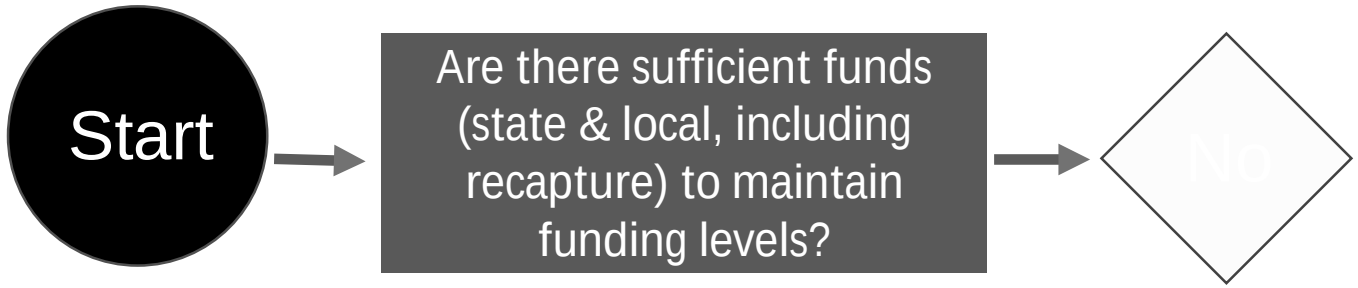
Using property tax collections to ensure a system that is efficient and fair to both taxpayers and children

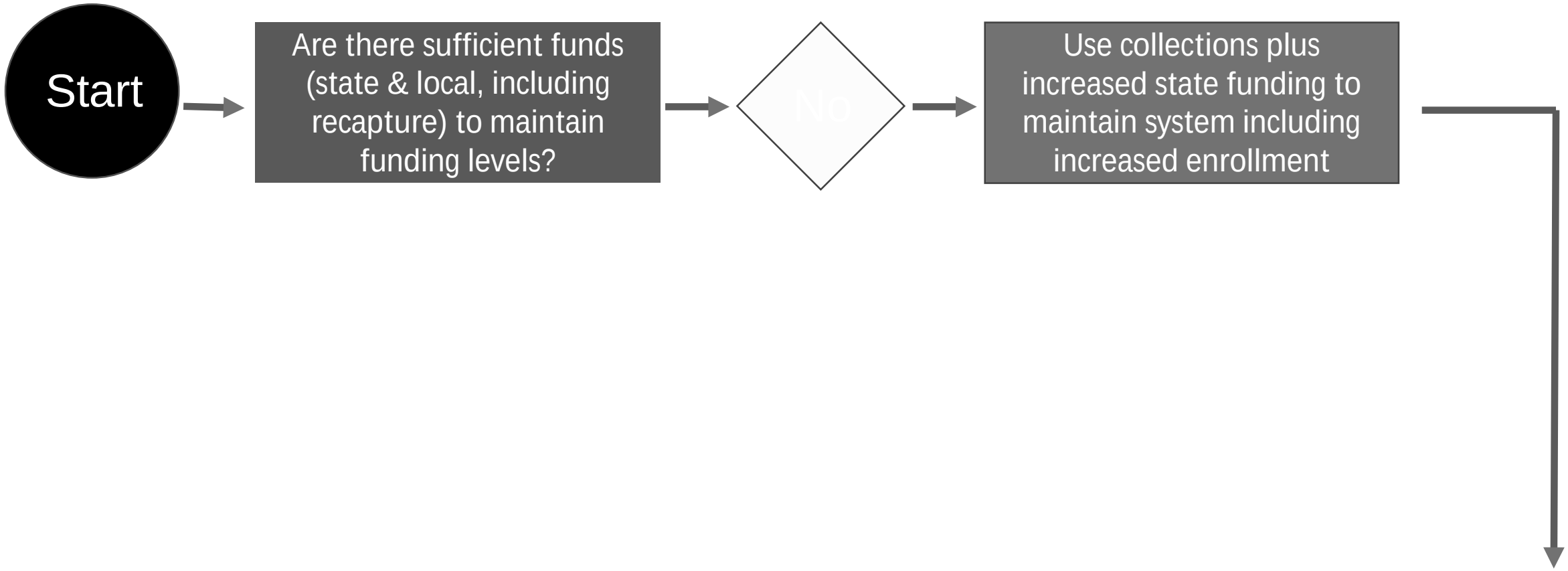
Disclaimer

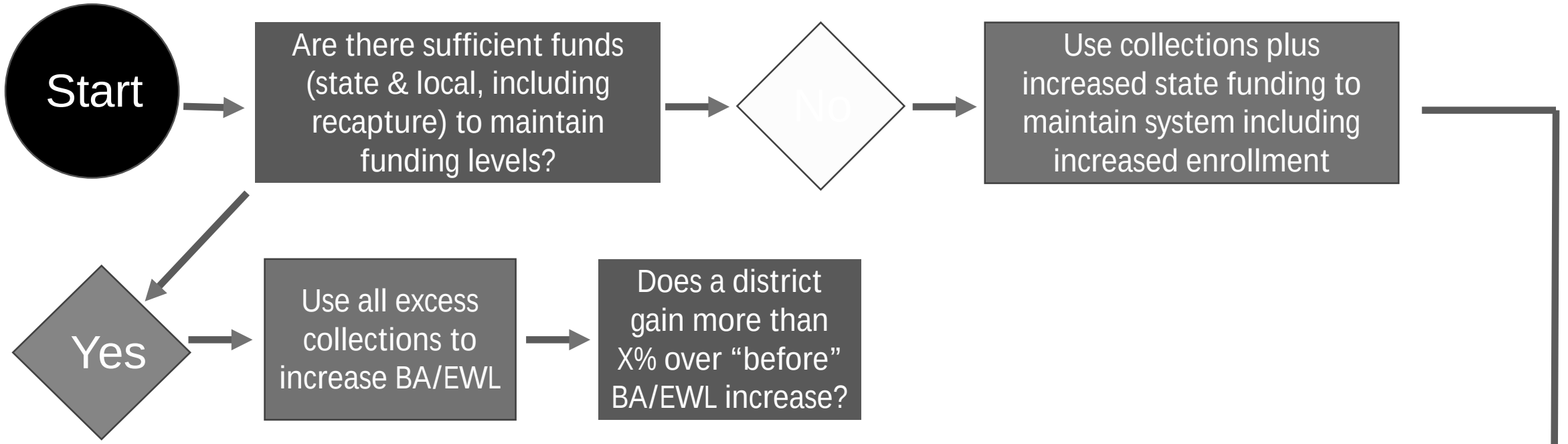
- This, like any other attempt to create a tax system that is reasonable, efficient, and fair for taxpayers and children, will not work within a distribution system that is none of those things.
- The following represents a preliminary proposal with respect to how a property tax usage system, within a fair and efficient funding system, might be developed that would meet all five goals.

In other words…

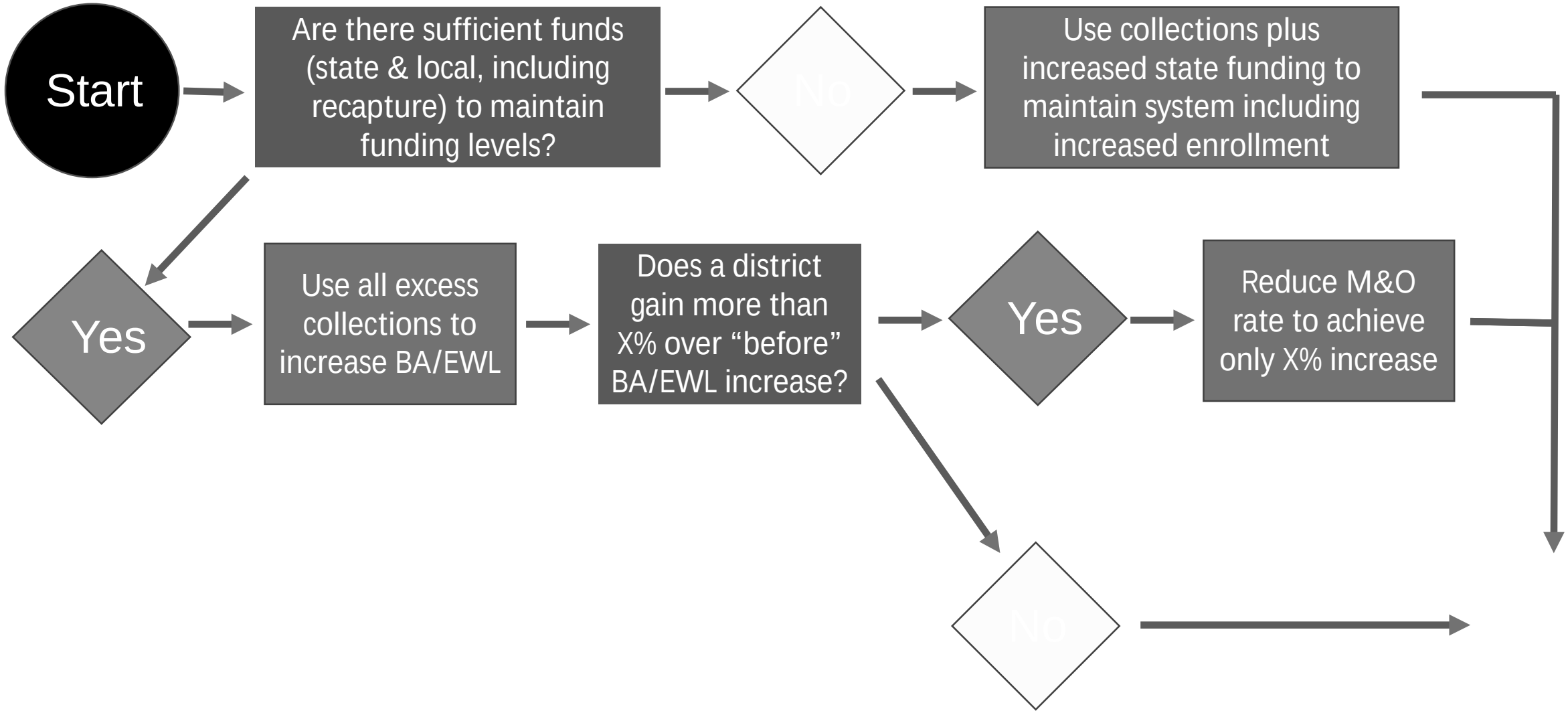
- You can’t put fair and efficient on top of corruption and expect it to work
- That would be as if you had a gallon of water in your gas tank and tried to fix it by adding a gallon of good gas. It still won t run.


Start
Are there sufficient funds (state & local, including recapture) to maintain funding levels?
No

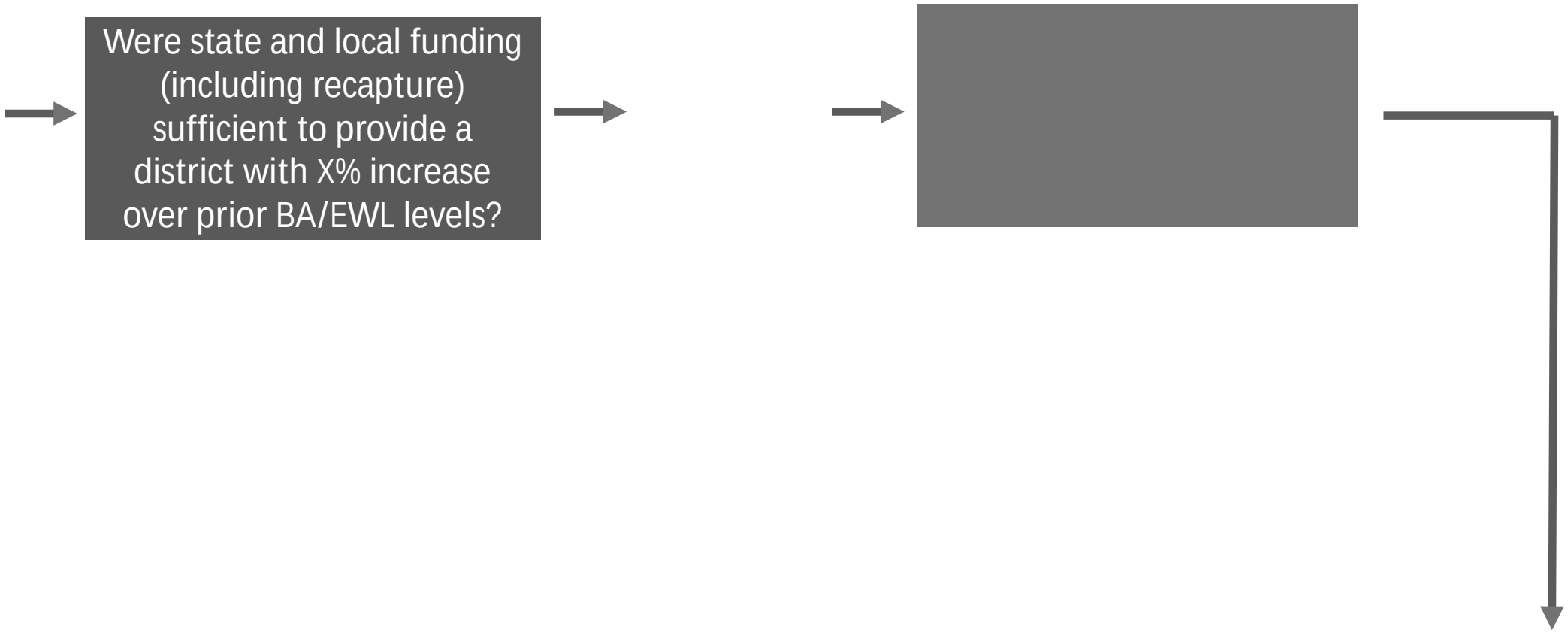

Start
Are there sufficient funds (state & local, including recapture) to maintain funding levels?
No
Use collections plus increased state funding to maintain system including increased enrollment

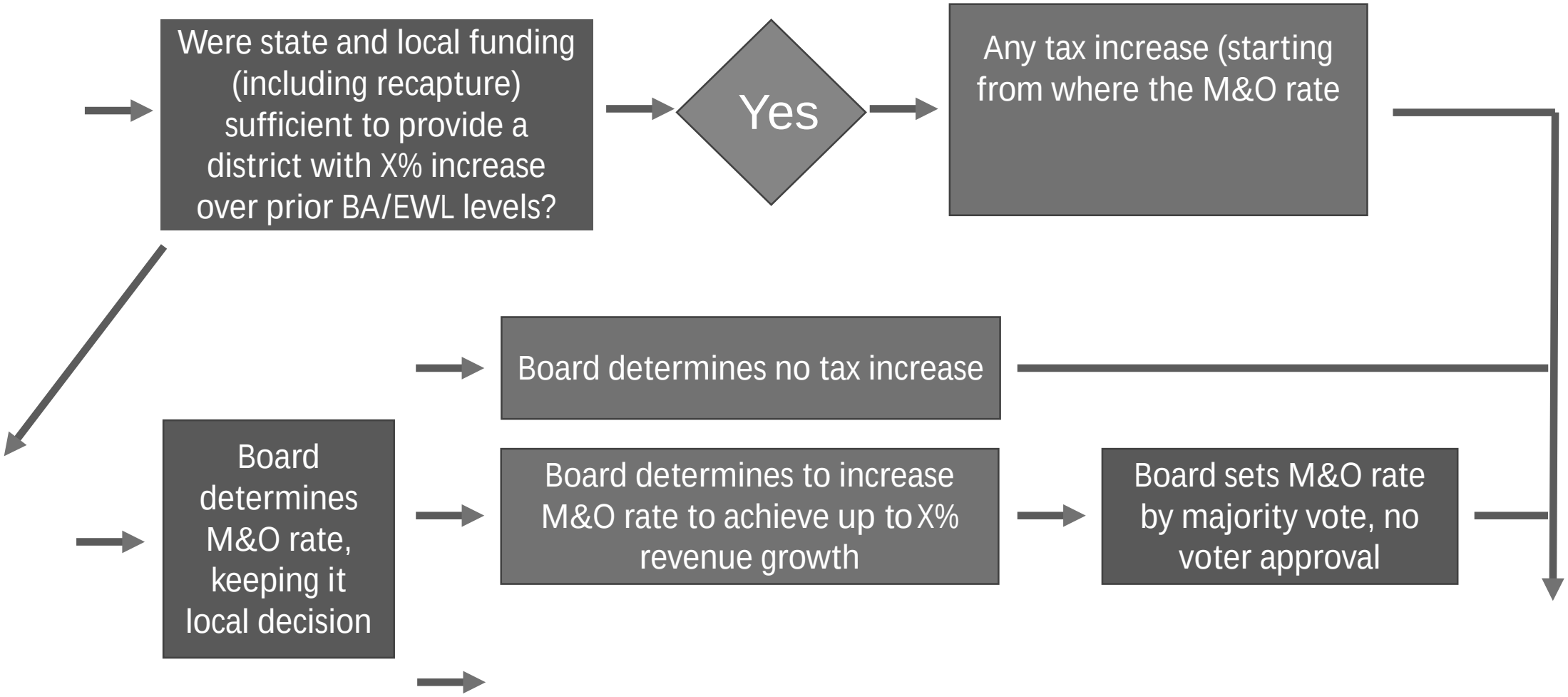


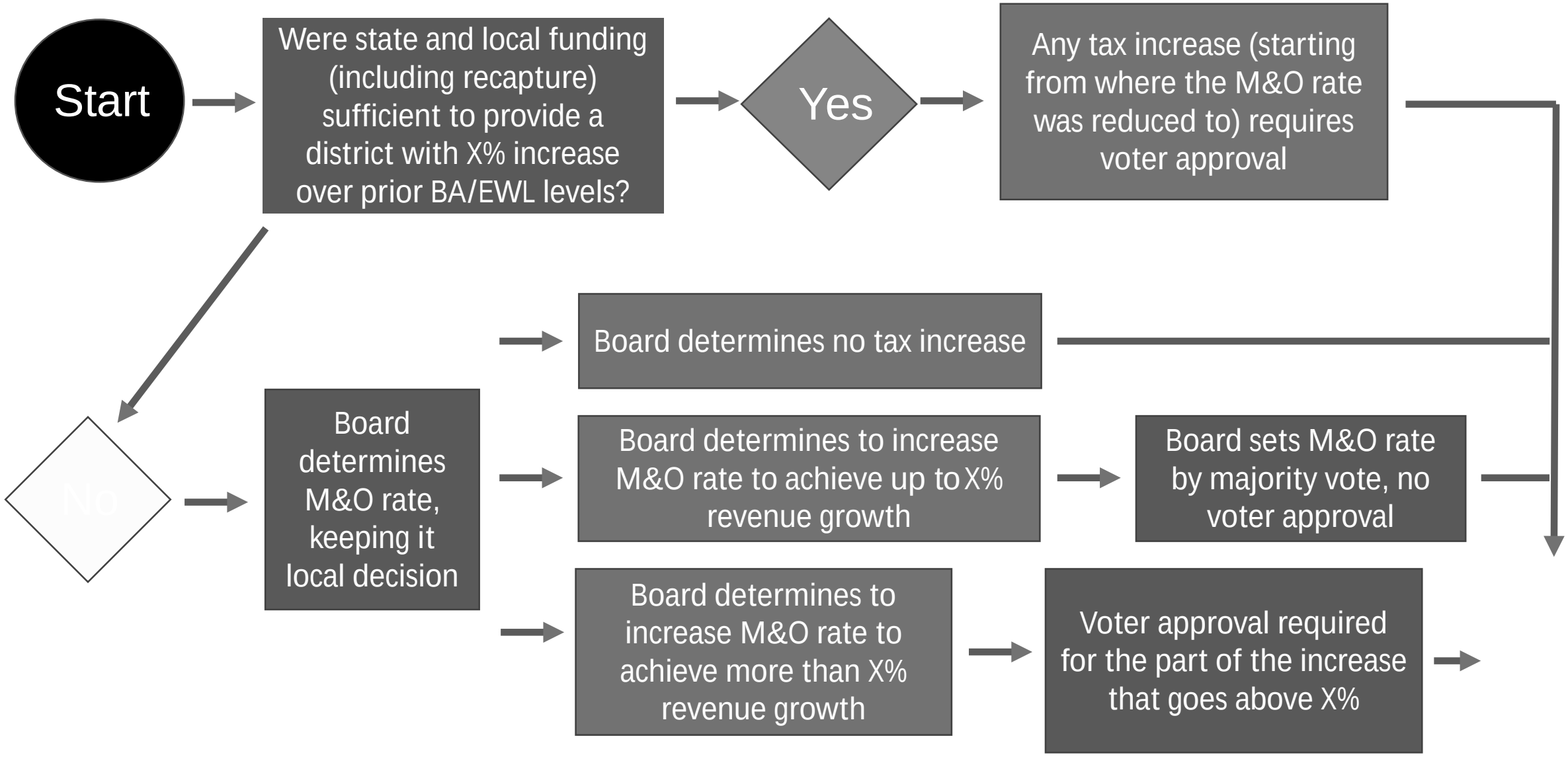
X% is determined by the Legislature to reflect a reasonable annual increase in funding to allow districts adequate resources to respond to inflationary pressure (rising salaries, healthcare, etc.), changes in requirements/expectations, etc., to fund local initiatives. Hopefully, this will be determined in consultation with school administrators and other stakeholders.


Start
Are there sufficient funds (state & local, including recapture) to maintain funding levels?
No
Use collections plus increased state funding to maintain system including increased enrollment
Yes
Use all excess collections to increase BA/EWL
Does a district gain more than X% over "before" BA/EWL increase?
Yes
Reduce M&O rate to achieve only X% increase
No

Hierarchy of Property Tax Rate Response


Were state and local funding (including recapture) sufficient to provide a district with X% increase over prior BA/EWL levels?


Were state and local funding (including recapture) sufficient to provide a district with X% increase over prior BA/EWL levels?
Yes
Any tax increase (starting from where the M&O rate
Board determines no tax increase
Board determines M&O rate, keeping it local decision
Board determines to increase M&O rate to achieve up to X% revenue growth
Board sets M&O rate by majority vote, no voter approval


Start
Were state and local funding (including recapture) sufficient to provide a district with X% increase over prior BA/EWL levels?
Yes
Any tax increase (starting from where the M&O rate was reduced to) requires voter approval
No
Board determines no tax increase
Board determines M&O rate, keeping it local decision
Board determines to increase M&O rate to achieve up to X% revenue growth
Board sets M&O rate by majority vote, no voter approval
Board determines to increase M&O rate to achieve more than X% revenue growth
Voter approval required for the part of the increase that goes above X%

State Involvement

1. The state would not reduce the amount of its current share, but would not be required to increase it other than currently provided

Benefits

1. Ends current automatic shifting of the burden for public education