

SUBSTITUTE LEVY INFORMATION **(Replacing expiring 2009 Emergency Levy)**

What is a Substitute Levy?

The Substitute Levy is essentially a continuation or renewal of the Emergency Levy approved by voters in 2009 with the exception that it can capture new revenue when new homes and new business/industry buildings are built in the District. As matter of fact, the only way that a district can qualify to put a substitute levy on the ballot is if they already have an levy in place that they are exchanging - “substituting” - it for.

The Substitute Levy **WILL NOT RAISE TAXES**. It will cost the same as what you are paying for the current levy which will expire in 2019.

How does a Substitute Levy work?

Under the current levy, when new housing or new businesses are built, the collection is divided up among more entities and everyone pays a smaller piece of the pie. The Garaway Local School District receives the same amount of tax revenue that was approved in 2009 – there is no growth by the District.

The substitute levy addresses this new growth and allows the District to capture **additional revenue WITHOUT negatively impacting current home and business owners**. Their property tax bills remain the same as they are for this levy. In addition, the Substitute Levy **benefits the Senior Citizens as they will be able to retain their homestead and rollback exemptions** (which total 12.5%).

Amount of the Levy: \$1,487,300 for a Continuing period.

Levy Mills: **5.8 mills** (*note: millage DECREASED from 9 mills for the original levy in 2009*)

Why a Substitute Levy over other levies:

1. **NO NEW TAXES** on current property for homeowners & businesses, but will allow growth as new homes and businesses are built in the Garaway District.
2. It will **maintain the Homestead & Rollback credits** for Senior Citizens
3. It is for a continuing period – the District doesn’t need to keep going back to the voters to have it approved.
4. By capturing the tax on new homes & businesses, it will help **minimize the number of times the District has to go back to the ballot**.
5. This kind of levy does not work against the 20-mill floor. This will allow the District **maintain a more viable budget**.

Cost to the Taxpayer:

No new taxes, only additional taxes would be on new construction and new additions to current construction.

What will the money from this levy be used for?

Dollars generated from this levy, which amounts to approx. 12% of the District's operating revenue, will fund day-to-day operational expenses such as utilities, bus fuel, classroom supplies, and quality teachers. This revenue will maintain the current expenses provided to our students, their families, and our community.

(Note: tax projections could change due to the Tangible Personal Property Tax not being reimbursed by the State)