

The Impact of Rising Property Values



Jacksonville I.S.D.
Budget Year 2008-2009

Cherokee County Appraisal District
Total Value Change From Last Year Certified Values

	2007 Certified Values	2008 Value Estimates	Change	%
Total Gross Roll	\$1,233,443,685	\$1,371,640,231	138,196,546	11.20%
<u>Less:</u>				
Fully Exempt	\$39,822,049	\$49,095,610	9,273,561	23.29%
\$15,000 Homestead	\$79,620,762	\$79,375,430	(245,332)	-0.31%
\$10,000 Ov65 Homestead	\$18,615,505	\$18,446,141	(169,364)	-0.91%
\$ 6,250 Ov65 Homestead Local	\$8,549,035	\$8,561,678	12,643	0.15%
Disabled Veteran	\$1,942,488	\$1,944,185	1,697	0.09%
Disabled	\$1,952,750	\$2,223,239	270,489	13.85%
Ag & Timber Productivity	\$201,561,080	\$237,986,520	36,425,440	18.07%
Residence HS 10% Cap	\$2,902,478	\$23,516,831	20,614,353	710.23%
Personal Property under \$500	\$60,201	\$13,650	(46,551)	-77.33%
Pollution Control	\$256,855	\$202,409	(54,446)	-21.20%
Total Loss	\$355,283,203	\$421,365,693	66,082,490	18.60%
Less Uncertifiable Value	\$797,260			
Plus Estimated Value not in dispute	\$478,356			
2007 Total Certified Taxable	\$877,841,578	\$950,274,538	72,432,960	8.25%
*Over 65 Frozen Value (non-taxabl	\$45,780,000	\$58,500,000	12,720,000	27.79%
2007 Certified Net Taxable	\$832,061,578	\$891,774,538	59,712,960	7.18%

*Frozen value is estimated. Actual amount will be determined from your certified tax roll this Fall.

Who feels the impact of an Increase in Property Values?

- Property Owner
- J.I.S.D. General Fund Budget
- State Comptroller's Budget



Property Owner

- Scenario 1 – 5% increase in value of \$100,000 homestead
- Scenario 2 – 25% increase in value of \$100,000 homestead
- Scenario 3 – 10% increase in value of \$100,000 homestead *w/over 65 frozen taxes prior to 2008*

Scenario #1 – 5% Increase

- *Market Value of Residence 2007*
 - \$100,000 Total Value
 - \$85,000 Taxable Value (w/\$15k exemption)
- *5% Increase in 2008*
 - \$105,000 New Total Value
 - \$90,000 New Taxable Value (w/\$15k exemption)
- *Total tax increase to home owner*
 - 2007 taxes = \$950.22
 - 2008 taxes = \$1,006.11
 - *Total increase in taxes = \$55.89 (\$4.66 per month)*

Scenario #2 – 25% Increase

- *Market Value of Residence 2007*
 - \$100,000 Total Value
 - \$85,000 Taxable Value (\$15k exemption)
- *25% Increase in 2008*
 - \$125,000 New Total Value - **\$110,000** (10% homestead cap)
 - \$95,000 New Taxable Value (\$15k exemption)
- *Total tax increase to home owner*
 - 2007 taxes = \$950.22
 - 2008 taxes = \$1,062.01
 - *Total increase in taxes = \$111.79 (\$9.32 per month)*

Scenario #3 – 10% Increase w/over 65 Freeze

- *Market Value of Residence 2007*
 - \$100,000 Total Value
 - \$85,000 Taxable Value (\$15k exemption)
- *10% Increase in 2008*
 - \$110,000 New Total Value
 - \$95,000 New Taxable Value (\$15k exemption)
- *Total tax increase to home owner*
 - 2007 frozen taxes = \$950.22 *(If freeze began in 2007)*
 - 2008 frozen taxes = \$950.22
 - *Total increase in taxes = \$0*

Impact on J.I.S.D. Budget

- Based on *Preliminary* Values:
 - General Fund Budget (M&O tax rate = \$1.04)
 - 2007 Local Property Taxes = \$8,653,441
 - 2008 Local Property Taxes = \$9,274,455
 - Increase of \$621,015 with NO increase in the tax rate!
 - State Funding
 - 2007 State Revenue = \$22,394,361 (Budgeted amt.)
 - 2008 State Revenue = \$21,563,746 (Very preliminary)
 - Decrease of \$830,397!
 - Majority of decrease is from drop in enrollment that we will have to account for in the current year budget (\$543k)
 - VERY preliminary figures as we don't have final PEIMS numbers yet

Impact on State Comptroller Budget

- State Aid for Tax Reduction

	2007	2008
Additional State Aid for Tax Reduction (TEC 42.2516(b))	5,314,453	4,723,708
Adjustments to Additional State Aid for Tax Reduction (see calculations beginning on row 122 below)	0	0
Total Additional State Aid for Tax Reduction	5,314,453	4,723,708

(\$590,745)

- * State funding has many different factors that affect the total amount of funds a district will receive. The information presented above is taken directly from a section of the current state funding model. However, other sections of the formula may *increase* or *decrease* depending on a district's 2005-06 tax rate. I have presented this section only in an effort to highlight the impact of an increase in property values.

Miscellaneous Information

- Certified values expected July 25th if not sooner.
 - Information provided in this presentation is very preliminary and will be updated as we receive certified values.
 - Questions?
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