

# REVENUE NEUTRAL RATE

## **What is Revenue Neutral?**

Revenue Neutral is when a taxing jurisdiction budgets the exact same amount of property tax revenue, in dollars, for the upcoming budget year as they did for the current year. For example, if a taxing entity uses \$1 million of property tax revenue in 2024, being revenue neutral means they plan to only use \$1 million in 2025 as well.

## **What is the Revenue Neutral Rate (RNR)?**

The Revenue Neutral Rate (RNR) is the mill levy needed to generate the exact same amount of property tax revenue as the prior year, using the current tax year's total assessed valuation.

## **Why would a taxing entity want to increase revenue?**

A jurisdiction does not only increase revenue to provide new services, they often need to increase property tax revenue to provide the same level of service as the prior year. In order to stay revenue neutral every year, a taxing entity would have to provide this year's services with the new year's prices, on last year's budget.

## **Why is a taxing entity holding an RNR hearing?**

Taxing subdivisions are prohibited from levying an ad valorem property tax that exceeds the RNR without first holding a public hearing and passing a resolution. This hearing is *in addition to* the regular budget hearing.

## **Why did I receive a notice?**

Due to KSA 79-2988, this notice is sent to property owners to explain each subdivision's intent (or non-intent) to exceed revenue neutral. This notice is NOT A BILL; it is an ESTIMATE provided for informational purposes, and does not include information on special assessments that may be charged. The only action to be taken at this time is, if you'd like, to attend the public hearings listed at the bottom of each notice. If there is no hearing date, time and location listed, that entity is not exceeding the RNR.

## **What can I do if I do not agree with the property valuation?**

The Appraiser's office mailed out valuations earlier this year, and the period for appealing your value has lapsed. However, once you receive your tax bill in November, you may proceed to pay your taxes under protest. The Appraiser's Office will be notified and will contact you directly to discuss your property.

If you have questions about a particular budget listed on your notice, please contact that taxing subdivision directly, or attend the budget hearing listed on your RNR notice.