M E M O R A N D U M

To: Dr. Randy Poe, Superintendent

Ms. Karen Byrd, Chairperson

Board members

From: Linda Schild, Director Finance

Date: August 8, 2019

Re: Tax Rate Levy and Property Assessment

This year the District experienced an increase of $700,794,423 (4.85%) change in the total property assessment. The changes in classes of property are:

 Real Estate $488,761,045 increase ($307,288,317 is new)

 Tangible $ 23,874,644 decrease

 PSC Real Estate $ 51,105,266 increase

 PSC Tangible $ 88,724,683 increase

 Motor Vehicles $ 96,078,073 increase

The increase in real estate property values drove the compensating tax rate for real estate down to 63.3 per $100 valuation on real property. This is a 1.3 point reduction in the rate levied last year. The compensating rate for tangible property is 65.2. A rate to recover exonerations from the prior year of .6 may be added to the compensating rates.

The maximum tax rates the Board may levy in 2019, allowing for 4% growth in revenues is 66.4 cents per $100 valuation on real property and tangible property. This rate would increase the current rate of 64.6 by 1.8 cents per $100 valuation. The motor vehicle rate remains the same as 2018 rate.

New property is expected to increase tax revenues by approximately $2 million. The .6 exoneration rate will also add over $800,000 in tax revenues. However, $460,932 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.

The 4.85% increase in property valuation will negatively impact the SEEK calculation by increasing the local effort, which ultimately decreases the state support. The calculation of local effort will increase by approximately $2.1 million. Any growth in the student population will offset the reduction in state support.

The recommendation to the Board is to levy the maximum tax rate including the rate to recover exonerations as presented:

 66.4 cents per $100 valuation of real estate

 66.4 cents per $100 valuation of tangible property

 49.7 cents per $100 valuation of motor vehicles