



## Rockwood School District

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# Rockwood Tax Rate Goes Down...What Does That Mean for Taxpayers?

The Rockwood Board of Education approved the 2017-2018 tax rate at its September 28 meeting. The rate, approved by the Missouri State Auditor, is \$4.5015. This is a decrease of 16.63 cents from last year's tax rate of \$4.6678. The Operating levy will be \$3.8215, and the debt service levy will remain at 68 cents.

### Why did the tax rate decrease?

- The 2017 assessed valuation, less new construction and improvements, increased 7.84% over 2016. Overall, with new construction, the assessed valuation increased 8.77% to a combined amount of \$3,724,290,340. The increase in assessed valuation, less new construction and improvements was greater than the consumer price index, this resulted in a 16.63 cent decrease in the tax rate.
- The State Tax Commission and local circuit courts reduced the property tax valuations for various properties for tax years 2007 through 2016. The total reduction in assessed valuation was \$38.1 million. These reductions in valuation resulted in a loss of tax revenue to the school district. The law allows the district to recoup this loss over a three-year period. The district plans to include 4.93 cents in the tax rates for 2017, 2018 and 2019 to recover the lost revenue.
- An additional 10.17 cents will also be recouped in 2017 for second and third year installments of the 2016 and 2015 cases, respectively.

### How is the tax rate determined?

Each year the Missouri State Auditor (SAO) provides forms that districts must use to calculate the tax rate. If the assessed valuation increases by more than the consumer price index, the tax rate will decrease. This is commonly referred to as the Hancock Amendment. If the assessed valuation, less new construction and improvements, is less than the prior year, the tax rate increases.

When reductions are made to property valuations after the tax rate is set, the district can recoup the lost dollars. This is accomplished by using a two-step process included in the Missouri State Auditor forms. First, the district must recalculate each year using the revised assessed valuations. This results in an adjusted tax rate ceiling that is used in subsequent years. Second, the district is allowed to recoup the lost revenue over a three-year period.

### What does this mean in dollars for Rockwood taxpayers?

The taxpayer who owns a home with the value of \$250,000 will see a net decrease over the previous year of approximately \$78.99 in taxes. This assumes the valuation remains unchanged. Here is the calculation:

**2016:** \$250,000 x 19% x .046678 = **\$2,217.20 Rockwood taxes for 2016**

**2017:** \$250,000 x 19% x .045015 = **\$2,138.21 Rockwood taxes for 2017**

### What else is included in my tax bill?

It is important to remember your tax bill includes taxes to a number of other taxing authorities (i.e. Special School District, Fire District, libraries, sewer, the Zoo). Rockwood is just one of several taxing authorities. Although Rockwood is setting a lower tax rate (by 16.63 cents), as described above, your overall tax bill is also affected by all taxing authorities and your new valuation.

### Why does Rockwood set only one tax rate that includes residential, commercial, and personal property?

State law requires districts wholly located within St. Louis County to report separate levies by class (e.g. residential, commercial, and agricultural) of property and a blended rate. Since Rockwood serves two counties (St. Louis and Jefferson), the district sets one tax rate for all taxpayers.

### What is the tax rate history for Rockwood School District?

2004-2005	\$4.6334		2011-2012	\$4.4630
2005-2006	4.5074		2012-2013	4.5357
2006-2007	4.4177		2013-2014	4.6833

2007-2008	3.9987		2014-2015	4.7240
2008-2009	3.9232		2015-2016	4.6015
2009-2010	4.0083		2016-2017	4.6678
2010-2011	4.2752		2017-2018	4.5015