



# To the Administrator Addressed

Commissioner Mike Morath

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<b>DATE:</b>	<b>August 29, 2024</b>
<b>SUBJECT:</b>	<b>Final Maximum Compressed Tax Rates (MCR) and Adoption of Tax Rate for Tax Year 2024</b>
<b>CATEGORY:</b>	<b>Funding Implications; Adoption of Tax Rate for Tax Year 2024 (2024-2025 School Year)</b>
<b>NEXT STEPS:</b>	<b>Share with business and finance staff</b>

This letter details final maximum compressed tax rates (MCR) for school systems maintenance and operations (M&O) tax rates required under Texas Education Code (TEC), §§48.2551 and 48.2552, and [19 Texas Administrative Code \(TAC\) §61.1000](#), for the 2024 tax year (2024-2025 school year). This notice does not apply to open-enrollment charter schools.

## Background

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, 2024 and closed August 1, 2024. For more information on tax rate compression, please refer to the following To The Administrator Addressed (TAA) correspondence:

- [TAA Correspondence dated April 25, 2024](#)
- [TAA Correspondence dated August 5, 2024](#)

## MCR Status and Final Determinations

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," districts may adopt their tax year 2024 tax rates in accordance with Section 26.08 of the Texas Tax Code. Pursuant to the TEC, §48.2551, districts that did not submit their LPVS received for their MCR the lesser of the state compression rate of \$0.6855 or their prior year MCR.

If the TEA received an appeal of a school district's preliminary MCR, a final determination was issued to the district in accordance with 19 TAC §61.1000. **The final MCR values for each district are available on the [State Funding webpage](#)** under District & Charter Planning Tools. The final MCR list includes the results of any appeals, and it supersedes the previous list of preliminary MCRs that was posted on August 5, 2024. The summary of finances (SOF) reports will be updated by February 2025, when the TEA receives *preliminary* state certified property values and total adopted tax rates for tax year 2024 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 2024, please email [taxprograms@tea.texas.gov](mailto:taxprograms@tea.texas.gov).