



2023 Millage Rate Presentation

Purpose of the Hearings

The reason for today's hearing is to provide an explanation for why Bulloch County Schools (BCS) plans to increase the 2023 M&O millage rate for FY 24 and to listen to feedback from the public regarding this decision.

How the Millage Rate Works

- The millage rate is the number of dollars of tax assessed for each \$1,000 of property value.
- The BCS proposed rate of 8.478 mills means that \$8.478 in tax is levied on every \$1,000 in assessed value.

Example #1 (Homestead Property):

School tax calculation on an average homestead property at 8.478 mills:

Average Homestead Property Value = \$225,000

Assessed value (40% of the \$225,000) = \$90,000

Subtract \$2000 Homestead Exemption from Assessed Value = \$88,000

Divide by \$1000 ($\$88,000 / \1000) = \$88 tax/mill

Multiply \$ tax/mill by the millage rate = $\$88 * 8.478$ mills

Equals school tax on property of \$746.06

How the Millage Rate Works

Example #2 (Non-Homestead Property):

School tax calculation on an average non-homestead property at 8.478 mills:

Average Non-Homestead Property Value = \$200,000

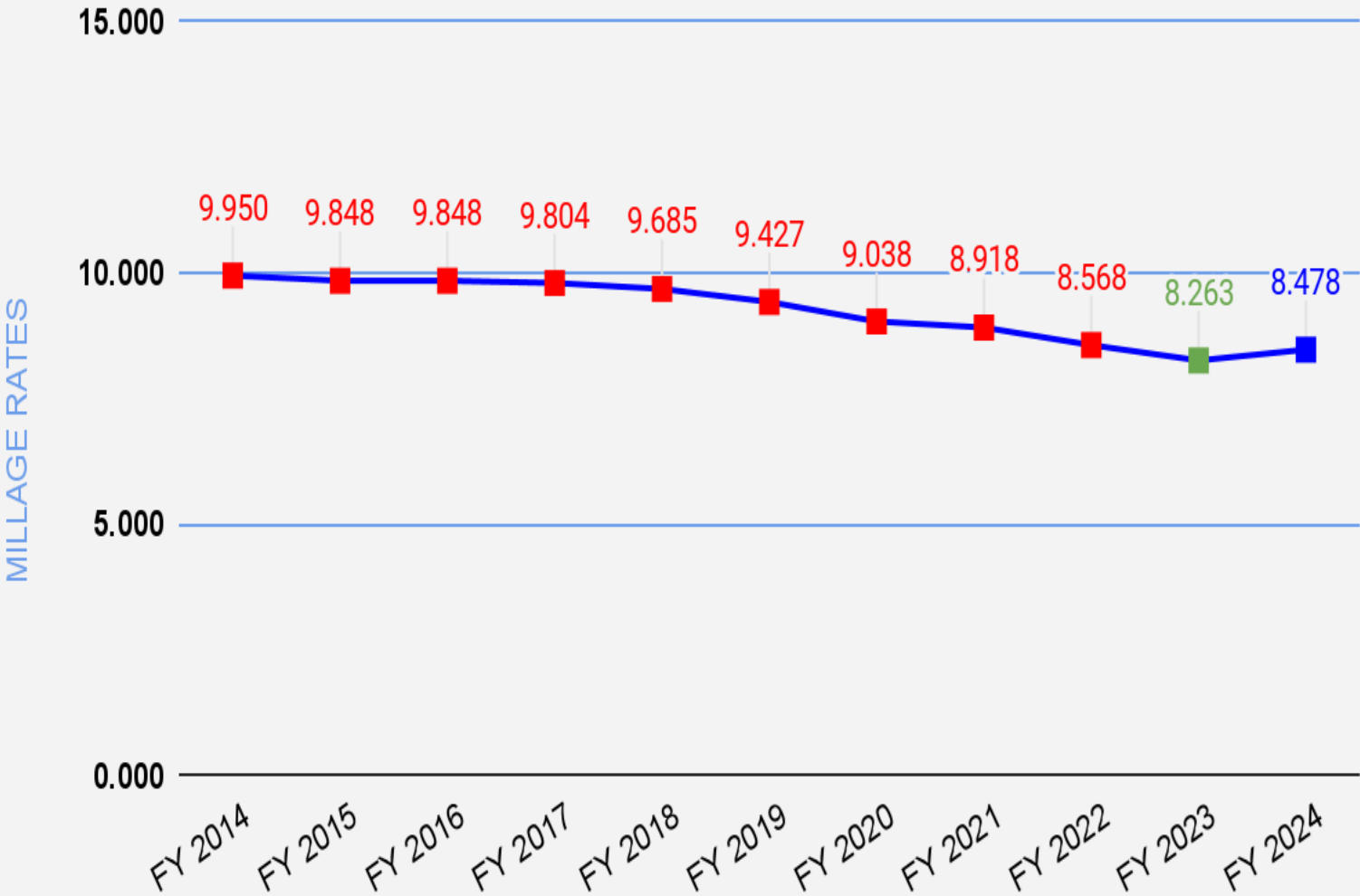
Assessed value (40% of the \$200,000) = \$80,000

Divide by \$1000 ($\$80,000/\1000) = \$80 tax/mill

Multiply \$ tax/mill by the millage rate = $\$80 * 8.478$ mills

Equals school tax on property of \$678.24

BCS HISTORY OF MILLAGE RATES



BCS Millage Rate History

- FY 2024 8.478 (increase)
- FY 2023 8.263 (partial rollback)
- FY 2022 8.568 (full rollback)
- FY 2021 8.918 (full rollback)
- FY 2020 9.038 (full rollback)
- FY 2019 9.427 (full rollback)
- FY 2018 9.685 (full rollback)
- FY 2017 9.804 (full rollback)
- FY 2016 9.848 (no change)
- FY 2015 9.848 (full rollback)
- FY 2014 9.950 (no change)

What causes a rollback in the millage rate?

- Bulloch County Board of Assessors (BCBOA) conducts an annual assessment of taxable property in the county.
- If trend of prices on properties that recently sold indicate an increase in the fair market value, then BCBOA is required to re-determine the value of such property and adjust the assessment; known as a reassessment.
- If this increase in property values occurs, the digest of taxable property must produce the same total revenue as it did the previous year, causing the millage rate to be reduced (rolled back) unless action is taken by the taxing authority to maintain or increase the millage rate over the rollback rate.

Why is BCS not rolling back the millage rate this year?

- Georgia law (OCGA 20-2-165) requires school systems to maintain a minimum equivalent millage rate of 14 mills of M&O property tax or otherwise lose Equalization Funding which is part of the state funding formula for school systems.
- If BCS does not maintain the required minimum equivalent millage rate of 14 mills, future Equalization Funding of \$7.4 million could be at risk.

How does Equalization Funding work?

Georgia's equalization grant is intended to close the gap between high and low property wealth school systems. School systems are funded based upon three factors:

- (1) The difference between the system's property wealth per student and the state average property wealth per student;
- (2) The system's student enrollment; and
- (3) The system's property tax millage rate.

** Not only is there a 14-mill minimum requirement, but the state grants more equalization funding to systems with millage rates greater than 14 mills.*

How does BCS calculate the required millage rate?

- The 14-mill required millage rate less the imputed Local Option Sales Tax (LOST) millage rate equals the M&O property tax millage rate.
- The imputed Local Option Sales Tax millage rate is 5.522 mills as determined from 2022 Local Option Sales Tax revenues.
- 14 mills less 5.522 mills = 8.478 mills
- 8.478 mills is higher than the prior year's 8.263 mills and, thus, represents an increased millage rate.

What impact does this increase have on the Taxpayer?

The proposed millage rate of 8.478, which is a 1.174 mill increase over the rollback rate (7.304 mills), will increase school M&O property taxes on a homestead property with a fair market value of \$225,000 by approximately \$103.31 and on a non-homestead property with a fair market value of \$200,000 by approximately \$93.92.

Feedback & Questions