

POLICY: **Budgeting and Setting Property Tax Rates** #834  
EFFECTIVE DATE: **08/05/21**  
PAGE: **1 of 5**

## POLICY

Pursuant to RSMo §67.080, it shall be the policy of the District to only expend District monies authorized in an approved or adopted budget.

Pursuant to RSMo §67.010 and §67.030, it shall be the policy of the District to prepare an annual budget that presents a complete financial plan for the ensuing fiscal year.

Pursuant to RSMo §67.110.1, it is the policy of the District to fix and certify ad valorem property tax rates no later than September 1<sup>st</sup> of each year.

It is the policy of the District that the Budget is to be used monthly as a tool for analysis, planning, and spending.

Pursuant to RSMo §67.070, if at the beginning of any fiscal year the District has not approved or adopted and filed the budget for the current fiscal year, it is the policy of the District that the budget for the past fiscal year is reappropriated for the current fiscal year until such time as the budget for the current fiscal year is approved or adopted.

## RESPONSIBILITIES

Pursuant to RSMo §67.020, it is the responsibility of the **Board of Directors** to designate a Budget Officer at the Board of Directors' first meeting, i.e., April of each even-numbered year.

Pursuant to RSMo §67.010.1, it is the responsibility of the **Budget Officer** to direct preparation of the District's Budget, including the review of all the expenditure requests and revenue estimates.

Pursuant to RSMo §67.010.1, it is the responsibility of all **Officers** and **District employees** to cooperate with and provide to the Budget Officer such information and records as the Budget Officer shall require in developing the Budget.

Pursuant to RSMo §67.010.2, it is the responsibility of the **Budget Officer** to submit the proposed Budget to the Board of Directors well before September 1<sup>st</sup> of each year.

POLICY: **Budgeting and Setting Property Tax Rates** #834  
EFFECTIVE DATE: **08/05/21**  
PAGE: **2 of 5**

Pursuant to RSMo §67.030, it is the responsibility of the **Board of Directors**, before September 1<sup>st</sup> of each year, to approve the District's Budget and approve or adopt such orders, motions, resolutions, or ordinances as may be required to authorize the budgeted expenditures and produce the revenues estimated in the District's Budget.

Pursuant to RSMo §67.110.1, the **Budget Officer** shall present assessed valuation information, property tax revenue, and proposed tax rates to the Board of Directors before the Board of Directors fixes the District's rate of taxation.

Pursuant to RSMo §67.110.2, before the Board of Directors fixes the District's rate of taxation, it is the responsibility of the **Board of Directors** to hold at least one public hearing on the proposed rates of taxes at which citizens shall be heard.

Pursuant to RSMo §67.110.1, it is the responsibility of the **Board of Directors** to fix the District's ad valorem property tax rates not later than September 1<sup>st</sup> of each year.

Pursuant to RSMo §321.250, on or before September 1<sup>st</sup> of each year, it is the responsibility of the **Secretary** to certify to the Henry County Clerk the rate of any tax levy fixed by the Board of Directors.

### BUDGETING PRACTICES

1. Pursuant to RSMo §67.010.1, the District's Budget shall include at least the following:
  - a. A budget message describing the important features of the budget and major changes from the preceding year;
  - b. Estimated revenues from all sources for the fiscal year, with a comparative statement of actual or estimated revenues for the two years next preceding, itemized by year, fund, and source;
  - c. Proposed expenditures for the fiscal year for each account in the District's approved Chart of Accounts, together with a comparative statement of actual or estimated expenditures for the two years next preceding, itemized by year, fund, activity, and account;
  - d. The amount required for the payment of interest, amortization, and redemption on the District's debt; and

- e. A general budget summary.
2. Pursuant to RSMo §67.020.2, along with the proposed District Budget, the Budget Officer shall submit the following:
  - a. Supporting schedules, exhibits, and other explanatory material as may be necessary for the proper understanding of the financial needs and position of the District; and
  - b. Complete drafts of such orders, motions, resolutions, or ordinances as may be required to authorize the proposed expenditures and produce the revenues necessary to balance the proposed Budget.
3. Pursuant to RSMo §67.010.2, total budgeted expenditures for each fund shall not exceed estimated revenues for each fund plus any unencumbered balance or less any deficit for the beginning of the fiscal year for each fund.
4. Pursuant to RSMo §67.030, the Board of Directors may revise, alter, increase, or decrease the items contained in the proposed budget.
5. Pursuant to RSMo §67.040, the Board of Directors may adopt a resolution to change the amount authorized for any account from any fund if:
  - a. The resolution sets forth the facts and reasons making the change necessary; and
  - b. An order, motion, resolution, or ordinance to authorize any expenditure exceeding the budget account is approved or adopted.

#### TAX RATE SETTING PRACTICES

1. Pursuant to RSMo 67.110.1, before the Board of Directors fixes the District's rate of taxation no later than September 1<sup>st</sup> of each year, the Budget Officer shall present to the Board of Directors the following information for each proposed tax rate to be levied:
  - a. The assessed valuation by category of real, personal and other tangible property in the District the fiscal year;
  - b. The assessed valuation by category of real, personal and other tangible property in the District for the preceding taxable year;

- c. The amount of revenue required to be provided from the property tax as set forth in the adopted annual budget; and
  - d. The tax rate proposed to be set.
2. Pursuant to RSMo §67.110.3, the District shall not include changes to the year's tax levy for any change approved by District voters after September 1<sup>st</sup>.
3. Pursuant to RSMo §67.110.2, District tax rates shall be calculated to produce substantially the same revenues as required in the adopted annual budget.
4. Pursuant to RSMo §67.110.2, prior to the approval of rates of taxes, the Board of Directors shall determine the time and place of the public hearing on the proposed rates of taxes.
5. Pursuant to RSMo §67.110.2, a notice shall be published at least seven (7) days prior to the date of the public hearing on the proposed rates of taxes and shall include the following:
  - a. The date, time and place of the public hearing;
  - b. The 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;
  - c. The assessed valuation by category of real, personal and other tangible property in the District for the preceding taxable year;
  - d. For each tax to be levied, the amount of revenue required to be provided from the property tax as set forth in the adopted annual budget;
  - e. Any increase in tax revenue due to an increase in assessed value as a result of new construction and improvement;
  - f. Any increase, both in dollar value and percentage, in tax revenue as a result of reassessment if the proposed tax rate is adopted; and
  - g. The tax rates proposed to be set.
6. Pursuant to § 67.110.2, RSMo., following the public hearing on the proposed rates of taxes, the Board of Directors shall fix the rates of taxes.

POLICY: **Budgeting and Setting Property Tax Rates** #834  
EFFECTIVE DATE: **08/05/21**  
PAGE: **5 of 5**

7. Pursuant to RSMo § 67.110.1 if the District fails to fix its ad valorem property tax rate by September 1<sup>st</sup>, then no tax rate other than the rate, if any, necessary to pay the interest and principal on any outstanding bonds shall be certified for that year.

RELATED POLICIES

Financial Reporting 896

STATUTORY REFERENCES

RSMo §§67.010, 020, 030, 070, 080, and 110  
RSMo §321.250

REVISION HISTORY

Revision Date	Author	Revision Details
August 6, 2021	Monte Olsen	Initial version