

Q1) What is meant by “unvoted” inside tax mills? Don’t local taxpayers approve all local tax levies?

A1) Local tax levies are divided into two types – “unvoted” inside mills and “voted” outside mills.

“Unvoted” inside mills are provided by the Ohio Constitution and date back to 1910/1928/1934. There are ten per county. Ridgewood Local School District (RLSD) is allocated 4.70 total “unvoted” inside mills (no change taking place).

“Voted” outside millage is millage that is voted on by the public. Local examples of voted “outside” millage are:

- 17.60 mills approved in 1976
- 4.00 mills approved in 1977
- 5.00 mills approved in 1985
- bond issue approved in 1999 for district buildings @ 2.16 mills and .05 mills in maintenance set-a-side (in the last year of collection)

Q2) What are “permanent improvements”?

A2) “Permanent improvements” are assets which are expected to last five years or more. This would include buildings, buses, textbooks, equipment, etc. Expenditures out of the permanent improvement fund are restricted. For example, no such funds can be used for administrative or teacher salaries.

Q3) Will this result in a “tax rate jump”? Did the School Board vote to “increase” the School District property tax rate?

A3) No and no. The total number of unvoted, inside tax mills does not change. The Ohio Revised Code (5705.04 and 5705.06) authorizes the Board (the taxing authority) to allocate these mills between current expenses, permanent improvements, or debt charges based on its needs. School Boards are elected to represent the interest of the public they serve. They review the needs, wants and desires of the community and attempt to make the best decisions they can. The Coshocton County Budget Commission relies on the School Board to perform its elected duties and review statutory compliance.

Q4) Could the School Board act again to reallocate unvoted, inside millage?

A4) Yes it could but would be required to again follow the law – ie. Public notices, public hearing, public vote by the Board of Education. However, such action would not be anticipated in the foreseeable future.

Q5) Could the reallocation of unvoted inside millage result in a tax increase?

A5) Yes it could. **Absent any changes**. However, the Board also intends to receive a 2.16 mill reduction to the Board’s current bond retirement millage from 2.16 mills to 0 mills and .5 mill reduction to the Board’s current classroom maintenance set-a-side, which should offset the change in inside millage.

The reallocation of inside millage involves converting General Fund millage to Permanent Improvement mills. In other word, the General Funds millage of the RLSD is reduced and the millage to support Permanent Improvement is created. Since RLSD operating millage is currently assessed near the lowest possible rate allowed by current state law (20 mills even though 26.6 has been approved and authorized by RLSD voters), no reduction in General Fund millage would occur. Therefore, since Permanent Improvement millage is created and General Fund effective millage would stay at the 20 mill floor, there would be an increase in the millage assessed *absent any other changes*.

As mentioned above, the Board is anticipating a reduction of millage collected totaling 2.66 mills. So your taxes could actually go down.

Q6) Bottom Line – Will RLSD taxpayers see an increase in taxes in calendar year 2023 for school purposes?

A6) NO, school property taxes paid in 2023 will most likely be about the same from 2022 (assuming no changes in taxable values from year to year). There is an important change that will be taking place in 2023 that will result in taxes going down.

The debt service (“mortgage”) related to the 1999 voter approved bond issue for the new High School is in the final year of collection and will be paid off shortly thereafter. This millage will go away forever. With the debt going away, the current collection is 2.16 mills = \$412,533 and .5 mills = \$59,683. The total collected by RLSD is \$472,216. If the Board of Education approves moving Inside Millage, the district will receive approximately \$380,000 in revenue which is less than the millage/tax collected on the district’s debt. The end result is a reduction in taxes to the district taxpayer.

Q7) Who ultimately computes the School District tax rates that taxpayers will be assessed for the calendar?

A6) The Coshocton County Auditor will submit information to the Ohio Department of Taxation (ODOT). ODOT’s Tax Equalization Division will compute the effective rates mathematically based on the inputs provided. They are not subjective.

Conclusion

The Ridgewood Local School District Board of Education and administration have consistently offered outstanding representation in managing the finances of the district. We respect our taxpayers and their interest in mind. We work to provide our students with “the best of the best” with the resources entrusted to us.