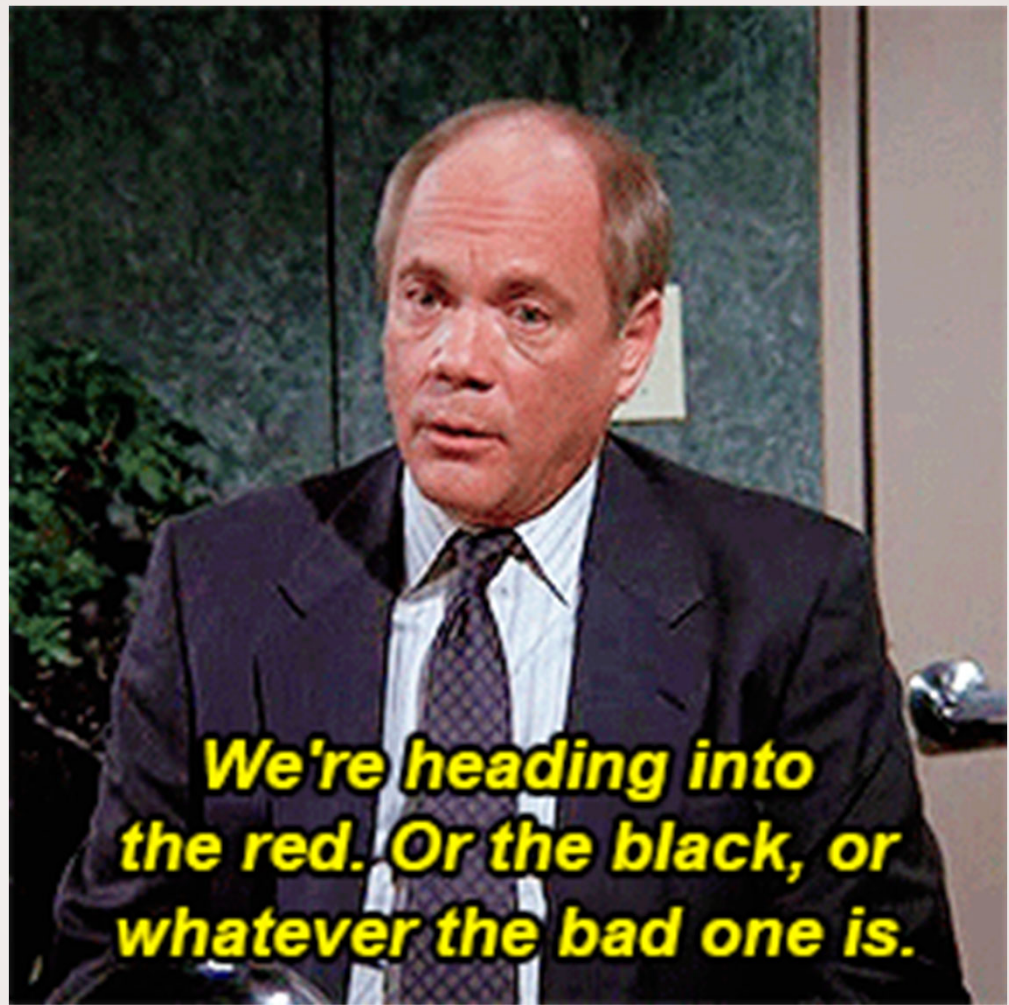
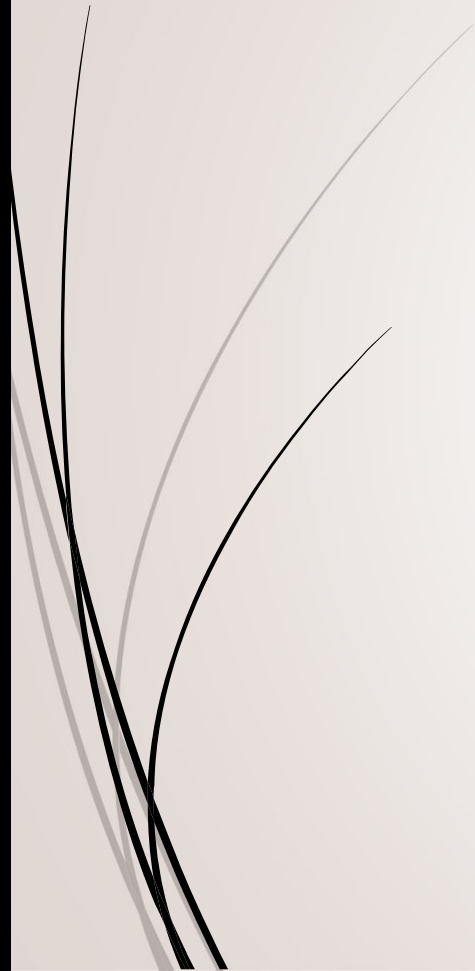




PROPERTY TAX AND LEVY CYCLES

Kristy Stoicoiu, Treasurer/CFO



**We're heading into
the red. Or the black, or
whatever the bad one is.**

PROPERTY TAX 101

- Property tax is the predominant method communities use to raise additional revenues in Ohio. Property tax comes in two forms:
 - Real Property tax - This is a tax levied on land and buildings located within the school district. Private individuals, businesses and public utilities that own land and buildings pay this tax.
 - Tangible Personal Property - This is a tax levied on furniture, fixtures, machinery, equipment and inventory owned by business.

PROPERTY TAX 101

- There are two “classes” of Real Property
 - Residential & Agricultural (Class 1)
 - Commercial and industrial (Class 2)
- There are two “types” of Tangible Personal Property
 - General business (which is no longer taxable)
 - Public utility

TYPES OF LEVIES

- Operating Levy
 - For day-to-day operating expenses
 - Expressed in mills
 - For a specified period of time or for a continuing period of time
- Emergency Levy
 - For day-to-day operating expenses
 - Expressed in dollars
 - Must generate a fixed dollar amount each year it is in effect
 - Cannot exceed a period of 10 years

TYPES OF LEVIES

- Permanent Improvement Levy
 - Cannot be used for daily operations
 - For improvements with an expected life of 5 years or more
 - Expressed in mills
- Bond Levy
 - Cannot be used for daily operations
 - For buildings, building improvements or land acquisition
 - Debt charges are paid on outstanding debt
 - Expressed in mills

PROPERTY TAX RATES

- There are two different ways tax levies can be implemented: Unvoted millage or inside millage and voted millage or outside millage
 - Inside millage (unvoted)
 - Approved by the county budget commission, but cannot exceed 10 mills or 1% (a mill is 0.1 percent) for any taxpayer
 - Schools generally receive 4 to 6 mills
 - Inside millage is not subject to reduction factors
 - Outside millage (voted)
 - Voted millage (outside millage) is approved by a popular vote
 - For voted levies, the purpose determines whether tax reduction factors apply

PROPERTY TAX RATES

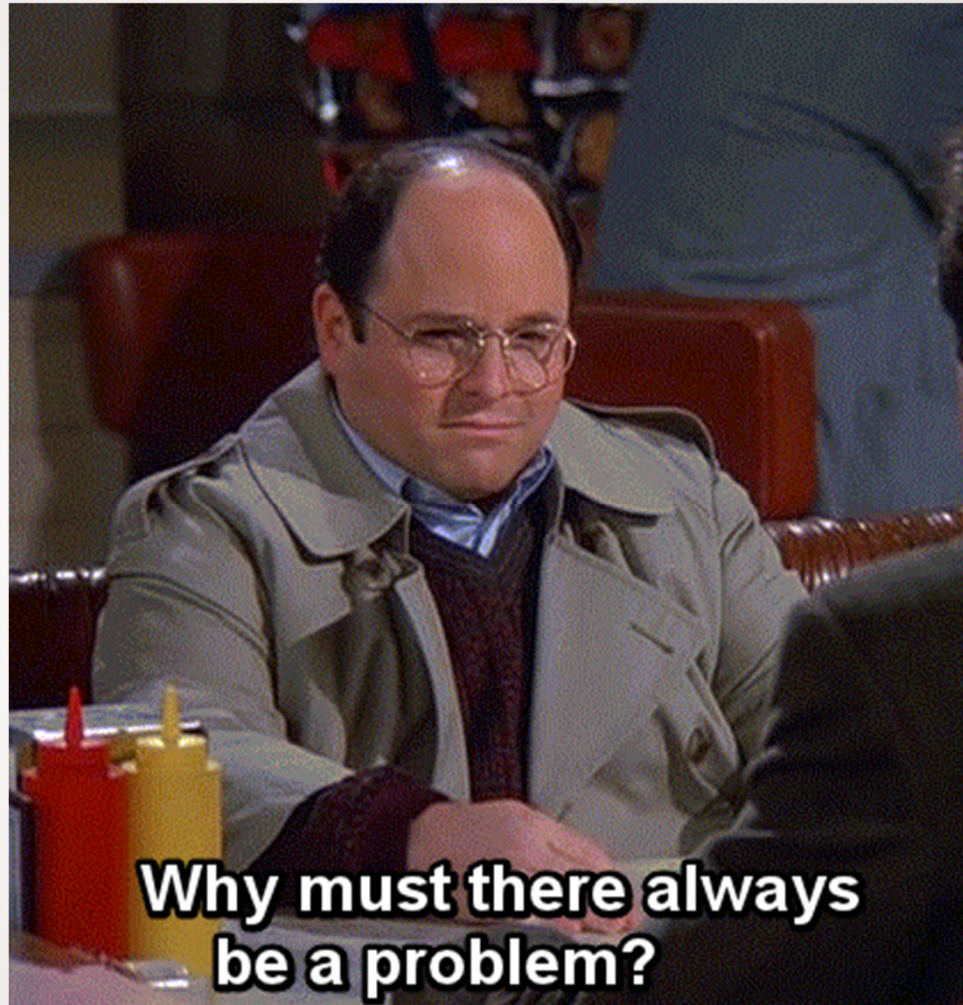
- There are three different tax rates for each levy that is in effect
 - The voted rate at which the levy was originally enacted, which is the rate that is always applied to tangible property
 - The effective tax rate for Class 1 real property, which is the rate calculated after application of Class 1 reduction factors
 - The effective tax rate for Class 2 real property, which is the rate calculated after application of Class 2 reduction factors

PROPERTY TAX CREDITS

- There are two major forms of tax credits property owners receive: Rollback and Homestead
 - Rollback
 - 10 percent property tax rollback for all residential and business real estate
 - In 1979, an additional 2.5 percent rollback was enacted for owner occupied homes
 - Homestead
 - Available for qualifying taxpayers
 - Eligible homeowners receive an exemption on the first \$26,200 - \$78,500 of appraised value from taxation for a single family home

PROPERTY TAX CREDITS

- House Bill 59
 - Beginning in tax year 2013, the State of Ohio enacted House Bill 59 (HB 59)
 - This affected changes to the state reimbursement of the rollback exemption whereby any new levies voted will no longer be reimbursed by the state but paid directly by the real estate owners
 - Any levies approved prior to 2013 will still have the rollback exemption paid for by the state

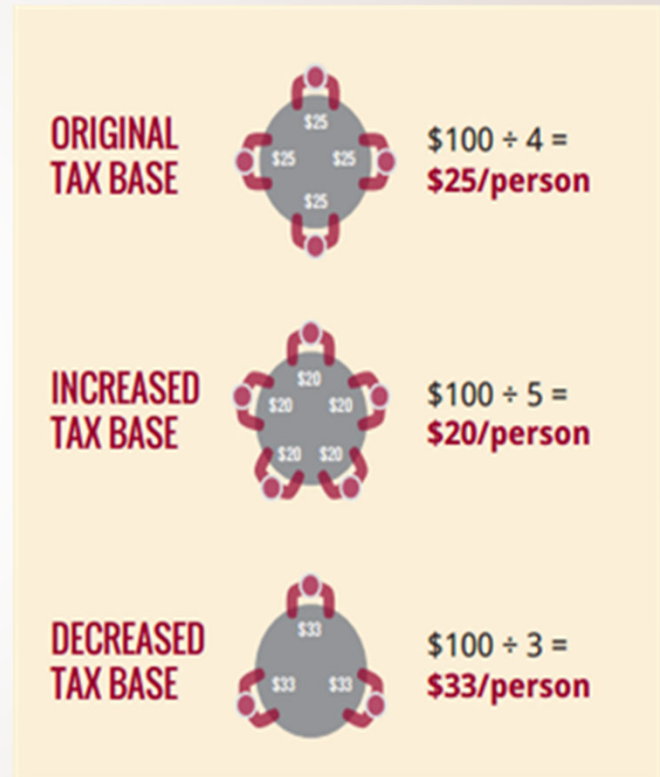


HOUSE BILL 920

- Enacted in 1976
- Every three years the value of taxable property in the school district is determined by the county auditor.
- If property values increase, the auditor cuts the school tax rate so schools do not receive more money. This is called the EFFECTIVE TAX RATE. As inflation drives up the value of property, H.B. 920 prevents schools from collecting more money.
- The opposite occurs when property valuations decrease, the effective tax rate may increase to collect the original amount of tax passed by the voters.
- This effectively freezes all voted real property millage at the dollar amount collected the first year the millage went into effect
- The inside mills are not affected by the House Bill 920 credit, so a small amount of additional revenue is gained as property values increase
- Does not apply to new construction or improvements to real property
- For school districts, simply keeping up with day-to-day cost increases is impossible under H.B. 920 and the main reason for their return to taxpayers for additional revenue every few years.

HOUSE BILL 920

- For Example: Assume that four people sitting around a table represents the taxpayer in a community, and they have voted to tax (levy) themselves \$100. Each person therefore has a \$25 tax bill.
- The following year, another person moves into the community. The \$100 tax is now divided among five people, resulting in a lower \$20 tax bill for each person. The school still collects the same \$100 as voted in by the community.
- The exact opposite occurs when the school district's tax base decreases. As the tax base decreases the millage rate increases for the community in order to keep the voted amount to be collected the same over the life of the levy. In this example, the tax bill increased to \$33 from its original amount, \$25.



20-MILL FLOOR FOR SCHOOL DISTRICTS

- Only current expense millage (inside or outside) counts toward the 20-mill floor
- The calculation excludes
 - Bonds, permanent improvement levies, and emergency levies.
- The 20-mill floor essentially prevents further reduction of tax rates once it is reached
- Once a district reaches the 20-mill floor, it receives full growth on those 20 mills
 - i.e., H.B. 920's tax reduction factors do not apply
- A district at the floor that has values decline will come off the 20-mill floor
- Getting to the floor creates growth in real property taxes from reappraisal on all 20 mills



Get out!

PROPERTY TAX CALCULATION

- Local property tax rates are always computed in mills. One mill costs the property owner \$1.00 for every \$1,000 of assessed valuation each year.
- Residential taxes are calculated by multiplying the market value of a homeowner's property by the assessed valuations rate of 35 percent and then the effective millage rate of the school district
- For example, if a home has a fair market value of \$100,000, the homeowner will pay taxes on the \$35,000 assessed value. The millage rate determines the amount of taxes, and then the rollback factor is applied.



Serenity now! Serenity now!

CURRENT TAX RATES - CFCSD

CUYAHOGA FALLS CITY SCHOOL DISTRICT - TAX YEAR 2023								
CURRENT LEVY	VOTED MILLAGE	EFFECTIVE MILLAGE	AMOUNT GENERATED	LEVY TERM NUMBER OF YEARS	ORIGINALLY APPROVED DATE	LAST RENEWED DATE	TAX YEAR BEGINS/ENDS	COLLECTION YEAR BEGINS/ENDS
GENERAL OPERATING - INSIDE MILLAGE	N/A	4.900000	\$ 5,459,176	INSIDE MILLAGE	N/A	N/A	N/A	N/A
GENERAL OPERATING - 76A	31.80	5.153254	\$ 6,984,506	CONTINUING	1976	N/A	1976	1977
GENERAL OPERATING - 83A	6.76	1.821948	\$ 2,338,700	CONTINUING	11/8/1983	N/A	1983	1984
GENERAL OPERATING - 98A	3.00	1.556499	\$ 1,920,190	CONTINUING	11/3/1998	N/A	1998	1999
GENERAL OPERATING - 22R	4.75	2.782118	\$ 3,329,019	CONTINUING	11/5/2002	5/3/2022	2022	2023
PERMANENT IMPROVEMENT - 19A	0.50	0.337808	\$ 391,280	CONTINUING	11/5/2019	N/A	2019	2020
BOND - 19A	5.33	3.100000	\$ 3,453,765	36	11/5/2019	N/A	2019/2054	2020/2055
GENERAL OPERATING - 19A	4.00	2.702460	\$ 3,130,239	10	11/5/2019	N/A	2019/2028	2020/2029
GENERAL OPERATING - 20R	7.90	4.925642	\$ 5,808,022	5	5/3/2005	11/3/2020	2020/2024	2021/2025
GENERAL OPERATING - 21R	9.97	6.216285	\$ 7,329,870	5	2/5/1991	11/2/2021	2021/2025	2022/2026
GENERAL EMERGENCY - 22R*	4.81	3.330000	\$ 3,710,012	5	11/7/2017	11/8/2022	2022/2026	2023/2027
TOTALS	78.82	36.8260140	\$ 43,854,779					
SUBJECT TO 20 MILL FLOOR		30.0582060						
* AN EMERGENCY LEVY IS APPROVED FOR A SPECIFIC DOLLAR AMOUNT NOT MILLAGE. THIS LEVY WAS APPROVED FOR \$3,600,000								

PROPERTY VALUATION - CFCSD

CUYAHOGA FALLS CITY SCHOOL DISTRICT											
TAX YEAR	VOTED MILLS	INSIDE MILLS	TOTAL MILLS	TOTAL EFFECTIVE MILLS	SUBJECT TO 20 MILL FLOOR	AMOUNT GENERATED	TOTAL RES/AG PROPERTY VALUATION	TOTAL OTHER VALUE	TOTAL PUBLIC UTILITY VALUE	TOTAL VALUE	% INCREASE OR DECREASE
2014*	65.62	4.90	70.52	41.762238	40.882238	\$ 31,278,890	\$ 562,154,970	\$ 159,117,710	\$4,089,820	\$ 725,362,500	
2015	65.62	4.90	70.52	41.730367	40.900367	\$ 31,644,818	\$ 562,016,390	\$ 167,204,480	\$4,201,890	\$ 733,422,760	1.11%
2016	65.62	4.90	70.52	41.785562	40.915562	\$ 31,521,228	\$ 562,267,540	\$ 160,885,670	\$4,461,270	\$ 727,614,480	-0.79%
2017*	70.43	4.90	75.33	43.670162	38.090162	\$ 34,857,864	\$ 610,557,190	\$ 154,937,040	\$4,624,870	\$ 770,119,100	5.84%
2018	68.99	4.90	73.89	42.944156	38.134156	\$ 34,591,105	\$ 610,049,250	\$ 155,900,610	\$4,712,830	\$ 770,662,690	0.07%
2019	78.82	4.90	83.72	52.767397	37.358900	\$ 42,231,504	\$ 610,291,230	\$ 156,334,850	\$5,242,790	\$ 771,868,870	0.16%
2020*	78.82	4.90	83.72	47.213766	37.900654	\$ 42,981,143	\$ 689,137,660	\$ 182,853,210	\$6,086,110	\$ 878,076,980	13.76%
2021	78.82	4.90	83.72	47.348043	37.934477	\$ 43,093,070	\$ 689,138,730	\$ 181,893,850	\$6,726,570	\$ 877,759,150	-0.04%
2022	78.82	4.90	83.72	47.374326	37.901207	\$ 43,376,882	\$ 692,392,320	\$ 180,777,400	\$7,908,970	\$ 881,078,690	0.38%
2023*	78.82	4.90	83.72	36.826014	30.058206	\$ 43,854,779	\$ 908,881,660	\$ 196,776,270	\$8,687,730	\$ 1,114,345,660	26.48%

*2014 and 2020 were sexennial reappraisal years. 2017 and 2023 were triennial update years.

INCREASE IN PROPERTY TAX VALUATION

	DISTRICT VALUATION	
TAX YEAR	2022	2023
% INCREASE	26.48%	
TOTAL VOTED MILLS	75.00	75.00
TOTAL EFFECTIVE MILLS	45.39890	35.89550
TOTAL PROPERTY VALUATION	\$ 881,078,690	\$ 1,114,345,660
ASSESSED VALUE 35%	\$ 308,377,542	\$ 390,020,981
TOTAL TAX	\$ 40,000,000	\$ 40,000,000

	TAXPAYER #1		TAXPAYER #2		TAXPAYER #3	
TAX YEAR	2022	2023	2022	2023	2022	2023
% INCREASE	30%		26.48%		25%	
TOTAL VOTED MILLS	75.00	75.00	75.00	75.00	75.00	75.00
TOTAL EFFECTIVE MILLS	45.39890	35.89550	45.39890	35.89550	45.39890	35.89550
TOTAL PROPERTY VALUATION	\$ 100,000	\$ 130,000	\$ 100,000	\$ 126,475	\$ 100,000	\$ 125,000
ASSESSED VALUE 35%	\$ 35,000	\$ 45,500	\$ 35,000	\$ 44,266	\$ 35,000	\$ 43,750
TOTAL TAX	\$1,588.96	\$1,633.25	\$1,588.96	\$1,588.96	\$1,588.96	\$1,570.43
DIFFERENCE		\$ 44.28		\$ -		\$ (18.53)


DECREASE IN PROPERTY TAX VALUATION

	DISTRICT VALUATION	
TAX YEAR	2022	2023
% DECREASE	-26.48%	
TOTAL VOTED MILLS	75.00	75.00
TOTAL EFFECTIVE MILLS	45.39890	61.74634
TOTAL PROPERTY VALUATION	\$ 881,078,690	\$ 647,811,720
ASSESSED VALUE 35%	\$ 308,377,542	\$ 226,734,102
TOTAL TAX	\$ 40,000,000	\$ 40,000,000

	TAXPAYER #1		TAXPAYER #2		TAXPAYER #3	
TAX YEAR	2022	2023	2022	2023	2022	2023
% DECREASE	-30.00%		-26.48%		-25.00%	
TOTAL VOTED MILLS	75.00	75.00	75.00	75.00	75.00	75.00
TOTAL EFFECTIVE MILLS	45.39890	61.74634	45.40	61.75	45.39890	61.74634
TOTAL PROPERTY VALUATION	\$ 100,000	\$ 70,000	\$ 100,000	\$ 73,525	\$ 100,000	\$ 75,000
ASSESSED VALUE 35%	\$ 35,000	\$ 24,500	\$ 35,000	\$ 25,734	\$ 35,000	\$ 26,250
TOTAL TAX	\$1,588.96	\$1,512.79	\$1,588.96	\$1,588.96	\$1,588.96	\$1,620.84
DIFFERENCE		\$ (76.18)		\$ -		\$ 31.88



FUTURE RENEWAL LEVY OPTIONS



*It is important to note that if any of the future renewal levies, originally approved before 2013, were to lapse, HB59 would have a major impact to the local taxpayer. Currently the Property Tax Allocation for those levies are being reimbursed by the state, if there was an interruption to the collection of taxes, the state would no longer be responsible for the reimbursements. That burden would then be shifted to the local taxpayer (12.5%).

FUTURE RENEWAL LEVY OPTIONS

- 7.90 mill General Operating Levy*
 - If not passed by November 2025 there will be an interruption to tax collections beginning January 2026
 - Options Available
 - November 2024 – May 2025 – November 2025
 - Five Years or Continuing Period of Time
- 9.97 mill General Operating Levy*
 - If not passed by November 2026 there will be an interruption to tax collections beginning January 2027
 - Options Available
 - November 2025 – May 2026 – November 2026
 - Five Years or Continuing Period of Time

FUTURE RENEWAL LEVY OPTIONS

- \$3,600,000 General Emergency Levy
 - If not passed by November 2027 there will be an interruption to tax collections beginning January 2028
 - Options Available
 - November 2026 – May 2027 – November 2027
 - Emergency Levies are limited operating levies and have a maximum of ten years
- 4.00 mill General Operating Levy
 - If not passed by November 2029 there will be an interruption to tax collections beginning January 2030
 - Options Available
 - November 2028 – March 2029 – November 2029
 - Five Years or Continuing Period of Time**

