

Comal Independent School District

NEWS RELEASE

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Comal ISD board approves proposed tax rate

The Comal ISD Board of Trustees voted to keep the proposed debt service rate at 27 cents at its Aug. 11 meeting.

The board also voted to keep the maintenance and operations tax rate at \$1.04, which puts Comal ISD's total proposed property tax rate at \$1.31 per \$100 of assessed property value. The proposed rate will be discussed at the Aug. 27 board meeting and will be formally adopted at the Sept. 23 regular board meeting.

Comal ISD property owners reside in the counties of Comal, Bexar, Hays, Kendall and Guadalupe. Although Comal ISD property values only increased an average of 2.4 percent this year, which was a much smaller increase than last year's 19 percent increase, the board members said they would rather use money from the district's debt service fund balance (savings account) to cover 2009-10 debt principal and interest payments than increase the debt service rate.

"We have enough money in the debt service fund balance to keep the debt service rate at 27 cents, which is what our board has voted to do in order to help taxpayers in this economic downturn," said Comal ISD Board of Trustees President Carol Keller. "If we didn't have a fund balance, right now our debt service rate would be at 35 cents. To keep that rate down at 27 cents, we will have to use about \$7 million of the debt service fund balance."

The debt service fund balance or savings account is generated through additional taxes collected when certified property values change after a debt service rate has been set. Debt service funds can only be used toward debt services including bond principal and interest.

"Sometimes when those property values change, we collect more taxes than anticipated and that money goes into the fund balance so that we can use it in times like

this,” said Comal ISD’s assistant superintendent for business services Debra Smith.

“Right now we have about \$11.3 million in the debt service fund.”

Smith also said that if property values do not improve next year, the district would have to use the remainder of the debt service fund balance and increase the tax rate approximately three to four cents.

“The board chose to use the debt service fund balance over the next year in hopes that projected property values will be more than what we’re seeing now,” she said.

“Every little bit of property value increase helps, but we need to see a significant increase in order for us to keep our tax rate down over the next few years.”

At the Aug. 11 meeting, the board also set the 2009-10 budget and tax hearing for Aug. 27 at 7 p.m. in the board room at the Comal ISD Support Services building located at 1404 IH 35 North in New Braunfels.

For more information, please visit www.comalisd.org.

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