

Operational Referendum

A CRITICAL DECISION

FREQUENTLY ASKED QUESTIONS

What is an operating referendum?

An operating referendum asks permission from voters to exceed the state-imposed revenue limit for the purpose of funding school operations. It is NOT a referendum to incur debt to complete facility projects.

Is this a non-recurring or recurring referendum?

This is a recurring referendum. A recurring referendum asks for support to give the necessary funding on a continued basis.

Linn Joint 6 School District is asking for \$200,000 for the 2020-2021 school year and thereafter.

What is the tax impact of the 2020 referendum?

If voters approve the referendum, the current Linn Joint 6 School District tax levy rate of \$ 1.85 will increase .03 cents to \$ 1.88 per \$ 1,000 of property value. Below are the projected **ONE-TIME** increases, which would be seen on 2020 tax bills:

\$ 7.50 -one-time tax increase for home valued at \$250,000

\$ 9.00 -one-time tax increase for home valued at \$300,000

\$ 10.50 -one-time tax increase for home valued at \$350,000

\$ 12.00 -one-time tax increase for home valued at \$400,000

PROPERTY
VALUE

PROPERTY TAX IMPACT
(A ONE-TIME INCREASE of \$ 30.00
Per \$ 100,000 of property value)

	MONTHLY IMPACT OF <u>ONE-TIME</u> INCREASE	<u>ONE-TIME</u> INCREASE
\$250,000	\$ <u>0.63</u>	\$ <u>7.50</u>
\$300,000	\$ <u>0.75</u>	\$ <u>9.00</u>
\$350,000	\$ <u>0.88</u>	\$ <u>10.50</u>
\$400,000	\$ <u>1.00</u>	\$ <u>12.00</u>

District 5-year financial forecast with Robert W. Baird forecast model

What does Linn Joint 6 School District mean by “a one-time increase?”

The tax rate, as a result of a successful referendum, will increase by \$.03 (per \$1,000 of property value) in the first year. This referendum WILL NOT INCREASE the tax rate above \$.03 in future years. It is a one-time increase. See the example below for a home valued at \$300,000:

Tax Year	Home Value	Total Referendum Tax Impact
2020	\$300K	\$ <u>9.00</u>
2021	\$300K	\$ <u>9.00</u>
2022	\$300K	\$ <u>9.00</u>
2023	\$300K	\$ <u>9.00</u>

What would the tax impact be if the referendum is not adopted?

The tax rate, if the referendum is not adopted, will remain at \$ 1.85 per \$1,000 of equalized property value. See the example below for a home valued at \$300k:

Tax Year	Home Value	Tax Impact
2020	\$300k	\$ <u>0.00</u>
2021	\$300k	\$ <u>0.00</u>
2022	\$300k	\$ <u>0.00</u>
2023	\$300k	\$ <u>0.00</u>

2024	\$400k	\$ N/A
2025	\$400k	\$ N/A
2026	\$400k	\$ N/A

How can the district increase its revenue authority over time and not have a larger impact on the tax levy?

The revenue authority and tax levies are affected by many different variables. While the revenue authority would indeed increase, it is also assumed that the equalized value of the homes being taxed in the area will also increase. The increase in equalized value could occur if property values increase, as they typically do, or if new tax sources become available through new property construction. Therefore, while the revenue authority increases, the value of the properties being taxed also increases, which results in the mill rate remaining the same. This allows the rate to remain relatively stable.