

# **How To Rock Your Rollback**

## **(Survival Tips for Rollback/Ratification Elections)**

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# How Did We Get Here?

- School Finance & the Constitution
- West Orange Cove & the Supreme Ct.
- HB1 – Tax Relief vs. Finance Equity
- “Meaningful Discretion” [in setting the rate] are the words of the day

# The Rollback Rate Post-HB1

- Tax Code §§ 26.08(n)-(o)
- for the 2007 and subsequent tax years, the lesser of the following:
- (A) the sum of the following:
  - (i) the rate per \$100 of taxable value that is equal to the product of the state compression percentage, as determined under Section 42.2516, Education Code, for the current year and \$1.50\*;
  - (ii) the rate of \$0.04 per \$100 of taxable value;
  - (iii) the rate that is equal to the sum of the differences for the 2006 and each subsequent tax year between the adopted tax rate of the district for that year if the rate was approved at an election under this section and the rollback tax rate of the district for that year; and
  - (iv) the district's current debt rate;
- or ...

*\* For Districts whose 2005 M&O rate was higher than \$1.50, substitute that rate here.*

# Rollback Rate (cont.)

- (B) the sum of the following:
  - (i) the effective maintenance and operations tax rate of the district as computed under Subsection (i) or (k), as applicable;
  - (ii) the rate per \$100 of taxable value that is equal to the product of the state compression percentage, as determined under Section 42.2516, Education Code, for the current year and \$0.06; and
  - (iii) the district's current debt rate.

# The Dreaded School Rollback Tax Worksheet

- The effective rate mentioned above is calculated using a worksheet provided by TEA
- Said worksheet is not based as much on taxable values, but on such things as WADA , IFA, and EDA

Home Insert Page Layout Formulas Data Review View Acrobat

Cut Copy Paste Format Painter Clipboard

Arial MT 10 Font

Alignment Merge & Center

Number

Styles Conditional Formatting Format as Table Cell Styles

Cells Insert Delete Format

Editing AutoSum Fill Clear Sort & Filter Find & Select

M95 fx

	A	B	C	D	E	F	J	K	L	M	N	O	P	Q	R	V	
33	2007-08 Transportation Allotment						5,495										
34	2007-08 New Instructional Facilities Allotment (NIFA)						0										
35	2008-09 Total Refined ADA						490,9460										
36	2008-09 Adjusted Total Refined ADA						490,9460										
37	2007 CPTD Value ("T4")						14,799,636										
38	2008-09 WADA						833,5710										
39	2008-09 Tuition Paid (if less than 12 grades)						0										
40	2008-09 I&S Tax Collections						48,615										
41	2008-09 EDA Local Share						1,419										
42	2008-09 IFA Local Share for Bonded Debt						12,003										
43	<b>Chapter 41 Data:</b>																
45	1992-93 M&O Tax Collections						0										
46	1992-93 CED Distribution						0										
47	1992-93 Chapter 36 WADA						0.0000										
48	1991 CPTD Property Value						0										
51																	
52	<b>Student Counts:</b>																
53	Refined ADA (PreK - 12)							YOUR 09-10 ESTIMATES	YOUR 10-11 ESTIMATES	YOUR 11-12 ESTIMATES	YOUR 12-13 ESTIMATES						
54	Refined ADA (Grades 9 thru 12 only)							535.0000	535.0000	535.0000	535.0000						
55	Special Education Instructional Arrangement FTEs:																
56	Homebound (Code 01)							0.0000	0.0000	0.0000	0.0000						
57	Hospital Class (Code 02)							0.0000	0.0000	0.0000	0.0000						
58	Speech Therapy (Code 00)							0.8300	0.8300	0.8300	0.8300						
59	Resource Room (Code 41,42)							22.0000	22.0000	22.0000	22.0000						
60	S/C Mild/Mod/Severe (Code 43, 44, & 45)							0.0700	0.0700	0.0700	0.0700						
61	Off Home Campus (Codes 91-98)							0.0000	0.0000	0.0000	0.0000						
62	VAC (Code 08)							1.5500	1.5500	1.5500	1.5500						
63	State Schools (Code 30)							0.0000	0.0000	0.0000	0.0000						
64	Nonpublic Contracts							0.0000	0.0000	0.0000	0.0000						
65	Res Care & Treatment (Code 81-89)							5.2500	5.2500	5.2500	5.2500						
67	Mainstream ADA							1.2750	1.2750	1.2750	1.2750						

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 <= Enter non-pub  
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# M & O & I & S

- Ratification is triggered by an increase in the M&O rate, not the increase in the overall rate. Op Atty Gen GA-0775
- TEA position- M&O current levy may not be used to pay debt. But see All Bond Counsel letter of 5/14/2010. This is the "Tax Swap"

# Rollback vs. Ratification

## ROLLBACK

- Non-schools
- Must have petition of voters
- If majority of voters do not reject rate, adopted rate stands
- Bills are mailed as usual

## RATIFICATION

- ISD's
- Automatic
- If majority of voters do not ratify rate, adopted rate fails – Board must adopt rollback rate
- Bills may be mailed before or after election

# Steps to Success

1. Know The Numbers
2. Be Prepared to Hit the Ground Running
3. Get Notices Out Timely
4. Talk To The Voters

# Know The Numbers

- Any successful election depends on educating the voters as to the issues and the best outcome.
- The ISD Finance Dept. needs to be able to give dollar estimates as to the school gains at the higher rate – even though attendance figures will fluctuate and values will not be final until July, the ISD needs to start working with the best estimates available as quickly as possible
- This is critical in terms of Step 4.

# Hit the Ground Running

- Most of the time frames for steps 3 and 4 revolve around when the election will be called.
- If the ISD waits until the rate is adopted to plan out dates and events, the ISD may get stuck with the rollback rate by default.

# When's The Vote?

- The date of a rollback election is dependent on when the petition signatures are verified by the Governing Body.
- The date of a ratification election is dependent on when the Board adopts the rate (which in turn **may** be dependent on when the roll is certified)
- Tax Code Provisions must be read in conjunction with Election Code provisions

# Tax Code provisions

§ 26.08 provides that the election must:

- Be no less than thirty nor more than ninety days from the date of adoption
- And
- Must be on a uniform election date if one falls within that time frame

# Election Code

- § 41.001(a)(2): the first Tuesday after the first Monday in November (November 4<sup>th</sup>, 2008)
- This date is also the general election date for county and state officers (see §41.002)
- An election cannot be called within 30 days of said general election date (see 41.001(c))

# Election Code

## - Ordering the Election

### § 3.005. TIME FOR ORDERING ELECTION.

- (a) Except as provided by Subsection (c), an election ordered by an authority of a political subdivision shall be ordered not later than the 62nd day before election day.
- ...
- **(d) An election under Section 26.08, Tax Code, to ratify a tax rate adopted by the governing body of a school district under Section 26.05(g) of that code shall be ordered not later than the 30th day before election day.**

# 44.004 and Early Adoption

- (g) The budget must be adopted before the adoption of the tax rate for the tax year in which the fiscal year covered by the budget begins.
- (h) Notwithstanding any other provision of this section, a school district with a fiscal year beginning July 1 may use the certified estimate of the taxable value of district property required by Section 26.01(e), Tax Code, in preparing the notice required by this section if the district does not receive on or before June 7 the certified appraisal roll for the district required by Section 26.01(a), Tax Code.
- (i) A school district that uses a certified estimate, as authorized by Subsection (h), may adopt a budget at the public meeting designated in the notice prepared using the estimate, but the district may not adopt a tax rate before the district receives the certified appraisal roll for the district required by Section 26.01(a), Tax Code. After receipt of the certified appraisal roll, the district must publish a revised notice and hold another public meeting before the district may adopt a tax rate that exceeds:
  - (1) the rate proposed in the notice prepared using the estimate; or
  - (2) the district's rollback rate determined under Section 26.08, Tax Code, using the certified appraisal roll.

- **(j) Notwithstanding Subsections (g), (h), and (i), a school district may adopt a budget after the district adopts a tax rate for the tax year in which the fiscal year covered by the budget begins if the district elects to adopt a tax rate before receiving the certified appraisal roll for the district as provided by Section 26.05(g), Tax Code. If a school district elects to adopt a tax rate before adopting a budget, the district must publish notice and hold a meeting for the purpose of discussing the proposed tax rate as provided by this section. Following adoption of the tax rate, the district must publish notice and hold another public meeting before the district may adopt a budget. The comptroller shall prescribe the language and format to be used in the notices. The school district may use the certified estimate of taxable value in preparing a notice under this subsection.**

# Calculating the Date

- A useful tool for calculating dates is at <http://www.timeanddate.com/date/dateadd.html>

## Date calculator: Add to or subtract from a date

This service enable you to add or subtract days, months and years to a date to calculate a past or future date.

### Enter date to add or subtract from

Month:  Day:  Year:    
1-12      1-31      1-3999  
jan-dec

[Specify time](#)

### Add or subtract, a number of years, months and/or days

Years  
 Months  
 Days  
 Weeks

[Specify time and/or hours/minutes/seconds](#)

### Other calculators

- ♦ [Duration calculator](#) - count days between two dates
- ♦ [Birthday calculator](#) - Find when you are 1 billion seconds old and more

### Related tools

- ♦ [Date related services](#) - overview
- ♦ [Calendar for any year](#)
- ♦ [The World Clock - Time Zones](#)
- ♦ [Countdown to New Year](#)

# Orders...

- The Order for the election must be done according to the time-frames in Election Code 3.005 and on vote of the governing body.

# Notices, and...

- The president of the Board of Trustees is responsible for giving the following notices.
- Notice must be published at least once not earlier than the 30<sup>th</sup> day and not later than the 10<sup>th</sup> day before election day in a newspaper published in the District
- Notice must also be posted, no later than the 21<sup>st</sup> day where meeting notices are posted.
- Notice must be given to the election judge of each election precinct no later than the later of 1) the 7<sup>th</sup> day after the election is ordered or 2) the 15<sup>th</sup> day before the election.
- Notice must be given to the County Clerk no later than the 30<sup>th</sup> day before the election day.

# Letters

- Any election not regularly scheduled must be pre-cleared by the US Department of Justice at least 60 days before the election.
- The Envelope and first page must be clearly marked SUBMISSION UNDER SECTION 5, VOTING RIGHTS ACT
- Rules for Submission are found in 28 CFR 51.20-51.28
- [http://www.access.gpo.gov/nara/cfr/waisidx\\_07/28cfr51\\_07.html](http://www.access.gpo.gov/nara/cfr/waisidx_07/28cfr51_07.html)

# Talk to the Voters

- Remember that an ISD must get a majority of the voters to agree to the higher tax rate.
- This makes it crucial to use the time between the vote to adopt and the election date wisely – 60+ days is not that long to get the message to the voters.

# Who are the Voters?

- Note that this step was entitled “Talk to the Voters” – a ratification election under 26.08 is held by the registered voters of your ISD. Property owners who own property within the ISD, but do not reside and/or are not registered to vote within the ISD cannot participate. Conversely, registered voters who may not be on the tax roll can participate.
- The fact that this is an election year means that there are a lot of voters who need to hear the message.

# What Do We Say?

- Stress, if possible, the additional money that will come to the District from the State at the higher rate (or in the case of Chapter 41 Districts, the money that you will be able to keep)
- Be clear as to the effect of the increased funding
- Be clear to over-65/disabled voters as to the lack of impact on them personally
- Keep in mind that it is illegal to use school funds to attempt to influence an election
- Information is OK, lobbying for a particular result is not.

# Conclusion

- Just as with bond elections, there are no guarantees – what works for one District may not work for another
- The Legislature or the Courts will probably change everything soon, anyway.