

**School Board Meeting:**

**November 8, 2021**

**Subject:**

2021 Payable 2022 Final Property  
Tax Levy Certification

**Presenter:**

**Ryan L. Tangen, Director  
Finance and Operations**

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**SUGGESTED SCHOOL BOARD ACTION:**

Report only

**DESCRIPTION:**

The District will host its Truth in Taxation hearing as a part of the December 13, 2021 school board meeting to discuss the 2021-22 budget and the proposed 2021 Payable 2022 levy and approve the final property tax levy.

As a recap, the proposed property tax levy presented at the September 27, 2021 meeting was a total of \$19,699,775.53 and was approved and certified at the "Maximum". The final property tax levy total is the same amount. Compared to last year, the final levy is \$433,774.54 or 2.15% less. The county auditor is using these totals in calculating their Truth in Taxation notices that will be out at the end of November.

The estimated savings expected from the recent GO Bond refunding is not included in this total. An estimated savings of \$3,566 for Pay 2022 will be part of the final property tax levy used for calculating property tax statements this spring. The estimated savings from the refunding for Pay 2023 is \$411,810.

**Levy Amount Changes**

Specifically, this year the major reductions and additions come in the following areas:

- Levy categories calculated based on student counts for pay 2022 all show reductions due to lower enrollment.
- Levy adjustments for student reductions in 2020-21 reduced the levy by \$441,969. In comparison, Pay 2021 adjustments resulted in a \$118,799.31 increase.
- The levy reduction for excess debt service was less by \$350,203 this year due to plans for refunding. For the past number of years, the District requested an additional reduction of \$300,000.
- All of the referendum market value based equalized levies will see a higher levy portion due to the district's growth in tax valuation.
- An increase in the Lease Levy category due to the addition of the high school tennis court lease.

## **Tax Impact**

Growth in both net tax capacity values and in referendum market values across the district, similar to the past few years, is expected to be just over 5%. These valuation increases, when combined with the levy totals, have the following affects:

- The increase in values brings the tax rate down from last year in both the Referendum Market Value and Net Tax Capacity levies.
- Some of the equalized levies will see a slightly higher levy portion due to the district's growth in tax valuation and reduction in students.

Final referendum market values and net capacity values, used for the Truth in Taxation statements, use the same projected 5.0% increase for referendum market values and a 5.0% increase for net tax capacity values as used for the September calculations.

Overall, the reduced property tax levy will result in a reduction in tax burden for the Truth in Taxation statements compared to the prior year for properties with an average value increase.

## **ATTACHMENT(S):**

- Levy Analysis 21pay22 Truth in Taxation 11.8.21
- Tax Rates and Tax Impact 21 pay 22 final levy projection 11.8.2021