

TERM OF COMMISSION: September Session of the July Adjourned Term

PLACE OF MEETING: Roger B. Wilson Boone County Government Center  
Commission Chambers

PRESENT WERE: Presiding Commissioner Daniel K. Atwill  
District I Commissioner Karen M. Miller  
Boone County Clerk Wendy Noren  
Deputy County Clerk Cameron Clarke

District II Commissioner Skip Elkin was absent.

The meeting was called to order at 9:30 a.m.

### **County Clerk**

#### **1. Tax Rate Hearing (first reading)**

Boone County Clerk Wendy Noren was present on behalf of this item. Ms. Noren stated this year we have an additional topic, which is the decision of whether or not to put our tax rate ceiling back to where it was in 2010. Ms. Noren stated in 2007 the legislature adopted some modifications to the tax rate process in response to drive by assessments out of the St. Louis County area. Ms. Noren stated one of those was that any voluntary rollbacks in property tax rates in a year prior to reassessment would become your new tax rate ceiling. Ms. Noren stated it would have effectively wiped out property taxes in many jurisdictions. Ms. Noren stated they later amended that to exclude reductions in property tax rates due to sales tax. Ms. Noren stated the County does take voluntary rollbacks in addition to our sales tax rollbacks. Ms. Noren stated she would discuss with the County Assessor if there would be a reassessment before we did. Ms. Noren stated one of the problems is that this law discourages entities from taking voluntary property tax rollbacks, because then they lose quite a bit of revenue the next year. Ms. Noren stated in 2005 when we had a major reassessment we weren't required to take a rollback, but we did. Ms. Noren stated last year the State Auditor's office interpreted the law to mean that even if you didn't reassess property, it was a year of reassessment, and your tax rate ceiling was the prior year's rate. Ms. Noren stated that caused a significant amount of problems for everybody. Ms. Noren stated the law did allow you to reset your tax rate ceiling the year after reassessment. Ms. Noren stated in order to have a stable tax rate we need to reset our tax rate ceiling to the level from 2010, plus the adjustments added this year. Ms. Noren stated our general revenue ceiling in 2010 was .3131. Ms. Noren stated with our voluntary rollback it was .2407. Ms. Noren stated the current tax rate ceiling this year with the formula is .3155. Ms. Noren stated that is the maximum she would be asking the Commission to adopt on Thursday. Ms. Noren stated this keeps our tax rate as stable as possible so you don't have big swings. Ms. Noren stated if there was a reassessment, she would probably propose a rollback next year. Ms. Noren stated at this point we aren't sure if there will be a reassessment. Ms. Noren stated in order to

maintain some stability, she will be preparing an order that we set our tax rate ceiling at .3155, rather than one based on voluntary rollbacks in 2010.

Ms. Noren stated the other piece is changes in the actual tax rate. Ms. Noren stated the proposed actual tax rate for general revenue would not change this year, it would remain .12. Ms. Noren stated overall there is a small increase in the levies you have the authority to set at .25. Ms. Noren stated we would end up next year at .06 in general revenue and .02 in road and bridge. Ms. Noren stated she thinks there will be some discussion over the next couple of years about how to better handle this. Ms. Noren stated they're seeing some jurisdictions that would not normally levy something, actually levy something. Ms. Noren stated ours because of our sales tax rollback is not very impacted. Ms. Noren stated there were jurisdictions that would take a .03 voluntary levy that won't do that anymore because they can't afford the next year to start at the .03 cents and lower it beyond that. Ms. Noren stated jurisdictions are trying to equalize their income. Ms. Noren stated there is a whole process to determine if a general reassessment goes through. Ms. Noren stated the tax commission reviews it. Ms. Noren stated lots of formulas go into determining whether or not property is equalized around the County. Ms. Noren stated there are multiple formulas we have to do. Ms. Noren stated the formulas set a maximum amount of revenue you can get in the next year. Ms. Noren stated the maximum amount of revenue is used to calculate a rate. Ms. Noren stated the first formula we have to do is based on the property tax statutes, and that determines the tax rate ceiling. Ms. Noren stated the tax rate ceilings are determined by allowing you a little bit of growth based on the consumer price index, allowing new construction and improvements, and then calculating based on the prior year ceiling what the maximum amount of revenue you can get in the current year. Ms. Noren stated then you take the maximum amount of revenue and divide it by your assessed value, and you get the new tax rate ceiling. Ms. Noren stated if you didn't have any sales tax rollbacks that would be your tax rate, and for most school districts that is their ceiling. Ms. Noren stated the County has sales tax rollbacks in addition to that, so we determine a maximum amount of revenue under our 1979 sales tax. Ms. Noren stated this year based on six months worth of estimated sales tax receipts used was \$12,691,000. Ms. Noren stated \$6,345,000 in sales tax revenues that we collect have to be used to reduce the property tax rate. Ms. Noren stated that factors out to be .2682 cents. Ms. Noren stated we have the additional road and bridge sales tax issue where it was stated we would keep it at .05 to reduce it. Ms. Noren stated once we apply those sales taxes we come up to our rates that are proposed for the year. Ms. Noren stated the one for group homes is a voted tax rate, so we propose the ceiling each year. Ms. Noren stated their voted rate is .12.

Commissioner Atwill asked why New Franklin, Fayette, and North Calloway school districts are listed.

Commissioner Miller stated we have people in those school districts.

Ms. Noren stated we have those school districts in our jurisdiction, and they report their rates to me. Ms. Noren stated we have nine districts.

Commissioner Miller asked if Ms. Noren knew how many properties we have in those school districts.

Ms. Noren stated no. Ms. Noren stated all of Rocheport is New Franklin schools. Ms. Noren stated Fayette doesn't have very many. Ms. Noren stated North Calloway has some people right along the eastern edge of the County.

Commissioner Miller stated you think you could change those.

Ms. Noren stated Centralia goes into multiple counties, as well as Sturgeon and Harrisburg. Ms. Noren stated when she started there were two additional school districts, but they merged with Columbia in the early 1980's. Ms. Noren stated all of the districts came out of the Consolidated School Act of 1948, which until then there were just small, rural schools. Ms. Noren stated she still has their records, because some people need them as proof of birth. Ms. Noren stated when the schools consolidated it crossed county lines.

Ms. Noren stated she thinks the Commissioners have seen some stories where jurisdictions aren't taking a voluntary rollback this year, because it would require even more rollback next year. Ms. Noren stated it's a constant downward spiral, and all of the rates are below what has been voted on. Ms. Noren stated in the past there was frustration when there were big increases in assessed valuation but no adjustment in the levy. Ms. Noren stated most of the jurisdictions here have been really responsible, and only set their levy at what they need for their budget. Ms. Noren stated that's what the County has done. Ms. Noren stated she has proposed a .025 increase in the road and bridge fund.

Commissioner Miller stated it represents what the people voted on.

Ms. Noren stated in 1980 the County's property tax rate was .85. Ms. Noren stated most property tax rates have significantly decreased over the last 25 years. Ms. Noren stated even though there have been voted increases; there has been a major shift in the last 30 years towards sales tax, and using sales tax revenues to cut property taxes. Ms. Noren stated most of the new property taxes have come from fire and library districts, but have been mostly offset by decreases in City and County rates. Ms. Noren stated no one likes paying property taxes, but the difference is pretty small over the past 30 years.

The meeting adjourned at 9:52 a.m.

Attest:

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Daniel K. Atwill  
Presiding Commissioner

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Wendy S. Noren  
Clerk of the County Commission

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Karen M. Miller  
District I Commissioner

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Skip Elkin  
District II Commissioner