

School Board Meeting:

November 13, 2023

Subject:

2023 Payable 2024 Final Property
Tax Levy Certification

Presenter:

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

SUGGESTED SCHOOL BOARD ACTION:

Report only

DESCRIPTION:

The District will hold its Truth in Taxation public meeting as a part of the December 11, 2023 school board meeting to discuss the 2023-24 budget and the final 2023 payable 2024 property tax levy. Following the public meeting, the board may approve the final property tax levy.

As a recap, the proposed property tax levy presented and approved at the September 25, 2023 meeting was \$19,505,045.54 and was certified as the "Maximum." The proposed levy was \$909,880.02 or 4.46% lower than the prior year's final levy.

Since the Board approved the proposed levy as "Maximum", the county will be using an updated proposed levy for calculating the Truth in Taxation notices mailed to property owners in November. The updated proposed property tax levy is slightly lower at \$19,504,418.55 or \$626.99 lower than the proposed levy.

The final property tax levy is \$22,104,790.55 or \$2,599,745.01 higher than the proposed levy. The final levy is \$1,689,864.99 or 8.28% higher than the prior year's final levy.

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 2024 show reductions due to lower enrollment.
- Equalization aid based on property wealth per student decreased due to property values increasing and student counts decreasing.
- The General Fund Long Term Facility Maintenance (LTFM) levy is significantly lower due to the final payment being made on the Alternative Facilities Bonds. As a result of the final payment being made, LTFM aid is reclassified back to the General Fund.
- The significant change in the total levy between the proposed and final levy is due to the passage of the bond referendum.

Tax Impact

Significant growth in both net tax capacity values and referendum market values across the district is expected again for property taxes payable in 2024. Preliminary estimates have net tax capacity increasing by 18.64% and referendum market value increasing by 16.31%. These valuation increases combined with the levy total have the following effects:

- The increase in property values results in a lower Referendum Market Value tax rate and a lower Net Tax Capacity tax rate.
- Equalized levies will see a higher levy portion due to the district's growth in property valuations and reduction in students.

Final net tax capacity and referendum market values used for the Truth in Taxation statements will be based on the projected 18.64% increase in net tax capacity values and 16.31% increase in referendum market values. September calculations were based on a 10% increase for both net tax capacity and referendum market values.

Overall, the final Pay 2024 property tax levy will result in an estimated annual decrease of \$111 or 8.30% in tax burden for properties with a value of \$330,000 compared to the final Pay 2023 levy.

ATTACHMENT(S):

- 23 pay 24 Final Levy Certification Summary 11.13.23
- 23 pay 24 Final Levy Tax Impact Analysis 11.13.23