



To the Administrator Addressed

Commissioner Mike Morath

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DATE:	August 4, 2022
SUBJECT:	Preliminary Maximum Compressed Tax Rates (MCR) and Adoption of Tax Rate for Tax Year 2022
CATEGORY:	Funding Implications; Adoption of Tax Rate for Tax Year 2022 (2022-2023 School Year)
NEXT STEPS:	Share with business and finance staff

This letter is to inform you about preliminary maximum compressed tax rates (MCR) for school districts' maintenance and operations (M&O) tax rates required under House Bill 3, 86th Legislature, for the 2022 tax year (2022-2023 school year). This notice does not apply to open-enrollment charter schools.

Background

In order to calculate and make available districts' maximum tier one tax rates, the Texas Education Agency (TEA) conducted a survey of local taxable property value growth through the Foundation School Program (FSP) system in the Texas Education Agency Login (TEAL). The Local Property Value Survey (LPVS) opened on July 18, 2022, and closed on August 1, 2022. For more information on tax rate compression, please read the [To The Administrator Addressed Correspondence dated February 3, 2022](#).

MCR Status and Appeals

Once the district has submitted the data to the TEA and received approval of the submission through the FSP system (i.e., the district's LPVS status is "Approved"), the MCR may be considered final unless the district chooses to appeal the calculated rate. **Pursuant to Section 48.2551 of the Texas Education Code, districts that do not submit their LPVS will receive the lesser of the state compression rate of 0.8941 as their MCR or their prior year MCR.** The preliminary MCR values for each district are available on the [State Funding webpage](#).

District appeals must be received by August 11, 2022, in compliance with [19 TAC, §61.1000](#), and should be submitted electronically to the attention of Amy Copeland on district letterhead, signed by the superintendent, to taxprograms@tea.texas.gov.

Final Determinations

If the TEA receives an appeal of a preliminary MCR, a final determination will be issued to the school district no later than August 31, 2022. The summary of finances (SOF) reports will be updated by February 2023 when the TEA receives preliminary state certified property values from the Comptroller's Property Tax Assistance Division.

Questions

If you have any questions related to the LPVS and calculation of maximum compressed tax rates for tax year 2022, please contact Kim Wall by email at taxprograms@tea.texas.gov.

Regards,

Amy Copeland
Interim Associate Commissioner for School Finance/Chief School Finance Officer