



November 2018

Update on Kent Schools' finances

How property value increases affect school voted levies

Kent residents recently received notification of reappraisals of their real estate property, and many homeowners saw an increase in property value. More than 75,000 parcels in Portage County were assessed as part of the state-required, six-year reappraisal.

According to Treasurer **Debbie Krutz**, a state law, House Bill 920, protects taxpayers from large inflationary tax increases after reappraisal. The law works by reducing voted millage to a lower, effective millage rate. That new tax rate will be determined later this fall.

While the district's total of voted tax dollars stays the same after reappraisal, how much an individual taxpayer pays will be based on the relationship of his or her new assessed value to the overall district valuation increase set by the county.

Here are three scenarios showing how House Bill 920 can affect individual property owners.

- If a property's value increased by exactly the same percentage as the school district as a whole, taxes for that property will stay the same on voted levies.
- If a property increased by less than the average, taxes will decrease on voted levies.
- If a property increased by more than the average, taxes will increase on voted levies.

District maintains Moody's rating

Kent City Schools maintains its good credit position in the latest issue of Moody's Investors Service report. The district has an Aa2 rating, which is slightly higher than the median rating for a U.S. school district. The report points to Kent City School District's positive financial position, solid tax base and manageable debt burden.

Bond issues maturing

Kent City School District's 1997 and 1998 bond issues reach their final maturity in 2021. These issues financed the construction of Stanton Middle School, as well as renovations at Roosevelt High School and Davey Elementary. The district is beginning to explore ways to repurpose the bond issue tax revenue after maturity for other much-needed facility improvements.

