

FY23 Tax Levy and Abatement

Process

November: Board votes on tentative levy.

December: Tax levy hearing (if required.) Board votes to adopt the final levy. Levy filed with county clerk.

January: County Assessor completes the assessments of all properties.

February: County Clerk sets the levy.

March: County decides how to divide total dollars among all properties in the taxing area.

April/May: Taxpayers receive tax bills.

The Tax Levy

- School District levies are capped at CPI/Inflation or 5% (whichever is lower)
- MSD15 has always levied taxes based on CPI/Inflation
- This year, CPI/Inflation was over 8.5%
- This means our tax levy is called at 5%
- Administration recommends that the Board consider doing a tax abatement whenever CPI/Inflation is over 3%

What is a Tax Abatement?

- A tax abatement is a financial intervention that reduces the amount of money that an owner pays on a piece of residential or commercial property
- In addition to the tax levy, taxpayers also make a separate bond and interest payment
- School Districts can abate a portion of the bond and interest payment
- MSD15 bond and interest payment for FY23 is \$1,460,794

- Board of Education has voted to abate a portion of this bond and interest payment

MSD15 to use 3% Tax Abatement:

- The FY22 tax levy is expected to generate \$1.7 million more than the FY21 tax levy
- A 3% tax abatement is equivalent to \$1,080,101 and reduces the net revenue to \$619,899
- This lowers the overall net increase to approximately 2%
- A net 2% tax levy is better aligned with previous tax levy increases

Why are Tax Levies necessary for Districts?

- Salaries and benefits for staff. It allows Districts to remain competitive in the market.
- Maintain and upgrade buildings/facilities with existing fund balances

