M E M O R A N D U M

***The following memo is expected to be forwarded to the Board subsequent to discussion and approval of the budget committee on August 7th, 2018.***

To: Bonnie Rickert, Chairperson

Board members

Dr. Randy Poe, Superintendent

From: Linda Schild, Director Finance

Date: August 1, 2018

Re: Tax Rate Levy and Property Assessment

This year the District experienced an increase of $475,477,464 (3.4%) change in the total property assessment. The changes in classes of property are:

Real Estate $386,815,084 increase ($271,648,815 is new)

Tangible $ 21,381,751 decrease

PSC Real Estate $ 13,737,976 increase

PSC Tangible $ 70,343,337 increase

Motor Vehicles $ 25,962,818 increase

The increase in real estate property values drove the compensating tax rate for real estate down to 64.6 per $100 valuation on real property. This is a .7 point reduction in the rate levied last year. The tangible property rate would stay the same as the current year rate of 65.3. There is no rate to recover exonerations from the prior year.

The maximum tax rates the Board may levy in 2018, allowing for 4% growth in revenues is 67.1 cents per $100 valuation on real property and tangible property. This rate would increase the current rate of 65.3 by 1.8 cents per $100 valuation. The motor vehicle rate remains the same as 2017 rate.

New property is expected to increase tax revenues by approximately $1.7 million. However, $713,216 of the increase in tax revenues will be restricted for building funds due to the increase in property valuation. The District’s bonding potential will be positively impacted.

In consideration that the budget status is stable at this time, the recommendation to the Board is to levy the compensating rate as presented:

64.6 cents per $100 valuation of real estate

65.3 cents per $100 valuation of tangible property

49.7 cents per $100 valuation of motor vehicles