

The 4410: Taxable Values and the Local School District



*Phil Boone February 9, 2015
Office of State Aid and School Finance*



State Aid Funding

- Per pupil funding is a set amount for the district (\$7000 - \$8000 per pupil)
- Per pupil funding = local revenue + State Aid
- Local revenue calculation based on taxable value reporting



Local Revenue Calculation

- $TV * \text{millage rate} = \text{revenue}$

$$\begin{aligned} TV = & \\ & \text{value of properties paying millage} \\ & + \\ & \text{value of properties in Ren. Zone} \\ & - \\ & \text{property value of school operating} \\ & \text{millage captured by TIFA, DDA, LDFA...} \end{aligned}$$



Local Revenue Calculation

TV * millage rate = revenue

	<u>Amount</u>	<u>Mills</u>	<u>Revenue</u>
Non-PRE TV	291,867,970	18.0000	5,253,623
Comm PP TV	3,146,995	6.0000	18,882
Assumed Local Revenue			<u>5,272,505</u>
Local Revenue Per GE			5,978.91
Local Revenue Per Membership			5,764.38

See status reports at <http://mdoe.state.mi.us/statusreports/>



Result of value change

- Increasing taxable value (PRE denial or decreasing capture) → reduces State Aid
- Decreasing taxable value → increases State Aid



Current vs. prior year

- Adjustments to current year are “slow”, 1/11 per payment
- Adjustments to prior year are “fast”, 100% effect in next payment.
- Adjustments go back to tax year 1994



Reporting Website

- <https://mdoe.state.mi.us/TaxableValue>
- 24/7 access for county users
- Password reset: 517-335-0505
- Public access available for districts
- “Unit level” detail
- Uploaded to State Aid Management System on or about the first of the month



Taxable value format < 2008

KALAMAZOO COUNTY
 County Code: 39
 Tax Year: 2005



	PRE & Qualified Ag. & Qualified Forest	Non-PRE
Includes Capture and RZ	\$4,161,027,957	\$2,956,349,203
Only Capture	\$1,681,198	\$34,119,401

PRE refers to Principal Residence Exemption
 CAPTURE refers to School Operating Capture Taxable Value
 RZ refers to Renaissance Zone

Unit	CountyName	DistrictCode		PRE & Qualified Ag. & Qualified Forest	Non-PRE	LastUpdate	Update By	Email
ALAMO (3901)	KALAMAZOO COUNTY	03010	Includes Capture and RZ Capture Only	\$13,857,256 \$0	\$5,882,060 \$0	1/4/2010	Mary, Balkema	
ALAMO (3901)	KALAMAZOO COUNTY	03020	Includes Capture and RZ Capture Only	\$70,528,082 \$0	\$16,649,360 \$0	6/15/2009	Mary, Balkema	
BRADY (3902)	KALAMAZOO COUNTY	39170	Includes Capture and RZ Capture Only	\$104,483,223 \$0	\$18,724,485 \$0	6/15/2009	Mary, Balkema	



Taxable value format < 2008

- Two property categories
- PRE (homestead) or non-PRE (non-homestead)



Taxable value format < 2008

- “Includes Capture and RZ”
 - Value of all properties
- “Capture Only”
 - Value of properties in TIFA paying no school operating millage



Taxable value format 2008 >

KALAMAZOO COUNTY
 County Code: 39
 Tax Year: 2010



Totals :				
	PRE & Qualified Ag. & Qualified Forest	Industrial Personal Property	Commercial Personal Property	All Other (Non-PRE)
Includes Capture but not RZ :	\$4,740,880,317	\$467,455,604	\$262,342,631	\$2,596,741,582
Only Capture :	\$1,000,206	\$10,448,538	\$3,224,700	\$48,774,247
Only RZ :	\$1,010,201	\$10,938,524	\$964,373	\$30,525,823

PRE refers to Principal Residence Exemption
 CAPTURE refers to School Operating Capture Taxable Value
 RZ refers to Renaissance Zone

Unit	CountyName	DistrictCode		PRE & Qualified Ag. & Qualified Forest	Industrial Personal Property	Commercial Personal Property	All other (Non-PRE)	LastUpdate	Update By	Email
ALAMO (3901)	KALAMAZOO COUNTY	03010	Includes Capture but not RZ	\$16,444,194	\$60,670	\$642,717	\$4,928,291	9/2/2010	Mary, Balkema	<input checked="" type="checkbox"/>
			Only Capture	\$0	\$0	\$0				
			Only RZ	\$0	\$128,236	\$0	\$178,234			
ALAMO (3901)	KALAMAZOO COUNTY	03020	Includes Capture but not RZ	\$82,529,540	\$49,817	\$1,624,935	\$19,223,075	9/2/2010	Mary, Balkema	<input checked="" type="checkbox"/>
			Only Capture	\$0	\$0	\$0				
			Only RZ	\$0	\$108,920	\$0	\$114,174			
BRADY (3902)	KALAMAZOO COUNTY	39170	Includes Capture but not RZ	\$121,356,962	\$1,985,300	\$737,100	\$20,730,883	9/2/2010	Mary, Balkema	<input checked="" type="checkbox"/>
			Only Capture	\$0	\$0	\$0				
			Only RZ	\$0	\$0	\$0	\$0			



Taxable value format 2008 >

- Four property categories
 - PRE (homestead)
 - Industrial Personal
 - Commercial Personal
 - all other non-PRE (non-homestead)



Taxable value format 2008 >

- “Includes Capture but not RZ”
 - Value of all properties not within RZ
- “Capture Only”
 - Value of properties in TIFA paying no school operating millage
- “RZ only”
 - Value of properties within RZ



Reporting Guidelines

Phillip Boone

Monday, January 31, 2011

Taxable Value Admin Menu

County: ▼

Year: ▼

Manage Flagged Records
Manage System Messages
Manage Users
Manage Locked Units

Reporting Guide

Taxable value reporting guidelines for tax years beginning with [2008](#).

Taxable value reporting guidelines for tax years [1994 through 2007](#).

[Calculation of value changes related to foreclosures](#)



District reconciliation tools

20	5/20/2013	507,201.54
20	7/22/2013	276,991.50
20	10/21/2013	1,435,683.66
20	11/20/2013	2,243,964.88
20	1/21/2014	329,052.56
20	5/20/2014	150,843.56
	Open Bal	293,177,148.95
	Total	294,465,326.29

39	2/20/2013	1,077,010.01
39	3/20/2013	520.37
39	5/20/2013	240.35
39	7/22/2013	561.52
39	10/21/2013	-166.27
39	11/20/2013	-411.32
39	1/21/2014	371.35
39	5/20/2014	715.00
	Open Bal	72,667,268.61
	Total	72,667,034.67

Changes In Taxable Value

Pay Date	Homestead Total	Non HS Total	Ind Total	Com Total	All Total
20 May 2014(Seq 9)	2,498,804,987.00	4,147,757,040.00	399,678,841.00	591,972,906.00	7,638,213,774.00
21 Jan 2014(Seq 4)	2,493,600,870.00	4,156,168,673.00	399,678,841.00	591,972,906.00	7,641,421,290.00
20 Nov 2013(Seq 2)	2,486,258,440.00	4,174,449,045.00	399,678,841.00	591,972,906.00	7,652,359,232.00
21 Oct 2013(Seq 1)	2,487,266,101.00	4,299,081,441.00	399,678,841.00	591,972,906.00	7,777,999,289.00
20 Aug 2013(Seq 12)	2,487,266,101.00	4,219,329,301.00	399,678,841.00	591,972,906.00	7,698,247,149.00
20 Aug 2012(Seq 12)	2,480,417,659.00	4,615,970,515.00	399,678,841.00	591,972,906.00	8,088,039,921.00

Changes in Pupil Count

Description	PupilCountBlend	GeneralEdBlend	SpecialEdBlend
20 Aug 2012(Seq 12)	66,744.94	60,866.89	5,878.05

Changes in Special Ed Costs

Description	SpecialEdCosts	SpecialEdTransCosts
20 Aug 2013(Seq 12)	139,332,411.00	13,392,956.00
20 Aug 2012(Seq 12)	159,084,256.00	15,371,096.00

Summary of Original & Current values

Description	Original Value *	Prior Month Value	Current Value	Chg from prior mth
FOUNDATION GRANT	350,936,081.26	359,363,710.85	359,363,710.85	0.00



Traditional Reporting Dates

- September 1 “A”
 - Initial taxable values
- May 1 “B”
 - Revisions to current year
- October 20 “C”
 - Revisions of prior years
- Traditional...or obsolete?



State Aid Funding

- Traditional due dates were “good enough” for many years.
- What has changed?
- Shrinking fund balances at local districts.



School District Cash Flow

- If district is shrinking, shrinking fund balances are OK, right? Yes, but...
- Fund balance as a % of current operating expense (FBCOE) is dropping.



The Weakest Links

- Captured value
- Capture must be district specific.
- Easily confused
- “Capture” may not = school district operating capture



The Weakest Links - 2604

21. Industrial personal property local school operating tax capture.....	21.	#DIV/0!
22. Industrial personal property local school non-operating tax capture.....	22.	#DIV/0!
23. Non-PRE other than commercial or industrial personal property local school operating tax capture.....	23.	#DIV/0!
24. Non-PRE other than commercial or industrial personal property local school non-operating tax capture.....	24.	\$0
25. Total Non-PRE local school operating tax capture. Add lines 19, 21, and 23.....	25.	#DIV/0!
26. Total Non-PRE local school non-operating tax capture. Add lines 20, 22, and 24.....	26.	#DIV/0!
27. Ad valorem captured assessed value (CAV) for local school district school aid purposes.		

The CAVs below should be reported by the county treasurer on the Dept of Education's online taxable value reporting system. [Click Here For Online Taxable Value Reporting System](#)

	PRE & Qualified Ag. & Qualified Forest	Industrial Personal Property	Commercial Personal Property	All other (Non-PRE)
Includes Capture but not RZ Only Capture Only RZ	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!



The Weakest Links

- Negative Capture
- Guidelines after login
- If overall capture for an authority is negative, report zero.
- If positive and negative in same authority, convert to \$ captured, combine, and convert back to property value. (see examples)



The Weakest Links

- Foreclosure chargebacks and PRE Denials – when?
- Your discretion, but waiting until after foreclosure sale or taxpayer has paid reduces financial stress on district



The Weakest Links

- “C” updates due Oct. 20
- Causes Nov. reimbursement
- December BOR’s can result in bills with no reimbursement until NEXT November
- Large reductions in value result in large bills to districts



How can we improve?

- If “C” values were updated May 1 with “B” update, December BOR’s would be reimbursed in 5 months instead of 11.
- Triage – please try to make major updates ASAP.



Contact Info

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- Tax year 2014 is open!