



# Bowling Green City Schools Financial Review

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# Property Transfer Concerns



- The residents that qualify to transfer to other districts pay taxes to BGCSD
- BGCSD uses those taxes to operate the schools and provide facilities
- If the properties transfer BGCSD will lose those tax dollars
- The loss of those tax dollars may pose a financial hardship on BGCSD
- This financial hardship would need to be paid for by the remaining residents

# Concerns - Updated



- The passage of the transfer to other districts could cost BGCSD\*:
  - \$2,000,000 in property taxes
  - ~~\$675,000~~ **\$3,360,000** in pipeline taxes\*\*
  - \$260,000 in income taxes
  - ~~\$2,935,000~~ **\$5,620,000** per year in revenue used to support BGCSD
- Could require a tax increase from the remaining taxpayers to replace this
- This would equate to approximately ~~4.50~~ **8.54** mills for a new property tax
- On the median home value of \$162,900 it could cost ~~\$257~~ **\$487** per year

\* Estimated

\*\* Based on tax appeal results and includes the entire amount of BG's estimated pipeline revenue

# Other Concerns for Transferred Properties

- Property could become subject to the 20-mill floor tax rate
  - Several of the receiving districts are close to or at the 20-mill floor
  - The 20-mill floor is a fixed tax rate that's applied to property values
  - As property (Residential and Agriculture) increases in value so do taxes
  - This means future taxes will likely increase for transferred property

# Other Concerns for Transferred Properties



- EdChoice Scholarship Impact
  - Some parents receiving EdChoice Scholarships might lose funding
  - This could be caused by moving to a new school that is not “EdChoice”
  - Current value of scholarship is \$4,650 for K-8 and \$6,000 for 9-12
  - Received guidance is needed from ODE on this matter

- Passage of the property transfer will have a significant financial impact
- BGCSD could lose nearly ~~\$3~~ \$5.6 million per year
- This loss could need to be made up by the remaining taxpayers
- As few as 513 voters can impact more than 10,000 taxpayers
- The equivalent tax rate of 8.54 mills would be a 31% increase
- A law change to protect remaining taxpayers is essential