

# School Board trims taxes

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Monroe County property owners will get a slight break in their property tax contribution to next year's school budget, said School Board member Andy Griffiths.

"Overall, property owners will pay less in local property tax to the school system because overall, real estate values have dropped by 6 percent and at the same time, the school district is levying a lower rate than last year," Griffiths told the Citizen Tuesday.

The district plans to tap taxpayers for \$292.20 per \$100,000 of a property's assessed taxable value; this year it received \$294.60 per \$100,000, a difference of about \$2.40, according to a school budget summary released by the district.

The benchmark for determining whether property owners will be paying more next year is "rollback" — the rate that would generate the same amount of tax revenue as the previous year. When a tax rate set by a taxing body is lower than the rollback rate, that represents a tax cut.

That's what's happened with the local tax this year: The school district shows a 1.63 rollback rate while its proposed tax rate is 1.53.

## Less tax revenue

"On average, we're below the rollback rate," Griffiths said of the local assessment. "We're going to generate less money from property owners this year, both with homestead and non-homestead [properties], than last year. ... This year, property values overall dropped significantly."

In addition to property values, homestead exemptions and the state Save Our Homes Act downwardly shift properties' "assessed taxable value." Homesteaded homes receive exemptions of \$50,000 or more, and increases in their taxable value is capped by law at 3 percent per year.

After decades of rapidly rising property values, the taxable value of many homesteaded homes is significantly lower than their market value, thus reducing property taxes paid.

## Public hearings set

Now that the School Board has set the local tax rate, the board will conduct a series of three public hearings, said Kathy Reitzel, the school district's finance director. The board is required to hold two budget public hearings, but holds three, one each for the Lower, Middle and Upper Keys.

On Tuesday, the board holds its first budget hearing and will vote to adopt its proposed tax rate. After that, it can lower the rate but can't raise it, Reitzel said.

The second public hearing is at Marathon High School on Aug. 26, and a Coral Shores High School hearing is scheduled for Sept. 9

The board will finalize its budget with a vote at the Coral Shores meeting.

### **Spending reduced**

The 2008-09 school budget is \$3.5 million less than the budget for the school year that just ended, down to \$90.5 million from \$94 million.

Property tax bills include two school-related line items: a state-imposed tax and the local tax assessment. The School Board sets only the local tax rate.

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