

Fiscal Estimate Narratives

DOR 2/27/2004

LRB Number	03-4171/1	Introduction Number	AB-871	Estimate Type	Original
Subject					
Allowing certain school districts to levy about the revenue limit					

Assumptions Used in Arriving at Fiscal Estimate

Under the bill, a school district which receives no equalization aid would be allowed to increase its revenue limit if a majority of electors approved the increase at the school district's annual meeting. The maximum allowable increase in the revenue limit would equal the equalized value of the district times the following mill rates: for a union high school district, one-third mill; for a K-8 school district, two-thirds mill; for a K-12 district, one mill. The increase in the revenue limit would not become part of the base on which subsequent years' revenue limits are calculated.

Based on data from the October 15, 2003 estimate of equalization aids for the 2003/04 school year, four school districts will qualify for no equalization aid. Two of these are K-8 districts: Boulder Junction Joint #1 and Linn Joint #6. The other two are K-12 districts: Gibraltar Area and Washington Island. If the bill had been in effect for the 2003/04 school year, and if electors had approved the entire allowable increase in the revenue limit, the total revenue limit for these districts would have increased by \$3,545,238. This represents an increase of about 27% in the total property tax levy for these four districts.

Long-Range Fiscal Implications