

Q - Property values just increased because of a reappraisal that was done by the county auditor's office. Since my property is now worth more money, does this mean that my school district taxes will increase?

A – No. There are tax reduction factors that come into consideration when property values increase due to a reappraisal. House Bill 920 is the basis of the current system that is in place to eliminate revenue growth that would otherwise result from increasing real property values.

Tax Reduction Factors are calculated each year for every levy that is subject to the reduction (fixed rate levies). The calculation is based on the increase in the value of property that was taxed in the same class in both the current and preceding year. This is called carryover property.

The Tax Reduction Factor is not designed to ensure that every taxpayer within a taxing jurisdiction pays the same taxes on a levy as in the year preceding the reappraisal or triennial update. The Tax Reduction Factors keep the taxing authority from receiving additional revenue from the inflationary growth increase in the property values.

Q – What happens when the property values decrease because of a reappraisal that was done by the county auditor's office?

A – House Bill 920 still prevails in this environment. The Tax Reduction Factors keep the taxing authority from receiving less revenue from the deflationary decrease in the property values.

Therefore, the effective millage rate increases, and the money that the school district receives from all of the taxpayers within the school district remains the same.

Q – I live in Fairfield County, my property values did not change, and my taxes increased. Why?

A - The Canal Winchester Local School District is located in both Fairfield and Franklin County. The property values in Franklin County decreased due to a reappraisal that was done by the Franklin County Auditor's Office. This caused the total property values for the entire school district to decrease. The effective millage rate increased so that the school district would continue to receive the same amount of money that was approved by the voters. This effective millage rate (which is increased from the prior year) is charged to all property owners in the school district. Since the property values in Fairfield County did not change, and the effective millage rate increased, the taxes charged to the Fairfield County resident increased.

The property values in Franklin County decreased, the effective millage rate increased, but the taxes charged to the Franklin County resident decreased. The property value decreased in Franklin County by approximately 15%.

The overall tax dollars received by the school district remained the same.

Q – What about the Emergency Levy? I thought the school district asked for less money during this last election?

A – The Emergency Levy that was on the November, 2011 ballot is for \$5,830,000 per year for three years. The Emergency Levy that expired in 2012 was for \$6,439,000 per year for two years (2010&2011). The school district did ask for \$609,000 less money in November.

An Emergency Levy is a request for a set dollar amount to be collected each year. The millage rate charged to the resident is calculated by taking the dollar amount to be collected (\$5,830,000) and dividing it by the valuation for the entire school district. The millage rate that needs to be charged to collect the dollar amount listed on the emergency levy can fluctuate from year to year. Because the property values decreased in Franklin County and the overall school district's property values decreased, the millage rate collected for the emergency levy had to increase from the amount listed on the ballot language in order to generate the requested dollars.

Q – What about the Bond Retirement Fund? What is the Bond Retirement Fund and why would the tax millage rate increase or decrease for this levy?

A – The school district can run a levy to collect money to build buildings, purchase land, purchase furniture and equipment, or other permanent improvement type items. The money collected can only be spent on the type of items that are listed on the ballot language, and cannot be spent on operating expenditures.

The residents of the school district passed several Bond Issues over the last several years that allowed the school district to build Indian Trail, Winchester Trail, Middle School and add on to the High School.

When a Bond Issue is passed, the school district borrows the amount of money that is approved on the ballot. Bonds are then sold to investors, and the money is scheduled to be repaid over twenty eight years. The debt repayment includes a payment to pay off some of the bonds, plus to make interest payments on the remaining bonds.

The county auditor's office sets the bond retirement fund millage rate so that there is enough money collected to pay the bonds and interest that come due and payable during the calendar year. When the assessed property values increase, the millage rate can remain the same or be reduced from the prior year's rate charged. When the assessed property values decrease, the millage rate needs to be increased from the amount charged the prior year so that enough tax money is collected to repay the debt.

The assessed value of the property in the Canal Winchester Local School District decreased by \$27,946,970 or 6.4% between 2011 and 2012. For calendar year 2012 tax collections, the rate charged for the Bond Retirement fund is 10.40 mills. The millage rate charged for calendar year 2011 was 8.93 mills. This increase of 1.47 mills was necessary in order for the school district to collect enough money to pay the debt obligation during calendar year 2012.

Any further questions please contact Joyce Boyer, Treasurer Canal Winchester Schools
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