

Levy Presentation

Beecher 200U

December 14, 2020



Question 1:

*What is a Truth in
Taxation Hearing?*

A Truth in Taxation Hearing is held to let voters and taxpayers in the community comment on the proposed local property tax levy that the school is making for current taxes payable in the following year.

Question 2:

*When must a school
hold a Truth in Taxation
Hearing?*

Any time that a school's
proposed aggregate levy is
more than 5.0% larger than
last year's aggregate
extension, a Truth in Taxation
Hearing must be held.

Question 3:

*Could you define some
of those terms?*

levy – A levy is the projected amount of taxes for next year. This educated guess is based on preliminary EAV assessments from the county office.

extension - An extension is the actual amount of tax revenue that the school receives in a year. In simple terms, the levy is what a school thinks it will get next year, but an extension is what a school actually received last year.

aggregate - In the world of local property taxes, the term aggregate refers to the total amount of taxes received without accounting for the repayment of long-term debt.

For example, district X has a total tax rate of \$5.00, but \$1.00 of this total is used to pay off old Construction bonds; District X would have an aggregate tax rate of \$4.00.

Question 4:

*What is Beecher's
proposed total levy?*

Last Year's Total Extension:
\$ 10.626M

This Year's Total Levy:
\$ 11.016M

Percent Increase:
+ 3.7%

Question 5:

Is this 3.7% figure the one used to determine a need for a Truth in Taxation Hearing?

Remember, the need for a Truth in Taxation Hearing is based on the aggregate levy and aggregate extension. Beecher's proposed aggregate levy and last year's aggregate extension are:

Last Year's Aggregate Extension:
\$ 8.511M

This Year's Aggregate Levy:
\$ 8.796M

Percent Increase:
+ 3.4% (PTELL)

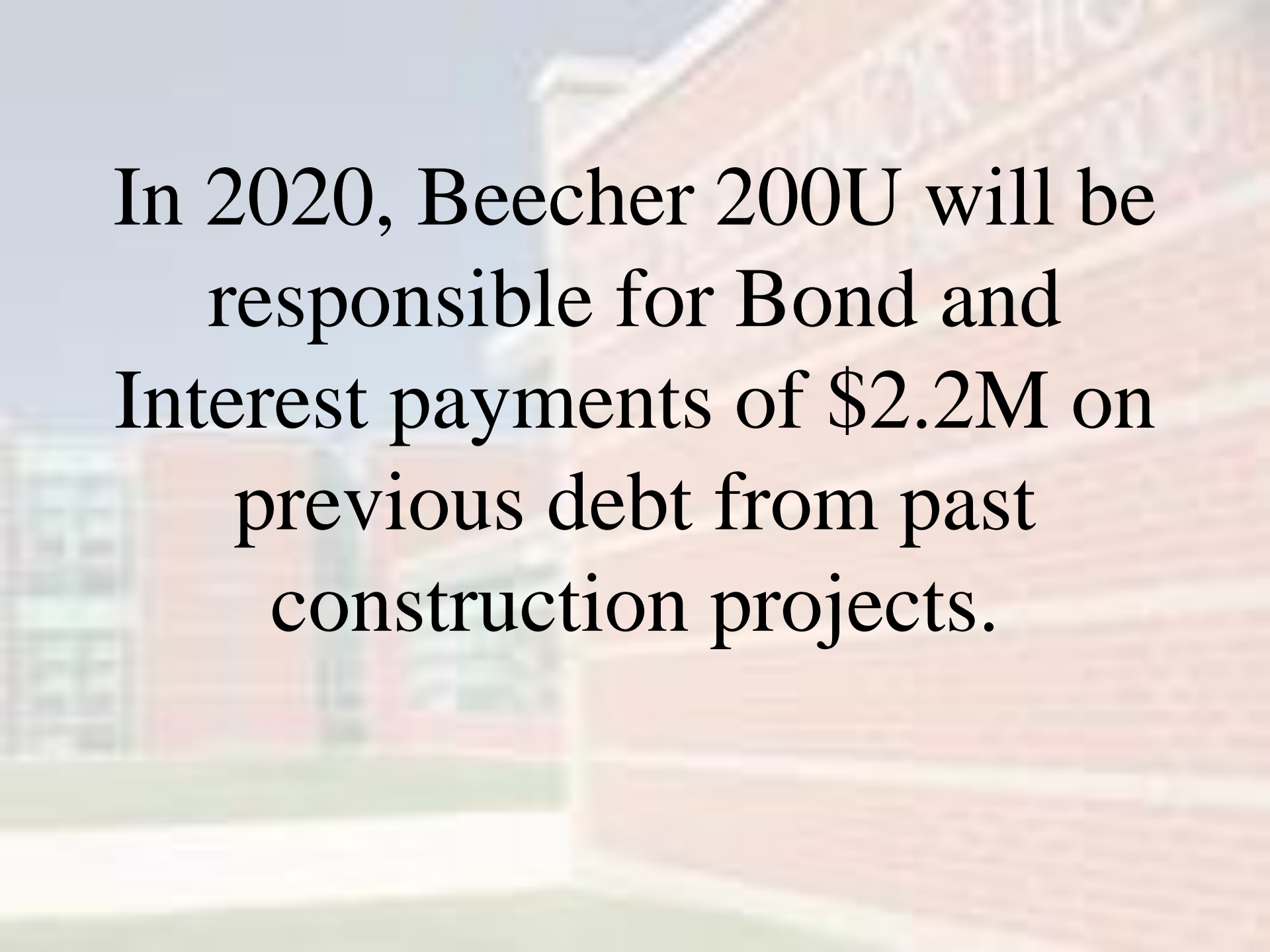
Question 6:

Is this 3.4% figure the one used to determine a need for a Truth in Taxation Hearing?

Yes, since this increase is less than 5%, there is no need for a formal Truth in Taxation hearing.

Question 7:

If the total levy is \$11.0M but the aggregate levy is \$8.8M, where does the extra \$2.2M come from?



In 2020, Beecher 200U will be responsible for Bond and Interest payments of \$2.2M on previous debt from past construction projects.

Question 8:

What is the anticipated
total tax rate?

**This Year's Total
Tax Rate: \$ 6.47**

**Next Year's Anticipated
Total Tax Rate: \$ 6.38**

Percent DECREASE: 1.4%

Question 9:

Why are you using the
word *anticipated*?

The levy numbers are based on *projected* EAV data. The actual data is not available until March.

Therefore, all figures surrounding the December levy are speculative in nature, and it is important to convey this uncertainty by using the word *anticipated*.



Question 10:

What does all of this mean?

When you get your tax bill in the spring, the amount of local property taxes that the school will collect should be approximately 1.4% less than last year – provided the assessment on your property has not changed.