

# REFERENCE COPY (Version 1)

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## EXPLANATION: TAXING AND BORROWING AUTHORITY AND LIMITATIONS

This policy was revised to reflect changes made to § 108.170.1, RSMo., which allows issuers of new AA+ large bonds to private markets to negotiate bond issuance when using a professional municipal advisor, rather than being required to use a competitive process.

This policy was also modified to explain the option for posting notice of the tax rate hearing in public places. As newspaper circulation continues to dwindle, some school districts have determined that they can reach more people by posting notice in places around the district. This additional language, based on Missouri case law, is intended to help districts determine what constitutes a public place.

*MSBA recommends that copies of this document be routed to the following areas because the content is of particular importance to them. The titles on this list may not match those used by the district. Please forward copies to the district equivalent of the title indicated.*

	Board Secretary	X	Business Office		Coaches/Sponsors
	Facility Maintenance		Food Service		Gifted
	Human Resources		Principals		Library/Media Center
	Health Services		Counselor		Special Education
	Transportation	X	Public Info/Communications		Technology

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## TAXING AND BORROWING AUTHORITY **AND** LIMITATIONS

The Board is responsible for levying *ad valorem* property taxes as necessary to operate the Raytown C-2 School District in a manner that promotes achievement for all students. Taxes will be levied in accordance with law.

### Increasing Taxing Authority

The Board is authorized to set an operating tax rate of \$2.75. The Board will seek voter approval to increase the tax rate ceiling, in accordance with law and as necessary to better serve the students of the district. The district may also seek voter approval to forgo all or part of the reduction of the operating levy due to Proposition C sales tax receipts, as allowed by law.

The Board may also seek voter approval to increase the bonded indebtedness of the district in accordance with law and as necessary to provide an appropriate learning environment for district students. The Board of Education has a bonded indebtedness limit of 15 percent of the value of taxable tangible property as shown by the last completed assessment for state and county purposes.

### Tax Rate Hearing Notice

The Raytown C-2 School District will annually set the tax rate after first notifying the public and conducting at least one public hearing. Notice of the hearing will be given by publication in a newspaper of general circulation or by posting such notice in at least three public places within the district, ~~in accordance with law.~~ A "public place" as used in this policy is a place regularly open for public use, a place that would be likely to attract attention so that the content of the notice becomes widely known or a place with a likelihood that the notice will be seen by the public. The district will publish or post the notice at least seven days prior to the hearing, and the notice will include the:

1. Date, time and place of the hearing.
2. Assessed valuation by category of real, personal and other tangible property in the district for the fiscal year for which the tax is to be levied and the preceding tax year.
3. Amount of revenue required to be provided from the property tax as set forth in the adopted annual budget for each rate levied.
4. Tax rates proposed to be set for the various purposes of taxation.
5. Increase in tax revenue due to an increase in assessed value as a result of new construction and improvement.

6. Increase, both in dollar value and percentage, in tax revenue as a result of reassessment if the proposed tax rate is adopted.

### **Tax Rate Hearing**

The superintendent will provide the Board the same information included in the tax rate hearing notice prior to the tax rate hearing. The tax rate hearing will include an opportunity for citizens to speak before the Board. The Board will set the tax rate after the hearing.

The tax rate will be calculated to produce substantially the same revenues as required in the annual budget. The Board will have sole authority in determining what part of the total authorized rate shall be used to provide revenue for each of the funds. Before setting the rates for the teachers' and incidental funds, the Board will set the rate for the capital projects fund as necessary to meet the district's obligations.

### **Submitting the Tax Rate**

Upon receiving notice from the clerk or other official of the county or counties in which the district is located, the district shall submit a nonbinding projected tax levy by April 8.

The Board shall forward a tax rate to the county clerk of every county in which the district is located on or before September 1 of each year, except that districts located partially or wholly in St. Louis City or any county with a charter form of government will submit their tax rates not later than October 1. If the rate is less than one dollar, the rate will be calculated to the nearest one-tenth of a cent, and the district will round up a fraction greater than or equal to five/one-hundredths of a cent to the next higher one-tenth of a cent. If the rate is in excess of one dollar, the estimate will be calculated to one/one-hundredths of a cent, and the district will round up a fraction greater than or equal to five/one-thousandths of one cent to the next higher one/one-hundredth of a cent.

### **Legal Compliance**

If the district receives from the county clerk the state auditor's finding that the proposed rate does not comply with Missouri law, the Board will have 15 days from the date of receipt of the finding to accept or reject in writing the rate change certified by the state auditor and to submit all requested information to the state auditor. A copy of the Board's acceptance or rejection and any information submitted to the state auditor shall also be mailed to the county clerk.

### **Borrowing Authority**

The Board may borrow money in anticipation of collection of taxes for the purpose of securing funds for school operations, including the debt service fund. Issuance of all tax and revenue anticipation

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notes requires approval of the majority of the members of the Board. The notes may be issued at any time in any year, and the aggregate outstanding principal amount of the notes issued in one year for any fund shall not exceed the amount of the Board's estimate of the year's requirement for the fund. The notes shall be payable within 12 months from date of issuance.

## **Bonded Indebtedness**

The Board may authorize the sale of bonds by adoption of a resolution. Bonds will be issued in accordance with law and compliance procedures implemented by the district.

The Board may borrow money and issue bonds for:

1. Purchasing schoolhouse sites and other land for school purposes.
2. Erecting or furnishing schoolhouses or library buildings.
3. Building additions to or repairing old buildings.
4. Purchasing school buses and other transportation equipment.
5. Paying off and discharging assessments made by counties, cities, towns and villages or other political subdivisions or public corporations of the state against the district.

Funds raised through the sale of bonds may be used only for the purposes set forth in the election that authorized the sale of bonds.

The following points of state law shall govern the Board's issuance of bonds:

1. A four-sevenths vote is required before the issuance of bonds if the issue is submitted at a municipal election or at the general or primary election held in even-numbered years. At all other elections, a two-thirds vote is required.
2. The Board of Education has a limit of bonded indebtedness of 15 percent of the value of taxable tangible property as shown by the last completed assessment for state and county purposes.
3. Bonds shall be issued in denominations of \$1,000 or in any multiples of \$1,000.
4. The bonds, in whole or in part, shall not run for more than 20 years from the date they were issued.

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5. The revenues from taxes levied for the purpose of satisfying bonded indebtedness obligations, both principal and interest, shall be recorded in the debt service fund.
6. General obligation bonds shall be issued using a competitive process unless a municipal adviser is used or the law otherwise allows a negotiated process.

### Compliance

The district is committed to full compliance with the state and federal laws associated with issuing bonds, including the continuing disclosure requirements. The superintendent or designee is directed to create, maintain and implement procedures to ensure that the district meets all state and federal legal requirements and makes timely disclosures in accordance with law.

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*Note: The reader is encouraged to check the index located at the beginning of this section for other pertinent policies and to review administrative procedures and/or forms for related information.*

Adopted: 01/08/2007, eff. 07/01/2007

Revised: 09/08/2008; 05/11/2009, eff. 07/01/2009;

Cross Refs: BBBB, School Board Ballot Issues

MSIP Refs: 8.56-8

Legal Refs: Mo. Const., art. VI, § 26(b)  
Mo. Const., art. X, §§ 11(b), (c)  
§§ 67.110, 108.150 - .280, 137.010, .055, .072, .100, .243, .245, 164.011, .121, .151,  
.161, .181, .191, .201, .221, .231, .241, .251, .261, .271, .281, .291, .301,  
165.011, .131, .141, RSMo.

Raytown C-2 School District, Raytown, Missouri