

SETTING TAX LEVIES

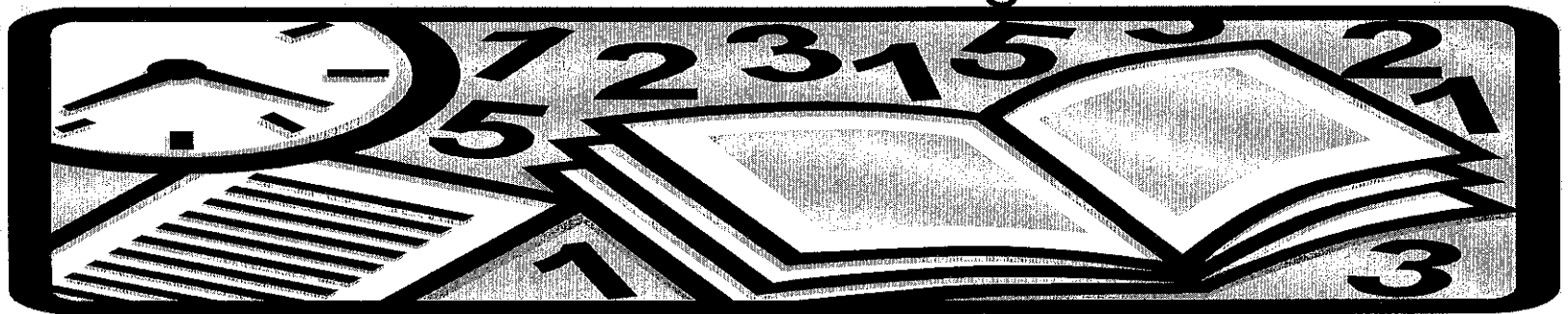
Missouri State Auditor's Office

Local Government Section

Becky Webb, CPA – Local Gov't Supervisor

Dana Wansing – Staff Auditor III

www.auditor.mo.gov



TAX RATE INFORMATION

WE ARE GOING TO COVER

- Responsibility of SAO & Political Subdivisions
- Applicable Laws & Tax Rate Vocabulary
- Tax Rate Mailings from the SAO
- Rounding Tax Rates
- Multi-County Tax Rates
- Tax Rate Calculator on the SAO Web Site
- Sale Tax Rollback (included in budget template)
- Status of Tax Rate Processed & Certified
- County Packets
- Fraction of a Cent Ballot Issue

Responsibility of SAO

The State Auditor's Office is required to annually review local property tax rates of all taxing authorities in the state.

The primary objective of this review is to determine whether local governing boards have levied taxes in accordance with state law, including whether local property tax rates have been adjusted to ensure that property reassessments are revenue neutral.

Responsibility of Political Subdivision

Section 67.110 RSMo, requires the individual political subdivisions to calculate, hold at least 1 public hearing, and set its property tax rate by Sept 1st

Those in Non-1st Class Charter Counties (Jackson, Jefferson, St. Charles, St. Louis County, and the City St. Louis) are required to set their rate(s) by Oct 1st.

Section 137.055 RSMo, requires the county to calculate, hold at least 1 public hearing, set its property tax rate by Sept 20th in Non-Charter Counties and Oct 1st for Charter Counties.

LAWS REGARDING TAX RATE CALCULATION

Hancock Amendment:

Article X Section 22 of the MO Constitution.

Section 137.073 RSMo:

Statute Over Calculation of the Tax Rates.

Past Legislation SB 711

SB 711 became law on August 28, 2008

- Changed definition of Maximum Authorized Levy for all political subdivisions other than School Districts
- Changed the calculation of the tax rate after voter approved increase (tied to prior AV and allows for CPI Increase)
- Changed the Prior Year Tax Rate Ceiling to Use in odd # years for those that took voluntary reductions in the previous even # year to be the voluntarily reduced rate instead of the prior year tax rate ceiling.
 - Allows the governing board to revise the calculation back to the tax rate based on the prior year tax rate ceiling instead of the prior year voluntarily reduced rate the following even # year.

Past Legislation SB 711

- Deadline to set Tax Rate Sept 1st (Oct 1st for 1st Class Charter Counties)
- Recoupments allowed for any prior year not just the last 3-years.
- CPI used for tax rate purposes (as Certified by the STC) is established on Feb 1st instead of June 1st.

Recent Legislation

HB 506 passed in 2011

House Bill No. 506 was signed by the Governor on July 5, 2011. This bill changes the Maximum Authorized Levy definition for taxing authorities had or has a elections after August 27, 2008 to be the greater of the voter approved rate or the voter approved rate adjusted for revenue neutrality.

This would possibly affect political subdivisions that had elections applied to tax rate year 2009 or after that also have a decrease in the assessed valuation in the election year.

This bill also allows a one-time fix for a ballot passed before January 2, 2011, that asked for voter approval for 4 separate tax rates. Current statutory guidance does not address ballot increases that do not increase all subclasses of property by the same rate or to the same rate.

Office of the State Auditor

Contact Information

- Phone 573-751-4213
- Tax Rate Fax 573-522-9743
- Email moaudit@auditor.mo.gov
taxrates@auditor.mo.gov
- Website www.auditor.mo.gov