

MEMORANDUM

To: Dr. Maria Brown, Chairperson
Board members
Mr. Mathew Turner, Superintendent

From: Linda Schild, Director Finance

Date: August 12, 2021

Re: Tax Rate Levy and Property Assessment

This year the District experienced an increase of \$1.2 billion (7.6%) in the total property assessment. The changes in classes of property are:

Real Estate	\$1,159,950,422 increase (\$295,715,269 is new)
Tangible	\$ 98,417,006 increase
PSC Real Estate	\$ 48,797,314 increase
PSC Tangible	\$ 2,460,217 increase
Distilled Spirits	\$ 68,631 decrease
Motor Vehicles	\$ 38,796,312 decrease

The increase in real estate property values drove the compensating tax rate for real estate down to 62.0 per \$100 valuation on real property. This is a 3.9 point reduction in the rate levied last year. The compensating rate for tangible property is 65.4. The rate of 0.5 was calculated as the rate to recover exonerations.

The maximum tax rates the Board may levy in 2021, allowing for 4% growth in revenues is 64.9 cents per \$100 valuation on real property and tangible property. This rate would decrease the current rate of 65.9 by 1.0 cent per \$100 valuation. The motor vehicle rate of 49.7 remains the same as 2020 rate.

The maximum tax rate will increase revenues by \$7.5 million, \$1.87 million will be restricted for the building fund which will have a positive impact on the District's bonding capacity. Included in that estimate are new revenues of \$2.4 million generated from new property.

The 7.6% 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 \$3.75 million. However, growth in the student population will offset the reduction in state support.

The recommendation to the Board is to levy the maximum tax rates as presented:

64.9 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