

# Notice of Effective Tax Rate

## 2017 Property Tax Rates in City of Vernon

This notice concerns 2017 property tax rates for City of Vernon. It presents information about three tax rates. Last year's tax rate is the actual rate the taxing unit used to determine property taxes last year. This year's *effective* tax rate would impose the same total taxes as last year if you compare properties taxed in both years. This year's *rollback* tax rate is the highest tax rate the taxing unit can set before taxpayers can start tax rollback procedures. In each case these rates are found by dividing the total amount of taxes by the tax base (the total value of taxable property) with adjustments as required by state law. The rates are given per \$100 of property value.

**Last year's tax rate:**

<i>Last year's operating taxes</i>	\$ 1,549,617
<i>Last year's debt taxes</i>	\$ 710,356
<i>Last year's total taxes</i>	\$ 2,259,973
<i>Last year's tax base</i>	\$ 400,200,739
<i>Last year's total tax rate</i>	\$0.56471 /\$100

**This year's effective tax rate:**

<i>Last year's adjusted taxes(after subtracting taxes on lost property)</i>	\$ 1,550,191
$\div$ <i>This year's adjusted tax base(after subtracting value of new property)</i>	\$400,508,000
<b>= This year's effective tax rate</b>	<b>\$0.38706/ \$100</b>

**This year's rollback tax rate:**

<i>Last year's adjusted operating taxes(after subtracting taxes on lost property and adjusting for any transferred function, tax increment financing, state criminal justice mandate, and/or enhanced indigent health care expenditures)</i>	\$ 1,550,192
$\div$ <i>This year's adjusted tax base</i>	\$ 400,508,000
<b>= This year's effective operating rate</b>	<b>\$0.38706 /\$100</b>
<b>x 1.08 = this year's maximum operating rate</b>	<b>\$ 0.41803 /\$100</b>
<b>+ This year's debt rate</b>	<b>\$0.17677 /\$100</b>
<b>= This year's total rollback rate</b>	<b>\$0.59480 /\$100</b>

**Statement of Increase/Decrease**

If the City of Vernon adopts a 2017 tax rate equal to the effective tax rate of \$0.38293 per \$100 of value, taxes would increase compared to 2016 taxes by \$1,090.

**Schedule A – Unencumbered Fund Balances**

The following estimated balances will be left in the unit's property tax accounts at the end of the fiscal year. These balances are not encumbered by a corresponding debt obligation.

<b>Type of Property Tax</b>	<b>Fund Balance</b>
General Fund	\$ 689,234
Enterprise Fund	\$ 13,940,696
Interest & Sinking Fund	\$ 48,744

**Schedule B – Current Year Debt Service**

The taxing unit plans to pay the following amounts for long-term debts that are secured by property taxes. These amounts will be paid from property tax revenues (or additional sales tax revenues, if applicable).

<b>Description of Debt</b>	<b>Principal or Contract Payment To be paid from Property Taxes</b>	<b>Interest to be Paid From Property Taxes</b>	<b>Other Amounts To be Paid</b>	<b>Total Payment</b>
Series 2009 Utility Debt	\$ 85,000	\$ 4,463	\$ 0.00	\$ 89,463
Series 2010 Utility Debt	\$147,307	\$ 21,375	\$ 227,693	\$ 396,375
Series 2012 Utility Debt	\$170,000	\$ 29,325	\$ 0.00	\$ 199,325
Series 2016 Refunding Bond	\$ 75,000	\$135,450	\$ 0.00	\$ 210,450
Total required for 2017 debt service. . . . .				\$ 895,613
– Amount (if any) paid from funds listed in Schedule A. . . . .				\$ 0.00
– Amount (if any) paid from other resources. . . . .				\$ 227,693
– Excess collections last year. . . . .				\$ .00
= Total to be paid from taxes in 2017 . . . . .				\$ 667,920
+ Amount added in anticipation that the taxing unit will collect only 94 % of its taxes in 2017. . . . .				\$ 40,075
= Total Debt Levy. . . . .				\$ 0.17677