

## **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)*