

**2024 Tax Rate
Hearing
September 19, 2024**



Presented by: Chris Hoelzer, CFO

Key Topics

- The process of setting the tax rates & The Hancock Law
- Sources of Funding for MRH
- 2024 Assessed Values (AV) & Tax Rates
- Proposed and Historical Tax Rates
- FY 2025 Projected Property Tax Revenue

Setting the Tax Rate

- The Board must approve the tax rates each fiscal year prior to October 1.
- Tax rates are submitted and approved by the State Auditor's Office.
- The Hancock Amendment limits tax rate increases to the lesser of increases to Assessed Valuation, the Consumer Price Index (CPI) or 5%.
 - Allowable property tax revenue limited to the lower of:
 - **Increase of Assessed Values (AV) - .1059% for Tax Year 2024 (non-reassessment year)**
 - **CPI (Consumer Price Index) - 3.4% for 2024**
 - **5% Maximum**
- This not being a year of reassessment MRH will only receive additional revenue due to new construction and improvements and allowable recoupment.

Calculating the tax rate

Permitted Revenue ÷ Current Assessed Value = Tax Rate

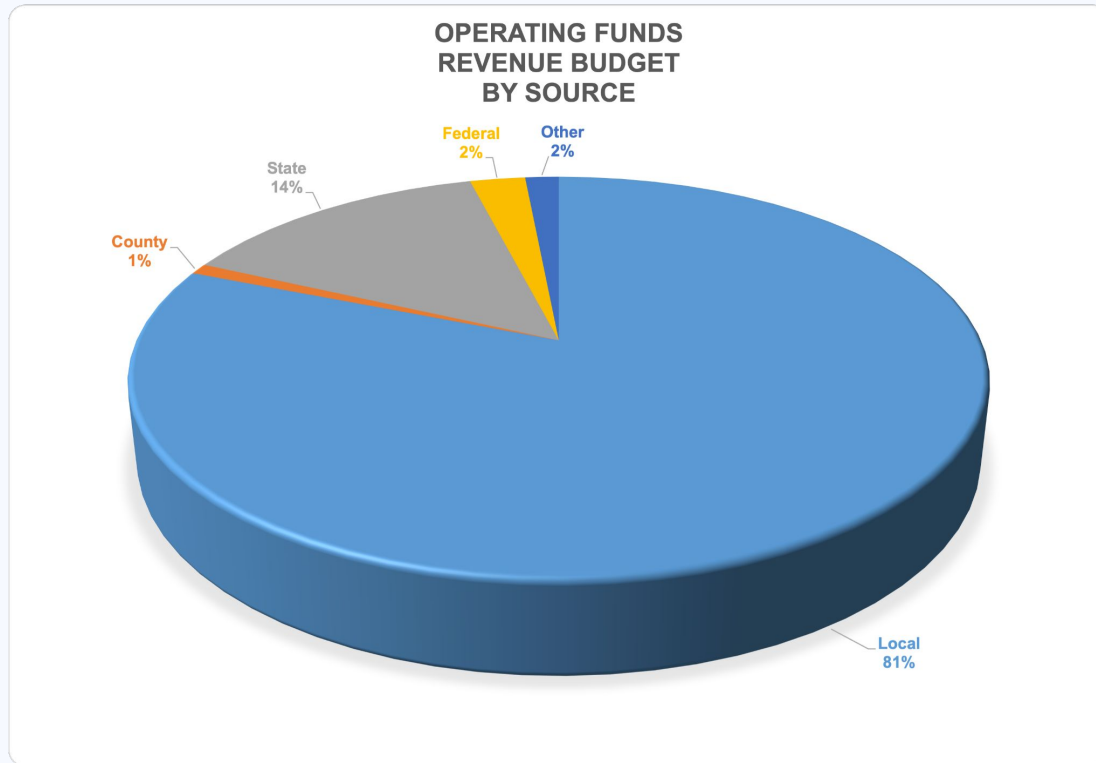
- September: Calculations Finalized
- October: Certified by State Auditor's Office
- November: Bills Mailed by St. Louis County

Calculating the tax rate: Recoupment

A recoupment is allowable when the State Tax Commission (STC) reduces the total assessed values causing the District to collect less than the permitted revenue.

- Tax appeal cases are settled by the STC after rates have been calculated and certified, sometimes several years after certification.
- The law allows us to recalculate the tax rates from previous years, so that we collect the CPI increase or “permitted” revenue.
- This process is called “Recoupment”. Recoupment rates are calculated by the District and certified by the State Auditor.
- Recoupment permits an increase to the calculated tax rate ceiling.
 - This year MRH will be allowed to recoup **\$113,540**

Operating Revenue by Source



- MRH relies heavily on Local property taxes to support our schools.

Assessed Valuation Comparison

Assessed Valuation Comparison				
	2024	2023	Variance	
			\$	%
Real Estate				
Residential	\$ 294,110,720	\$ 292,266,990	\$ 1,843,730	0.63%
Commercial	<u>\$ 106,027,080</u>	<u>\$ 103,648,620</u>	<u>\$ 2,378,460</u>	2.24%
	\$ 400,137,800	\$ 395,915,610	\$ 4,222,190	1.06%
Personal Property				
Regular/Manufacturer	\$ 57,015,690	\$ 57,104,220	\$ (88,530)	-0.16%
TOTAL	\$ 457,153,490	\$ 453,019,830	\$ 4,133,660	0.90%

Tax Rate Detail

	Current Year Rates			
	Residential	Commercial	PPT	Blended
Operating Levy	3.5173	3.9767	5.4658	3.8669
Debt Service Levy	1.3500	1.3500	1.3500	1.3500
Total	4.8673	5.3267	6.8158	5.2169

- **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

2024	Residential	Commercial	PPT	Blended
Operating Levy	3.5173	3.9767	5.4658	3.8669
Debt Service Levy	<u>1.3500</u>	<u>1.3500</u>	<u>1.3500</u>	<u>1.3500</u>
Total	4.8673	5.3267	6.8158	5.2169
Variance +/(-)	0.0636	(0.0225)	0.0000	0.0348

- The Hancock Amendment protects property owners by requiring taxing entities to reduce their tax rates when property values increase more than inflation. It protects taxing entities by allowing them to increase tax rates when assessments decrease so they collect the same revenue as the previous year.
- The Residential Tax Rate increased due to changes in assessed valuation and recoupment.
- The Commercial Tax Rate decreased slightly due to an increase in commercial property valuations.
- The Personal Property Tax rate remained unchanged.
- The Blended Rate is used to allocate revenue per DESE's requirements. This rate is not used for billing purposes.

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
2023	3.4537	3.9992	5.4658	1.3500
2024	3.5173	3.9767	5.4658	1.3500

Example Tax Bill

Sample Calculation of Tax Bill

MRH Portion Only

Property Type	Market Value	Assessed %	Assessed Value	Tax Rate	Property Tax Due
Residential	250,000	19.0%	47,500	4.8673	2,311.97
Commercial	1,000,000	32.0%	320,000	5.3267	17,045.44
Personal Property	21,000	33.3%	6,993	6.8158	476.63

Neighboring District Rates

To be updated as neighboring rates are available

TIFs

TIFs/CIDs					
Maplewood			Richmond Heights		
	Begin	End		Begin	End
Deer Creek	2014	2035	Hadley Township North, (Areas B, C)	Complete	2020
Cambridge Commons	2011	CLOSED April 2024	Hadley Township (Sub-Area A)	2013	2036
Hanley Road South of Folk	2005	2026	Hadley Township South		2029

Projected Tax Revenue

	Operations	Debt Service	Total
*Estimated Tax Revenue 2024 (FY25)	\$ 17,181,000	\$ 5,998,000	\$ 23,179,000
Original FY25 Budget	16,788,000	5,886,000	22,674,000
Increase/(Decrease)	\$ 393,000	\$ 112,000	\$ 505,000
Actual Tax Revenue 2023 (FY24)	\$ 16,619,728	\$ 5,884,437	\$ 22,504,164
Increase/(Decrease) over 2023 (FY24)	\$ 561,272	\$ 113,563	\$ 674,836

**Assumptions: Collection Rate
 -Real Property: 98.35%
 -Personal Property: 93.80%*

Questions

