

HB 2724 Opponent Testimony – in person
House Taxation Committee
Exclude 20 mills from Revenue Neutral calculation
Dave Trabert, CEO
March 8, 2022



Chairman Smith and Members of the Committee,

We appreciate this opportunity to testify in opposition to HB 2724, which would exclude the required 20 mills of property tax from the notice and public hearing requirements of the revenue neutral process.

School officials may not want to include the 20 mills because they don't have an option to hold the revenue neutral rate; it must always be set at 20. But excluding it will lead to confusion for taxpayers and likely show a larger overall tax increase than is occurring.

The adjacent table shows one scenario that includes the General Fund 20 mills; the total increase is 4.8% in this scenario. But excluding it makes the total increase appear to be 7.1%.

Revenue Neutral Calculation			
Description	RNR	Proposed	% Change
General	19.500	20.000	2.6%
Supp. General	22.000	23.000	4.5%
Capital Outlay	7.000	8.000	14.3%
Bonds	13.500	14.000	3.7%
	62.000	65.000	4.8%
Supp. General	22.000	23.000	4.5%
Capital Outlay	7.000	8.000	14.3%
Bonds	13.000	14.000	7.7%
	42.000	45.000	7.1%

It will also be confusing for taxpayers to see the revenue neutral notice without 20 mills but to have it included on their tax bill.

The required 20 mills was subject to the regular revenue neutral notices in 2021, and we're not aware of any significant taxpayer confusion.

Given all of the above, it seems to make sense to not make this change.

We appreciate the opportunity to provide this information for your consideration.