOSED TAX RATE	\$0.1718 per \$100
NO-NEW REVENUE TAX RATE	\$0.1683 per \$100
VOTER-APPROVAL TAX RATE	\$0.1793 per \$100

The no-new-revenue tax rate is the tax rate for the 2020 tax year that will raise the same amount of property tax revenue for South Texas College from the same properties in both the 2019 tax year and the 2020 tax year.

The voter-approval tax 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 2020 tax year.

A public hearing on the proposed tax rate will be held on September 22, 2020 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 Board of Trustees of South Texas College at their offices or by attending the public meeting mentioned above.

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

$$\text{property tax amount} = (\text{tax rate}) \times (\text{taxable value of your property}) / 100$$

The members of the governing body voted on the proposed tax increase as follows:

FOR:

Paul R. Rodriguez
 Roy De Leon
 Gary Gurwitz
 Rene Guajardo

Rose Benavidez
 Victoria Cantu
 Alejo Salinas, Jr.

AGAINST:

N/A

PRESENT and not voting:

N/A

ABSENT:

N/A

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:

	2019	2020	Change
Total Tax Rate (per \$100 of value)	\$0.1733	\$0.1718	<i>decrease of</i> -\$0.0015 OR -0.87%
Average homestead taxable value	\$78,340	\$85,025	<i>increase of</i> 8.53%
Tax on average homestead	\$136	\$146	<i>increase of</i> \$10 OR 7.59%
Total tax levy on all properties	\$63,405,720	\$65,942,079	<i>increase of</i> \$2,536,359 OR 4.00%

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

NOTICE ABOUT 2020 TAX RATES

Property Tax Rates in South Texas College

This notice concerns the 2020 property tax rates for South Texas College. This notice provides information about two tax rates. The no-new-revenue tax rate would impose the same amount of taxes as last year if you compare properties taxed in both years. 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:	\$0.1683
This year's voter-approval tax rate:	\$0.1793

To see the full calculations, please visit www.southtexascollege.edu for a copy of the Tax Rate Calculation Worksheets.

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 Money Market Account	14,833,325

Current Year Debt Service

The unit plans to pay the following amounts 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	2,505,000	394,750	0	2,899,750
Limited Tax Bonds Series 2015	5,155,000	3,614,106	0	8,769,106
Limited Tax Refunding Bonds Taxable Series 2020	240,000	1,815,401	0	2,055,401
<hr/>				
Total required for 2020 debt service				13,724,258
- Amount (if any) paid from funds listed in unencumbered funds				1,500,000
- Amount (if any) paid from other resources				0
- Excess collections last year				0
= Total to be paid from taxes in 2020				12,224,258
collect only 100.00% of its taxes in 2020				0
=Total debt levy				12,224,258

This notice contains a summary of the no-new-revenue and voter-approval calculations as certified by Mary G. Elizondo, Vice President for Finance and Administrative Services on August 12, 2020.

Proposed 2020 Property Tax Rates

Board of Trustees
Public Hearing & Special Board Meeting
September 22, 2020

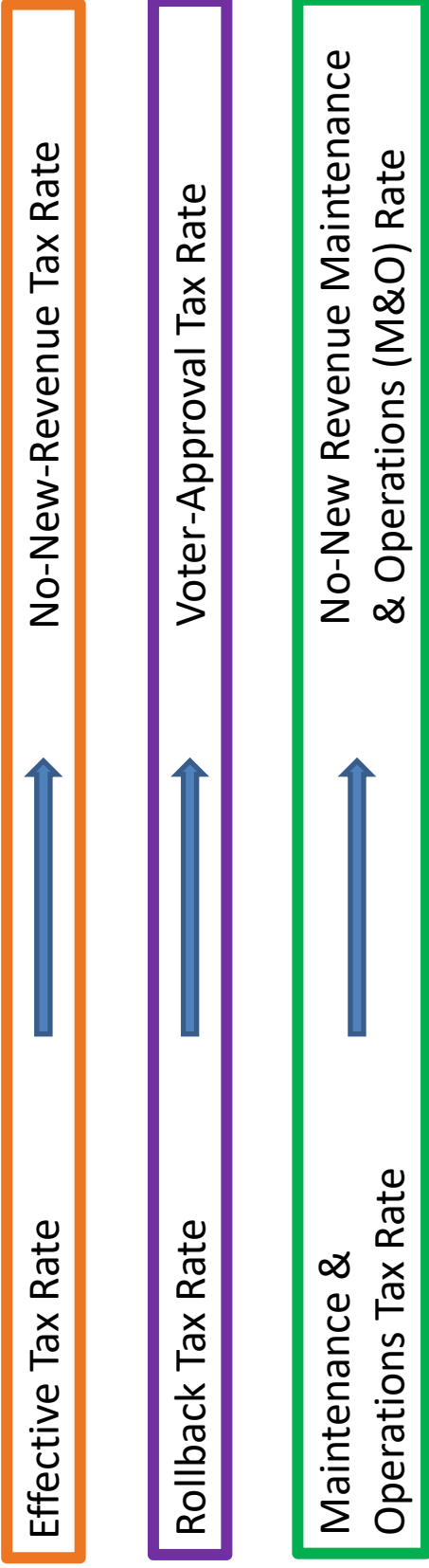


Revisions to Truth-in-taxation Provisions

Senate Bill 2, 86th Legislative Session made revisions to the truth-in-taxation process.

- Revisions to the terminology.
- Revisions to the public hearing requirement from two to one public hearing.
- Tax Assessors shall include in their webpage the College's designated officer contact information.
- Conditions when adopted tax rate will trigger an election or petition.

Revisions to Terminology



New Terminology

No-New-Revenue Tax Rate

The rate that will generate the same amount of tax revenue if applied to the same properties taxed in both years.

Voter-approval Tax Rate

The rate is the maximum rate allowed by law without requiring a petition or voter approval election.

No-New Revenue Maintenance & Operations (M&O) Rate

The rate that will generate the same amount of Maintenance & Operations tax revenue if applied to the same properties taxed in both years.

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.



Proposed Tax Rates

Truth-In-Taxation requires a taxing unit to calculate two (2) tax rates after receiving its certified appraisal roll from the Chief Appraiser.

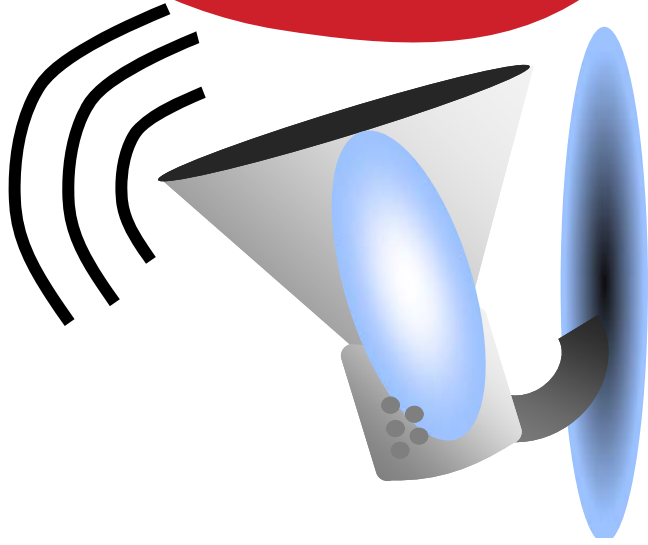
**No-New-
Revenue
Rate
(NNRR)**
(Effective Tax Rate)

**Voter-
Approval
Rate
(VAR)**
(Rollback Tax Rate)

Special Notices & Public Hearing Requirement

A taxing unit must publish special notices and hold one public hearing before adopting a tax rate that exceeds the lower of the no-new-revenue tax rate or the voter-approval tax rate.

Proposed Total Tax Rate: \$0.1718



The College is required to hold one public hearing and publish special notices before adopting the proposed tax rate since the proposed rate (\$0.1718) does exceed the lower of:

- the no-new-revenue rate of (\$0.1683) or;
- the voter-approval rate of (\$0.1793)

Tax Rates Calculations

	M&O Rate	Debt Rate	Rate	Revenue
No-New-Revenue Rate (Formerly Effective Tax Rate)			\$0.1683	\$70,629,810
Voter-Approval Rate (Formerly Rollback Tax Rate)	\$0.1475	\$0.0318	\$0.1793	\$74,851,946
Proposed Tax Rate	\$0.1400	\$0.0318	\$0.1718	\$71,973,217

Required Steps

- July 25, 2020 – 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 24, 2020 – Notice About 2020 Tax Rates published on South Texas College website
- August 25, 2020 – Meeting of governing body to discuss tax rate
- August 25, 2020 – If proposed tax rate will exceed the lower of the no-new-revenue or voter-approval tax rate, take record vote and schedule one public hearing

Required Steps

- September 9, 2020 – Publish Notice of Public Hearing on Tax Increase
- September 18, 2020 – Schedule and announced meeting to adopt tax rate
- September 22, 2020 – Public Hearing
- September 22, 2020 – Meeting to adopt tax rate

Thank You Questions?

