

# 2023 Tax Rate Hearing

## September 26, 2023

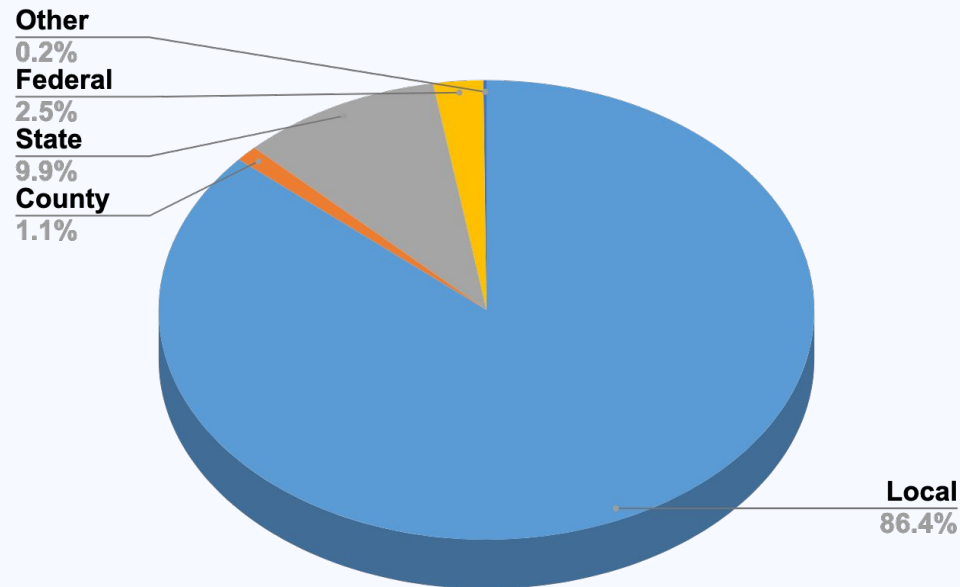


Presented by: Chris Hoelzer, CFO

# Key Topics

- Sources of Funding for MRH
- 2023 Assessed Values (AV)
- Calculation of the Tax Rate
- Proposed and Historical Tax Rates
- FY2024 Property Tax Revenue (projected)

# Operating Revenue by Source



- MRH relies heavily on Local property taxes.

# Assessed Valuation Comparison

	Assessed Valuation (AV) Comparison (adjusted)			
			Variance	
	2022	2023	\$	%
<b>Real Estate</b>				
Residential	\$ 247,284,360	\$ 291,648,790	\$ 44,364,430	17.9407%
Commercial	<u>\$ 86,034,780</u>	<u>\$ 100,800,620</u>	<u>14,765,840</u>	17.1626%
	\$ 333,319,140	\$ 392,449,410	\$ 59,130,270	17.7398%
<b>Personal Property</b>				
Regular/Manufacturer	\$ 51,891,340	\$ 51,891,340	\$ -	0.0000%
<b>TOTAL</b>	<b>\$ 385,210,480</b>	<b>\$ 444,340,750</b>	<b>\$ 59,130,270</b>	<b>15.3501%</b>

# Calculating the tax rate

- The total assessed valuation (AV) of taxable property is provided by the county assessor prior to October 1st of each year.
- In reassessment years (odd years), properties are re-assessed to determine new assessed values.
- The Hancock Amendment limits tax rate increases to the rate of inflation plus any new construction growth.
  - Allowable property tax revenue limited to the lower of:
    - **Increase of Assessed Values (AV) - 15.35% for 2023 (year of reassessment)**
    - **CPI (Consumer Price Index) - 6.5% for 2023**
    - **5% Maximum**
  - MRH must reduce its rates so revenues do not exceed the maximum of 5%.

# Calculating the tax rate *(cont.)*

- All rates must be submitted to the state auditor for verification and approval.
- After state approval, the tax rates are officially levied and recorded.
- Tax bills are issued to property owners based on the final levy rates, in November.
- Property Tax Revenue collections begin in December.

# Tax Rate Detail

	Current Year Rates			
	Residential	Commercial	PPT	Blended
Operating Levy	3.4537	3.9992	5.4658	3.8321
Debt Service Levy	1.3500	1.3500	1.3500	1.3500
Total	4.8037	5.3492	6.8158	5.1821

- **Operating Levy:** The operating levy is the primary property tax that supports the general annual operating budget and expenditures, (General Fund, Teacher Fund, Capital Projects)
- **Debt Service Levy:** The debt service levy is a separate property tax levied specifically to fund bond debt.
- **Blended Rate:** Used for DESE reporting and allocation of revenue.

# Tax Rates Comparison

2023	Residential	Commercial	PPT	Blended
Operating Levy	3.4537	3.9992	5.4658	3.8321
Debt Service Levy	<u>1.3500</u>	<u>1.3500</u>	<u>1.3500</u>	<u>1.3500</u>
Total	4.8037	5.3492	6.8158	5.1821

2022	Residential	Commercial	PPT	Blended
Operating Levy	3.8555	4.6146	5.4658	4.2069
Debt Service Levy	<u>1.3500</u>	<u>1.3500</u>	<u>1.3500</u>	1.35
Total	5.2055	5.9646	6.8158	5.5569
Variance +/- (-)	(0.4018)	(0.6154)	0.0000	(0.3748)



# Historical Rates

## Historical Rates

	Residential	Commercial	PPT	Debt Service
2016	4.8556	4.4790	5.5041	1.3500
2017	4.6473	4.8194	5.5041	1.3500
2018	4.7002	4.8464	5.5041	1.3500
2019	4.0890	4.7340	5.5041	1.3500
2020	4.0880	4.7316	5.5041	1.3500
2021	3.7625	4.5947	5.4658	1.3500
2022	3.8555	4.6146	5.4658	1.3500
<b>2023</b>	<b>3.4537</b>	<b>3.9992</b>	<b>5.4658</b>	<b>1.3500</b>

# Neighboring District Rates

District	AV	Residential	Debt Service
Lindbergh	1,939,613,510	2.7500	0.9250
Ladue	2,227,886,240	2.7500	1.5570
Hancock Place	206,159,610	2.8611	1.2253
Kirkwood	2,028,337,460	2.9695	0.2700
Bayless	242,382,570	3.0830	0.4160
Valley Park	250,367,290	3.2184	1.0720
Brentwood	431,172,930	3.2665	1.1126
University City	913,581,030	3.3362	1.7146
Webster Groves	1,183,718,730	3.3852	0.6480
<b>MRH</b>	<b>441,434,720</b>	<b>3.4537</b>	<b>1.3500</b>
Mehlville	2,594,629,980	3.5728	0.1200
Affton	605,114,910	3.9196	0.5510
Jennings	144,249,800	3.9883	1.0669
Riverview Gardens	323,371,120	4.4292	1.1392

# Projected Tax Revenue

	Operations	Debt Service	Total
Estimated Tax Revenue 2023 (FY24)	\$ 16,692,000	\$ 5,880,000	\$ 22,572,000
Original FY24 Budget	16,662,112	6,121,261	22,783,373
Increase/(Decrease)	\$ 29,888	\$ (241,261)	\$ (211,373)
Actual Tax Revenue 2022 (FY23)	\$ 15,888,609	\$ 5,169,824	\$ 21,058,433
Increase/(Decrease) over 2022 (FY23)	\$ 803,391	\$ 710,176	\$ 1,513,567

\*Assumes 98% Collection Rate

# Questions

