



**SOUTH TEXAS  
COLLEGE**

# **Board of Trustees**

## **Public Hearing and Special Board Meeting**

**Tuesday, September 24, 2024  
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 24, 2024 @ 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 Comments**
- IV. Public Hearing on South Texas College Proposed 2024 Tax Rate..... 3 - 12**
  - Presentation on South Texas College Proposed 2024 Tax Rate
  - Public Comments
  - Close of Public Hearing on South Texas College Proposed 2024 Tax Rate
- V. Consideration and Action on Agenda Items**
  - 1. Review and Action as Necessary on Order 2025-001 Adopting the Tax Rate for 2024..... 13 - 17

**The Public Hearing on South Texas College Proposed 2024 Tax Rate**

Mary Del Paz, Vice President for Finance and Administrative Services, will provide a presentation on the proposed 2024 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 2024 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. The Proposed 2024 Tax Presentation and the two notices follow in the packet for the Board’s information and review.

The tax rate for the 2023 Tax Year was as follows:

<b>2023 Tax Rate</b>			
	<b>M&amp;O Rate</b>	<b>Debt Rate</b>	<b>Total Rate</b>
2023 Tax Rate	\$0.1335	\$0.0227	\$0.1562

The proposed tax rate for the 2024 Tax Year is as follows:

<b>2024 Tax Rates</b>				
	<b>M&amp;O Rate</b>	<b>Debt Rate</b>	<b>Total Rate</b>	<b>Revenue</b>
No-New-Revenue Tax Rate (Formerly Effective Tax Rate)	-	-	\$0.1506	\$92,566,457
Voter-Approval Tax Rate (Formerly Rollback Tax Rate)	\$0.1393	\$0.0227	\$0.1620	\$98,979,871
<b>Proposed Tax Rate</b>	<b>\$0.1393</b>	<b>\$0.0227</b>	<b>\$0.1620</b>	<b>\$98,979,871</b>

**Determination of Tax Rates (M&O Rate)**

The proposed maintenance and operations (M&O) tax rate of \$0.1393 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 2024 Tax Rate**

South Texas College is required to hold a public hearing and publish special notices before adopting the proposed tax rate of \$0.1620 since this tax rate does exceed the no-new-revenue tax rate but does not exceed the voter-approval tax rate. At the August 27, 2024 Board of Trustees meeting, the Board of Trustees took a record vote and scheduled a public hearing for the proposed tax rate of \$0.1620.

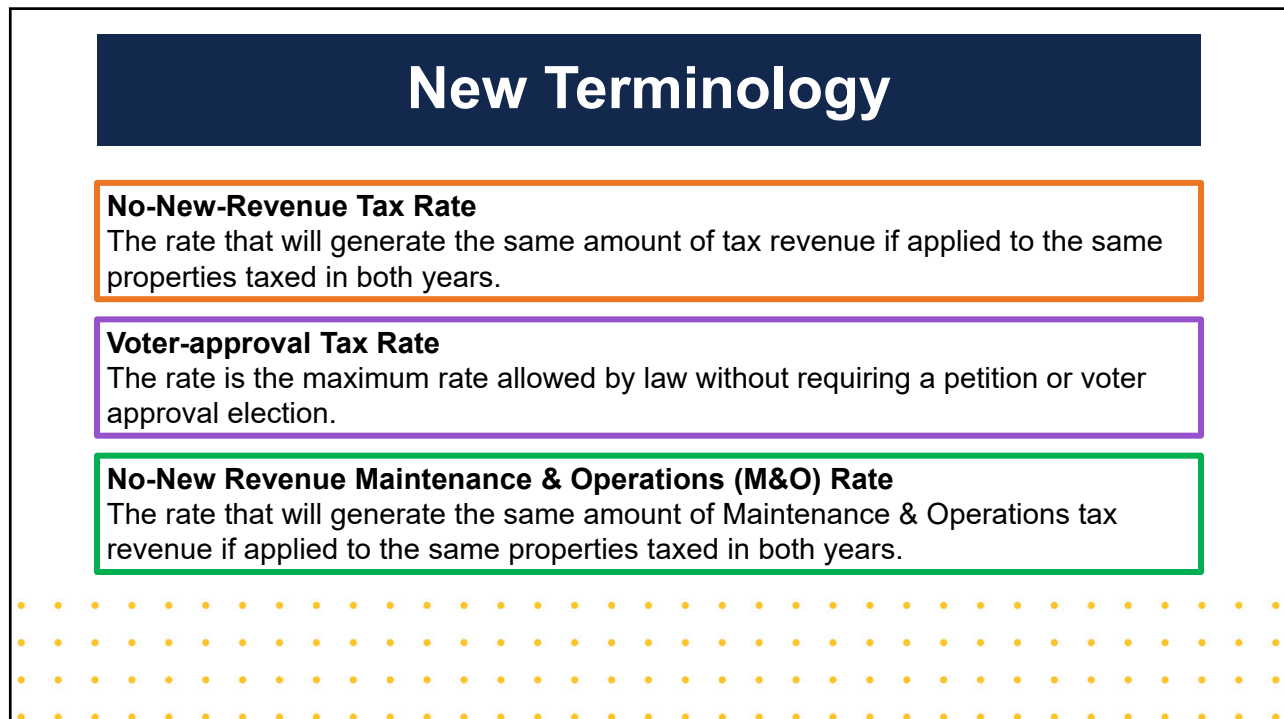
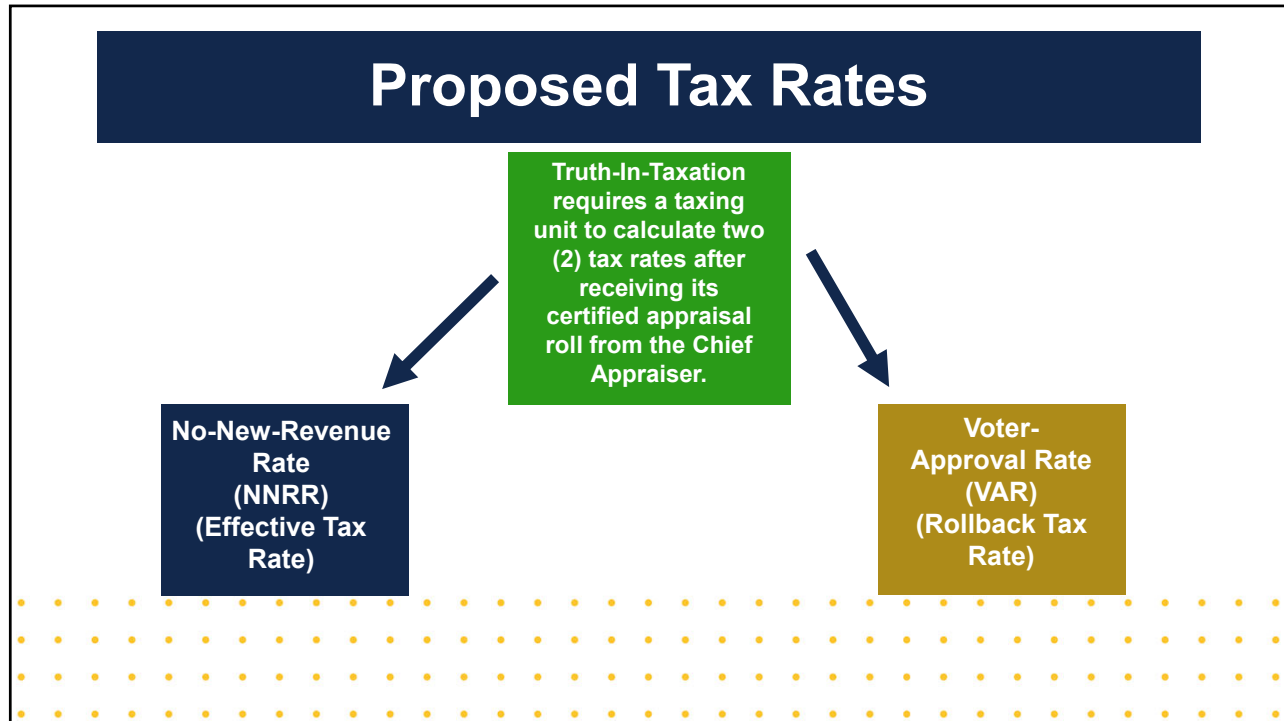
**Public Hearing**

The Public Hearing on the proposed 2024 tax rate was scheduled for Tuesday, September 24, 2024 at 5:15 p.m. and special notices were published in accordance with state law.

The Board of Trustees of South Texas College will be asked to take action on the proposed 2024 tax rate.

No action is requested of the Board at this time.





## Special Notices & Public Hearing Requirements

A taxing unit must publish special notices and hold a 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

## Proposed Total Tax Rate: \$0.1620



The College is required to hold a public hearing and publish special notices before adopting the proposed tax rate since the proposed rate (\$0.1620) does exceed the lower of:

- the no-new-revenue rate of (\$0.1506) but does not exceed
- the voter-approval rate of (\$0.1620)

## Tax Rates Calculations

	M&O Rate	Debt Rate	Rate	Revenue
No-New-Revenue Rate (Formerly Effective Tax Rate)			\$0.1506	\$92,566,457
Voter-Approval Rate (Formerly Rollback Tax Rate)	\$0.1393	\$0.0227	\$0.1620	\$98,979,871
<b>Proposed Tax Rate</b>	<b>\$0.1393</b>	<b>\$0.0227</b>	<b>\$0.1620</b>	<b>\$98,979,871</b>

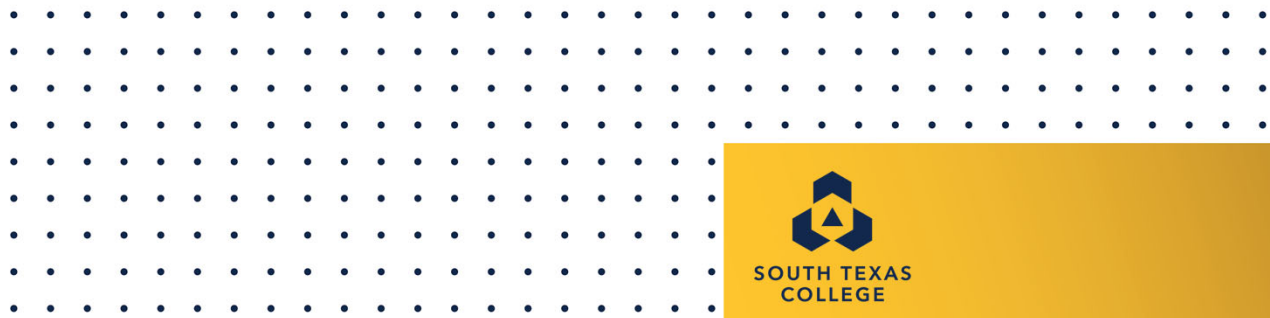
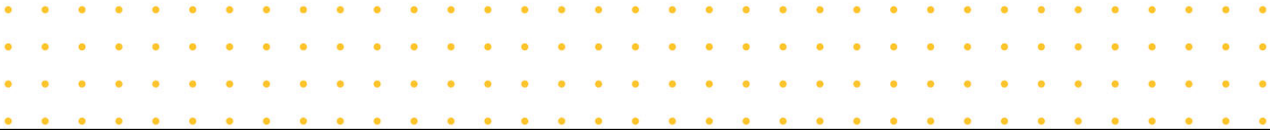
## Required Steps

- July 25, 2024 – 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 27, 2024 – Meeting of governing body to discuss tax rate
- August 27, 2024 – 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 28, 2024 – Notice About 2024 Tax Rates published on South Texas College website



# Required Steps

- September 11, 2024 – Published Notice of Public Hearing on Tax Increase
- September 20, 2024 – Scheduled and announced meeting to adopt tax rate
- September 24, 2024 – Public Hearing and a meeting to adopt tax rate



**Thank You  
Questions?**

## Notice About 2024 Tax Rates

Property tax rates in South Texas College.

This notice concerns the 2024 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.

<b>This year's no-new-revenue tax rate</b>	\$0.1506/\$100
<b>This year's voter-approval tax rate</b>	\$0.1620/\$100

To see the full calculations, please visit [www.southtexascollege.edu](http://www.southtexascollege.edu) for a copy of the Tax Rate Calculation Worksheet.

### Unencumbered Fund Balance

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	8,983,468

### 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
South Texas College District Limited Tax Bonds, Series	2,759,693	1,498,307	2,050,000	6,308,000
2020				
South Texas College District Limited Tax Bonds, Series	3,095,000	3,375,223	0	6,470,223
2021				
Total required for 2024 debt service				\$12,778,223
- Amount (if any) paid from funds listed in unencumbered funds				\$0
- Amount (if any) paid from other resources				\$0
- Excess collections last year				\$0
= Total to be paid from taxes in 2024				\$12,778,223
+ Amount added in anticipation that the unit will collect only 100.00% of its taxes in 2024				\$0
= Total debt levy				\$12,778,223

This notice contains a summary of actual no-new-revenue and voter-approval calculations as certified by Mary G. Del Paz, Vice-President for Finance and Administrative Services on 08/28/2024 .

Visit [Texas.gov/PropertyTaxes](http://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 \$0.1620 per \$100 valuation has been proposed by the governing body of South Texas College.

PROPOSED TAX RATE	\$0.1620 per \$100
NO-NEW-REVENUE TAX RATE	\$0.1506 per \$100
VOTER-APPROVAL TAX RATE	\$0.1620 per \$100

The no-new-revenue tax rate is the tax rate for the 2024 tax year that will raise the same amount of property tax revenue for South Texas College from the same properties in both the 2023 tax year and the 2024 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 2024 tax year.

A PUBLIC HEARING ON THE PROPOSED TAX RATE WILL BE HELD ON September 24, 2024 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:**

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

<b>FOR the proposal:</b>	Alejo Salinas, Jr.	Paul R. Rodriguez
	Danny Guzman	Rose Benavidez
	Dalinda Gonzalez-Alcantar	Victoria Cantú
	David De Los Rios	

**AGAINST the proposal:** N/A

**PRESENT and not voting:** N/A

**ABSENT:** N/A

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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.

	<b>2023</b>	<b>2024</b>	<b>Change</b>
<b>Total tax rate (per \$100 of value)</b>	\$0.1562	\$0.1620	increase of 0.0058 per \$100, or 3.71%
<b>Average homestead taxable value</b>	\$174,411	\$181,047	increase of 3.80%
<b>Tax on average homestead</b>	\$272.43	\$293.30	increase of 20.87, or 7.66%
<b>Total tax levy on all properties</b>	\$82,345,438	\$91,137,995	increase of 8,792,557, or 10.68%

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For assistance with tax calculations, please contact the tax assessor for South Texas College at 956-872-3558 or [marye@southtexascollege.edu](mailto:marye@southtexascollege.edu), or visit [www.southtexascollege.edu](http://www.southtexascollege.edu) for more information.

## Review and Recommend Action on Order 2025-001 Adopting the Tax Rate for 2024

Purpose and Justification – Administration requests Board approval on the Order 2025-001 adopting the tax rate for 2024 by taking record vote of the members of the Board.

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 2024 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.

The tax rate for 2023 Tax Year was as follows:

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<b>Proposed Tax Rate</b>	<b>\$0.1393</b>	<b>\$0.0227</b>	<b>\$0.1620</b>	<b>\$98,979,871</b>

### Determination of Tax Rates (M&O Rate)

The proposed maintenance and operations (M&O) tax rate of \$0.1393 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 increase of \$0.0058 per hundred dollars in property value.

### **Public Hearings Prior to Adoption of the Proposed 2024 Tax Rate**

South Texas College was required to hold one public hearing and publish special notices, Notice concerning the 2024 Property Tax Rates and Notice of Public Hearing on Tax Increase, before adopting the proposed tax rate of \$0.1620 since this rate does exceed the no-new-revenue tax rate but does not exceed the voter-approval tax rate. At the August 27, 2024 Board of Trustees meeting, the Board of Trustees took a record vote and scheduled one public hearing for the proposed tax rate of \$0.1620.

### **Public Hearing**

The Public Hearing on the proposed 2024 tax rate was held on Tuesday, September 24, 2024 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 2024 tax rate at a public meeting to be held on September 24, 2024 at South Texas College, Board Room, Annex Bldg., 2<sup>nd</sup> 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 2024 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 \$0.1393 will be required. Approval of the Order 2025-001 will require a roll call vote of the members of the Board. A copy of the Order 2025-001 follows in the packet for the Board's review.

This year's 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 2024 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 \$0.1620, which is effectively a 7.57 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 approves and authorizes the Order 2025-001 adopting the tax rate for 2024 by taking record vote of the members of the Board and by saying “I move that the property tax rate be increased by the adoption of a tax rate of \$0.1620, which is effectively a 7.57 percent increase in the tax rate,” as presented.

**Approval Recommended:**

**Dr. Ricardo J. Solis**  
**President**

**ORDER 2025-001**

**AN ORDER ADOPTING THE TAX RATE AND LEVYING AD VALOREM TAXES FOR THE SOUTH TEXAS COLLEGE DISTRICT FOR THE FISCAL YEAR ENDING AUGUST 31, 2025 AND THE TAX YEAR 2024 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, 2025, and the Tax Year 2024, upon the assessed value of all property of every description subject to taxation within the South Texas College District on the 1<sup>st</sup> day of January A.D. 2024, the following taxes rates, to wit:

- (a) An ad valorem tax to be computed at the rate of \$ 0.1393 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, 2025 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 to 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 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 7.98 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$5.80.

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 24<sup>th</sup> day of September, 2024 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 24<sup>th</sup> September, 2024.

South Texas College District

By: \_\_\_\_\_  
Dr. Alejo Salinas Jr., Chair

I hereby certify that the above Order passed on September 24<sup>th</sup>, 2024 by the following record vote:

Alejo Salinas, Jr.:	Yea___	Nay___	Absent___
Paul R. Rodriguez:	Yea___	Nay___	Absent___
Danny Guzman	Yea___	Nay___	Absent___
Rose Benavidez	Yea___	Nay___	Absent___
Victoria Cantú:	Yea___	Nay___	Absent___
Dalinda Gonzalez-Alcantar:	Yea___	Nay___	Absent___
David De Los Rios:	Yea___	Nay___	Absent___

ATTEST:

By: \_\_\_\_\_  
Paul R. Rodriguez, Vice-Chair