

School Board Meeting:

August 22, 2011

Subject:

Truth in Taxation Process

Presenter:

Gary Kawlewski

SUGGESTED SCHOOL BOARD ACTION: None at this time - informational only

DESCRIPTION: The levy process for the 2011 Payable 2012 levy cycle remains largely the same as it was for 2010 Payable 2011. We will be required to adopt the proposed levy by September 30, 2011 and will do so at the September 26 board meeting. We will also need to notify both county auditors of the amount of the levy and the date for our Truth in Taxation hearing by September 30.

As was the case the last two years, the Truth in Taxation meeting will be held as part of a regular board meeting and the final levy will be adopted at the same meeting. Currently, we are scheduled to host our T in T meeting on December 12, 2011 and we will be asking the board to approve the final levy at that same board meeting. Previous to the last two years, the T in T meeting needed to be held at a separate meeting from the adoption of the levy and a continuation hearing could have also been required.

A couple of items are different this year. First and foremost, due to the shutdown, the state's levy data submission website is not up and running yet. We have all of the required levy data ready for submission and will upload the data as the system comes online. MDE, then, will perform their preliminary calculations and will make the initial proposed levy available to us. In the past, that was to be available by September 8. Again, due to the shutdown, it is highly unlikely that the proposed levy document will be available by that date. As you know, there are a vast number of variables in the calculations that can be subject to change. That fact, coupled with the late availability of the proposed levy document, will cause us to ask you to approve the "Maximum" levy in September as has been the past practice. This allows the final levy corrections to be made that may not be done in time to approve the levy on September 26. We hope that those changes will be minimal if any at all.

The other major quiet change is that the Legislature removed the maximum of \$390 state paid Market Value credit that each homeowner receives off their taxes. In return, the legislature has implemented a mechanism that reduces the taxable market value of each property to offset the loss of the credit. The intent is to be cost neutral to the homeowner in the end. This mechanism will cause further delay in development of the proposed levy as all of the values that are used to calculate the levies will need to be recalculated by the Department of Revenue and plugged into the levy by MDE. Needless to say, we will need to be flexible and be ready ahead of time in order to meet the deadlines.

ATTACHMENT(S): None