



## Many rural residents pay high referendum tax rates.

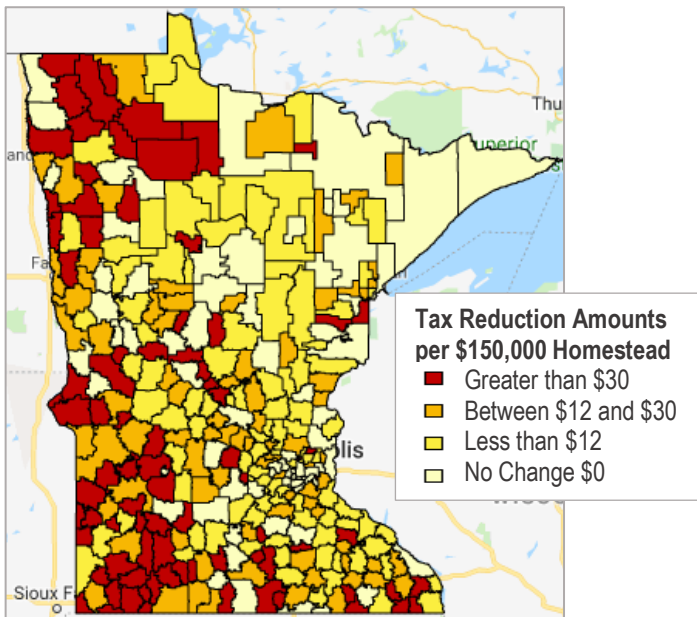
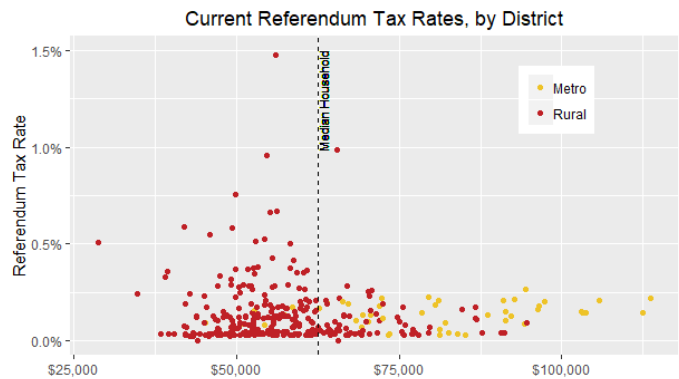
While the median tax rate for rural and metro are not significantly different, the rural distribution varies widely. The rural variation (0.6% standard deviation) is nearly 10 times that of metro. Despite this, rural districts overall raise \$630 less per pupil. The highest tax burdens are carried in districts with lower median household income.

### RURAL-METRO HOUSEHOLD INCOME GAP

7-County Metro: \$79,058      Rural: \$55,636

**Only 4 percent of rural school districts are wealthier per household than half of the districts in the metro area.**

That leads districts with lower median household incomes to have the highest tax rate burdens. The median metro district has 67 percent more referendum property wealth per pupil than rural districts. (Rural: \$386,842, Metro: \$615,593)



### IMPACT: REDUCTIONS FOR HOMEOWNERS

- Homeowners in 261 districts receive reduction
- Over \$100 per homeowner in 37 districts

### SOLUTION: MODIFY CALCULATION

The calculation of equalized operating referendum levies needs to be modified to:

- Treat a taxpayer as a taxpayer, regardless the number of students who are educated in a school district.
- Create a maximum tax rate for equalized portion of 1% of Referendum Market Value for every \$100 per pupil in authorized revenue. Set limit of 15% for \$1,579 per pupil (25% of formula).
- Develop smooth formula with no steps or cliffs in state share.
- Make the current equalization tiers the base or minimum.

**HF 618/SF 670 would achieve this.**

