

Revenue Neutral Rate?

REVENUE NEUTRAL RATE

A revenue neutral rate (RNR) is the tax rate in mills that would generate the same property tax revenue in dollars as levied the previous tax year using the current tax year's total assessed value.



MAILING NOTICE

All Eudora taxpayers will receive a notification in the mail from the Douglas County Clerk to inform them of the City's intent to exceed the RNR.



$$\text{RNR} = \frac{\text{Last year's total property tax raised in dollars}}{\text{This year's assessed valuation as of June 15}} \times 1,000$$

RNR is calculated by dividing the property tax revenue levied for the previous tax year by the total of all taxable assessed valuation for the current tax year and multiply by 1,000 to express the rate in mills.

YEAR-TO-YEAR CALCULATION

2022 Budget

- City levied \$2,145,194 in property tax
- Assessed valuation of property = \$54,262,481
- Value of one mill: \$54,262
- Mill rate = 39.534 mills

Proposed 2023 Budget

- In the 2022 budget, City levied \$2,145,194
- Assessed valuation changes to \$62,366,365
- Value of one mill: \$62,336
- Revenue neutral rate = 34.414 mills
- Proposed mill rate = 39.534 mills

$$\left(\frac{\$2,145,194}{\$62,366,365} \right) \times 1,000 = \text{RNR}$$

NEXT STEPS

The City of Eudora holds annual public hearings when the property tax amounts from the proposed budget exceed the RNR. This year's public hearing is set for September 12th, 2022.



Information language provided by the League of Kansas Municipalities