



Legislative Fiscal Bureau

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August 1, 2016

TO: Senator Kathleen Vinehout
Room 108 South, State Capitol

FROM: Rick Olin, Fiscal Analyst

SUBJECT: Statewide Gross Property Tax Levies by Type of Taxing Jurisdiction

At your request, I have prepared the attached table on statewide property tax levies by type of taxing jurisdiction for taxes levied in 1990 (payable 1991) through 2015 (payable 2016). Tax levies change each year due to a variety of factors, and this memorandum does not provide a comprehensive explanation of those factors. However, several state policy initiatives provide some context for understanding the data in the attachment.

In 1996(97), the gross property tax levy for all purposes decreased 6.3% on a statewide basis. That coincides with the state's implementing a policy of providing two-thirds of partial school revenues on a statewide basis beginning in 1996-97. As part of the transition to this policy, the state imposed a revenue limit on school districts beginning in the 1993-94 school year and increased the level of state aid in 1994-95 and 1995-96. In response, statewide school levies increased by only 0.3% in 1994(95) and 0.9% in 1995(96). In the following year, state aid increased by \$860.9 million, from \$2,705.2 million to \$3,566.1 million, and statewide school taxes decreased by 16.4% in 1996(97). The state maintained the two-thirds funding commitment through 2002-03, but reduced its commitment below the two-thirds level thereafter.

In 2014(15), the gross property tax levy for all purposes decreased 2.1% on a statewide basis. That coincides with the state providing an additional \$406 million in aid to technical college districts through a newly-created property tax relief aid program. The additional aid was accompanied by a revenue limit program designed to ensure that the additional aid was used to offset the property tax levies of technical college districts. The statewide levy for technical college districts decreased from \$796.7 million in 2013(14) to \$407.1 million in 2014(15), or by -48.9%.

The revenue limits for school and technical college districts and the levy limit for counties and municipalities [imposed since 2005(06)] contain factors used in calculating the limits that state policy makers have adjusted over the years, either increasing or decreasing the authority of local governments to raise their levies. At the time the county and municipal levy limit was created, a

limitation was also extended to the state forestry tax, which is imposed on all property in the state. Through 2004(05), the tax had been imposed at a rate of 0.2 mills, for the purpose of acquiring, preserving, and developing the state's forests. The 2005 state law change instructed the Department of Revenue (DOR) to adjust the tax rate so that the amount of taxes levied in a year increased relative to the amount of taxes levied in the previous year by 2.6%. This provision applied in 2005(06), 2006(07), and 2007(08), and instructed DOR to extend the tax rate applied in 2007(08) to all subsequent years. As a result, the amount of state forestry taxes levied each year now changes by the same percentage as the rate of change in statewide property values. The tax levies of tax increment districts and special districts are not subject to a levy or revenue limit because the levies are generally used to repay debt incurred to finance capital improvements.

If you have any questions on this information, please let me know.

RO/sas
Attachment

ATTACHMENT

Statewide Gross Property Tax Levies by Type of Taxing Jurisdiction

Amounts in Millions

	Gross Property Tax	Elementary & Secondary (K-12) Schools	Technical College Districts	County	Municipal Purpose	Tax Increment District	Special District	State Forestry Tax
1990(91)	\$4,388.2	\$2,356.4	\$235.4	\$697.5	\$893.7	\$93.9	\$83.0	\$28.3
1991(92)	4,732.7	2,568.0	251.2	752.8	939.3	103.6	87.6	30.2
1992(93)	5,169.4	2,843.8	268.7	814.6	1,003.4	117.6	89.4	31.9
1993(94)	5,438.0	2,988.1	289.8	860.7	1,055.3	116.8	93.0	34.3
1994(95)	5,572.1	2,995.7	310.6	909.5	1,117.0	103.8	98.5	37.0
1995(96)	5,738.9	3,023.6	331.3	964.5	1,174.4	112.6	92.2	40.3
1996(97)	5,378.0	2,528.1	350.4	1,017.7	1,267.4	106.1	64.9	43.4
1997(98)	5,635.9	2,590.4	371.1	1,091.2	1,351.1	117.9	67.6	46.6
1998(99)	5,975.0	2,735.8	396.2	1,157.4	1,435.2	130.2	70.4	49.8
1999(00)	6,190.9	2,795.2	430.1	1,217.7	1,486.8	136.0	71.8	53.3
2000(01)	6,604.5	2,927.8	466.3	1,316.1	1,607.1	156.6	73.4	57.2
2001(02)	7,043.7	3,071.8	511.6	1,420.0	1,713.4	185.1	79.3	62.5
2002(03)	7,363.7	3,192.0	541.9	1,490.5	1,796.0	192.5	83.7	67.1
2003(04)	7,687.3	3,367.6	565.3	1,544.8	1,852.5	201.8	83.2	72.1
2004(05)	8,150.7	3,610.7	590.8	1,615.2	1,949.2	219.9	86.7	78.2
2005(06)	8,326.7	3,592.3	622.0	1,671.1	2,028.6	243.8	88.7	80.2
2006(07)	8,706.1	3,787.8	650.6	1,723.9	2,099.6	271.0	90.8	82.4
2007(08)	9,250.3	4,066.6	680.6	1,800.8	2,201.7	322.3	93.8	84.5
2008(09)	9,667.1	4,279.0	714.6	1,856.1	2,299.0	335.4	95.7	87.3
2009(10)	10,105.7	4,537.6	742.6	1,914.6	2,372.5	355.5	96.0	86.9
2010(11)	10,364.6	4,692.9	757.2	1,951.4	2,422.5	357.2	99.2	84.2
2011(12)	10,384.8	4,646.7	771.5	1,972.2	2,463.2	349.1	99.5	82.6
2012(13)	10,469.8	4,656.1	786.7	1,986.4	2,499.1	359.7	101.9	79.9
2013(14)	10,605.5	4,693.4	796.7	2,011.0	2,549.2	371.2	104.8	79.2
2014(15)	10,383.7	4,755.4	407.1	2,046.5	2,611.0	374.9	107.5	81.3
2015(16)	10,620.2	4,852.9	416.7	2,086.5	2,668.3	402.7	109.8	83.3

ATTACHMENT (continued)

Percent Change from Previous Year

	<u>Gross Property Tax</u>	<u>Elementary & Secondary (K-12) Schools</u>	<u>Technical College Districts</u>	<u>County</u>	<u>Municipal Purpose</u>	<u>Tax Increment District</u>	<u>Special District</u>	<u>State Forestry Tax</u>
1991(92)	7.9%	9.0%	6.7%	7.9%	5.1%	10.3%	5.5%	6.7%
1992(93)	9.2	10.7	7.0	8.2	6.8	13.5	2.1	5.6
1993(94)	5.2	5.1	7.9	5.7	5.2	-0.7	4.0	7.5
1994(95)	2.5	0.3	7.2	5.7	5.8	-11.1	5.9	7.9
1995(96)	3.0	0.9	6.7	6.0	5.1	8.5	-6.4	8.9
1996(97)	-6.3	-16.4	5.8	5.5	7.9	-5.8	-29.6	7.7
1997(98)	4.8	2.5	5.9	7.2	6.6	11.1	4.2	7.4
1998(99)	6.0	5.6	6.8	6.1	6.2	10.4	4.1	6.9
1999(00)	3.6	2.2	8.6	5.2	3.6	4.5	2.0	7.0
2000(01)	6.7	4.7	8.4	8.1	8.1	15.1	2.2	7.3
2001(02)	6.7	4.9	9.7	7.9	6.6	18.2	8.0	9.3
2002(03)	4.5	3.9	5.9	5.0	4.8	4.0	5.5	7.4
2003(04)	4.4	5.5	4.3	3.6	3.1	4.8	-0.6	7.5
2004(05)	6.0	7.2	4.5	4.6	5.2	9.0	4.2	8.5
2005(06)	2.2	-0.5	5.3	3.5	4.1	10.9	2.3	2.6
2006(07)	4.6	5.4	4.6	3.2	3.5	11.2	2.4	2.6
2007(08)	6.3	7.4	4.6	4.5	4.9	18.9	3.3	2.6
2008(09)	4.5	5.2	5.0	3.1	4.4	4.1	2.0	3.3
2009(10)	4.5	6.0	3.9	3.2	3.2	6.0	0.3	-0.5
2010(11)	2.6	3.4	2.0	1.9	2.1	0.5	3.3	-3.1
2011(12)	0.2	-1.0	1.9	1.1	1.7	-2.3	0.3	-1.9
2012(13)	0.8	0.2	2.0	0.7	1.5	3.0	2.4	-3.3
2013(14)	1.3	0.8	1.3	1.2	2.0	3.2	2.8	-0.9
2014(15)	-2.1	1.3	-48.9	1.8	2.4	1.0	2.6	2.7
2015(16)	2.3	2.1	2.4	2.0	2.2	7.4	2.1	2.5