

Butler County Predetermined Ratio

In January 2008, the Butler County Board of Commissioners appointed a Budget Advisory Committee to review the budgeted annual income and expenses of all County departments. This Committee made a number of recommendations to the Board of Commissioners that they felt would give the Commissioners more flexibility to meet the financial needs of the future.

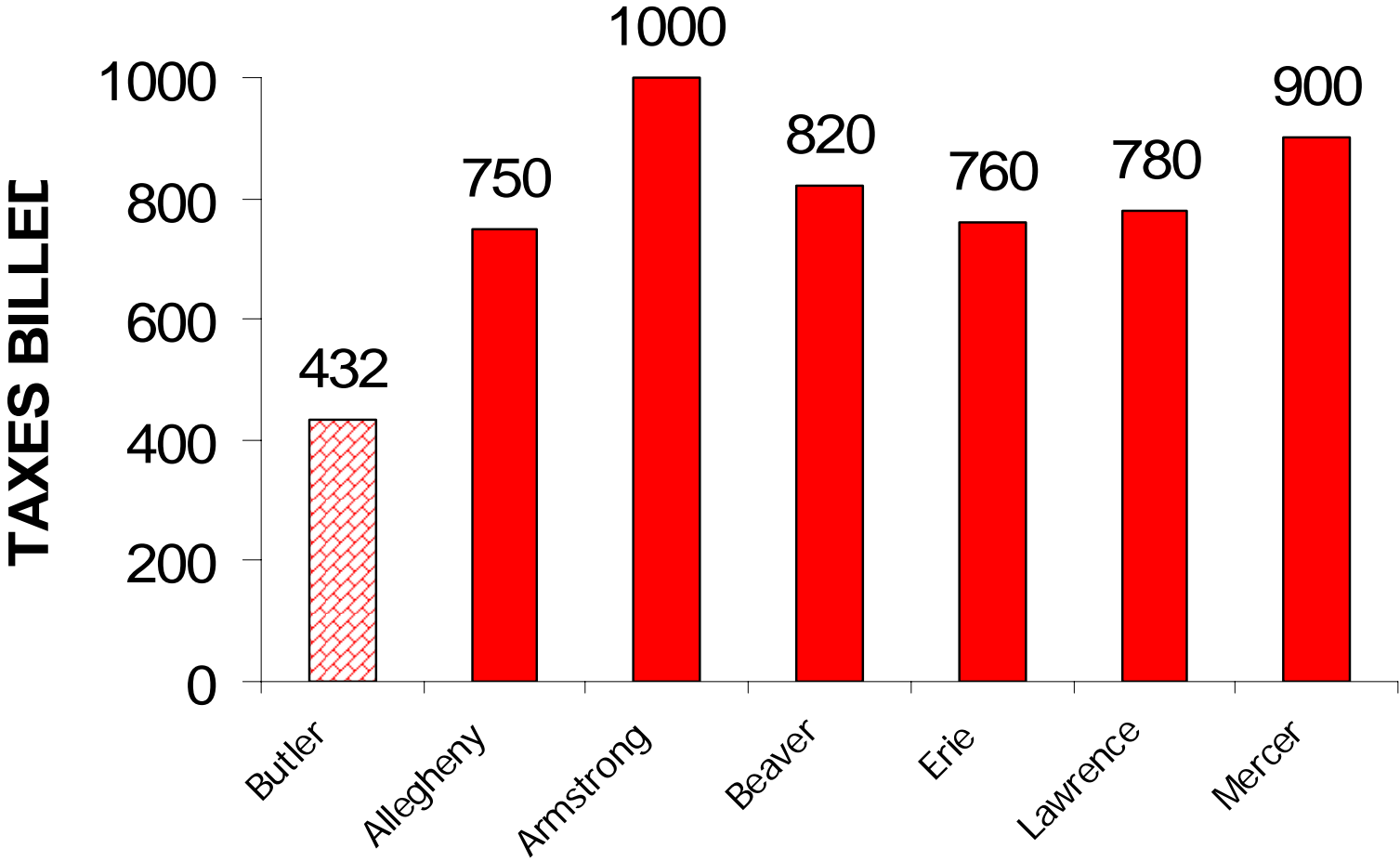
Due to the fact that the County General Fund millage cannot exceed 25 mills without Court approval, one recommendation of the Budget Advisory Committee was to change the County's predetermined ratio for real estate taxes from 75% of 1969 base year market values to 100% of 1969 base year market values. This was a preferable option to reassessing all Butler County properties, which would cost approximately \$6 to \$8 million dollars of taxpayer monies, or \$60 to \$80 per property.

Butler County Predetermined Ratio (continued)

How Will the Predetermined Ratio Change Affect Me as a Property Owner? Your 2008 assessment was based on 75% of 1969 base year market values. Starting with the 2009 tax year, the ratio will change from 75% to 100% of 1969 base year market values, and your assessment will adjust accordingly. **However, all Taxing Districts are required by law to reduce their millage rates accordingly,** so the change in the ratio itself does not affect the amount of taxes you pay.

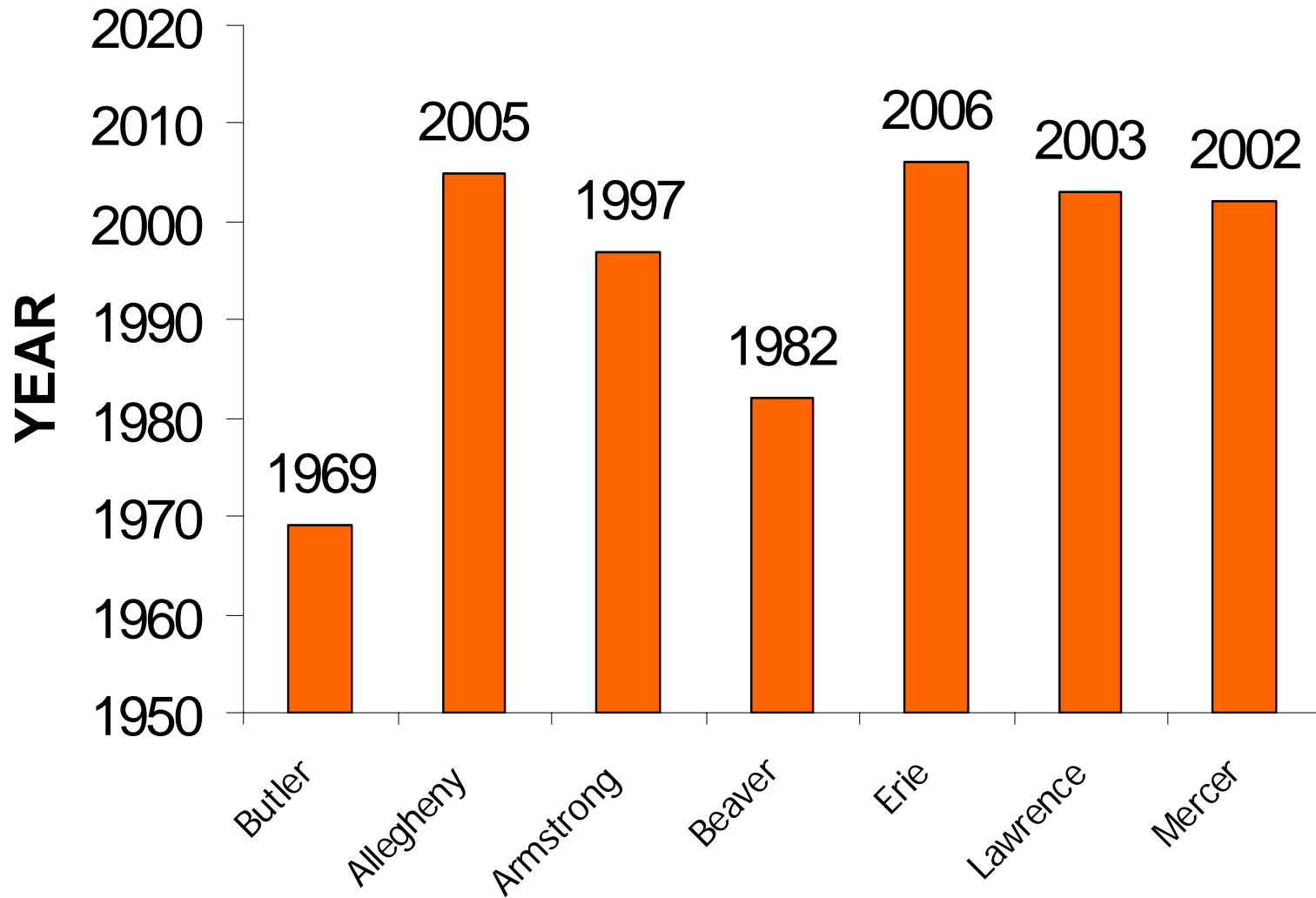
The Board of Commissioners, through the 2009 budgetary process, is committed to keeping your County real estate taxes the lowest in the region.

TAXES BASED ON \$150,000 MARKET VALUE

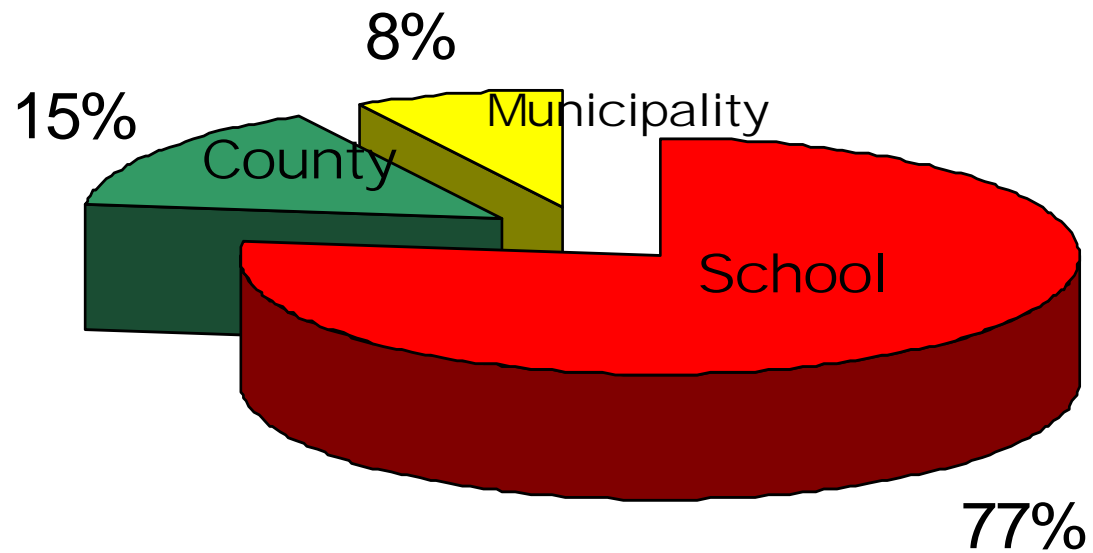


BUTLER COUNTY TAX AS TO OTHER COUNTIES

Year of Counties Last Reassessment



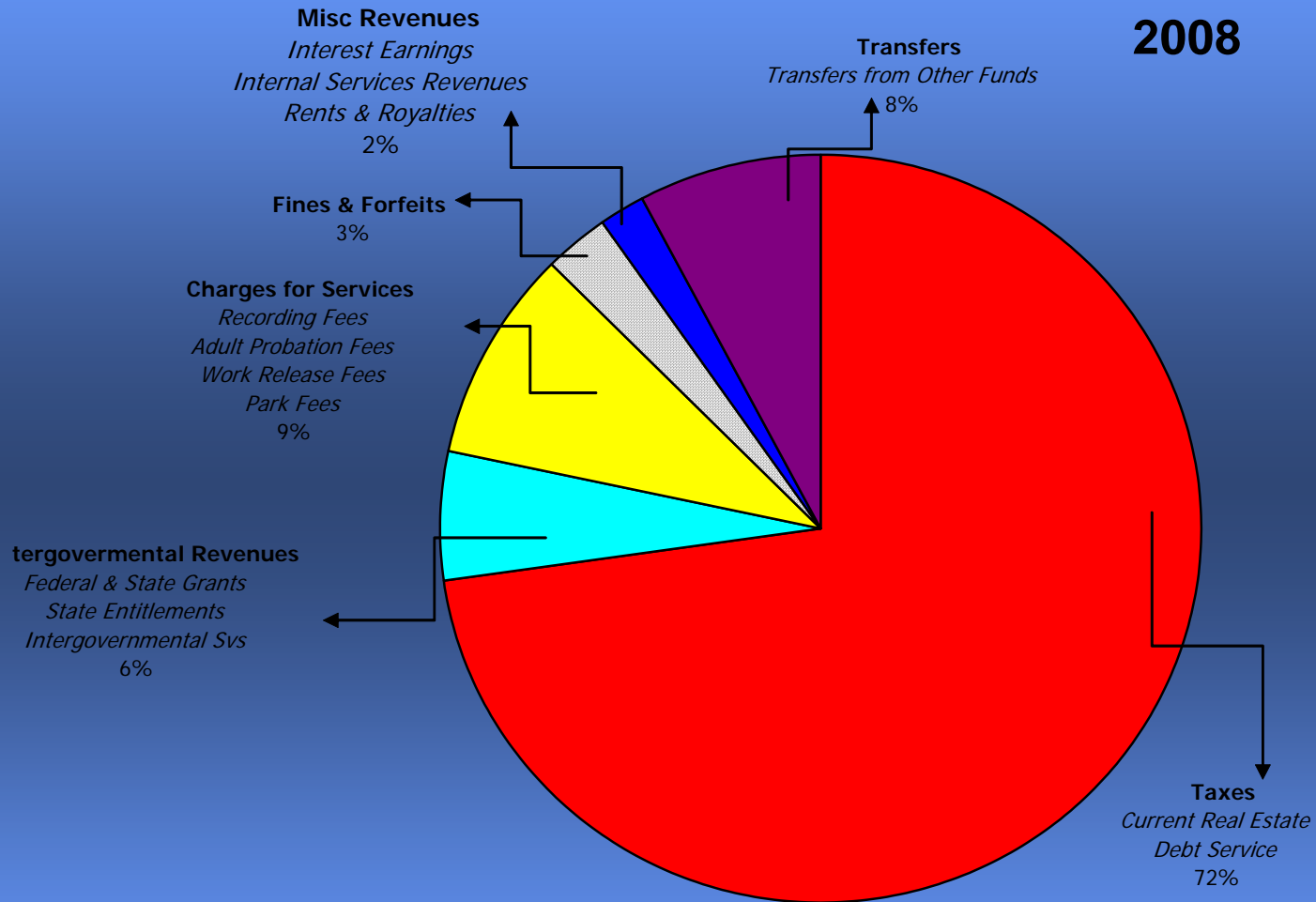
Total Real Estate Tax Breakdown



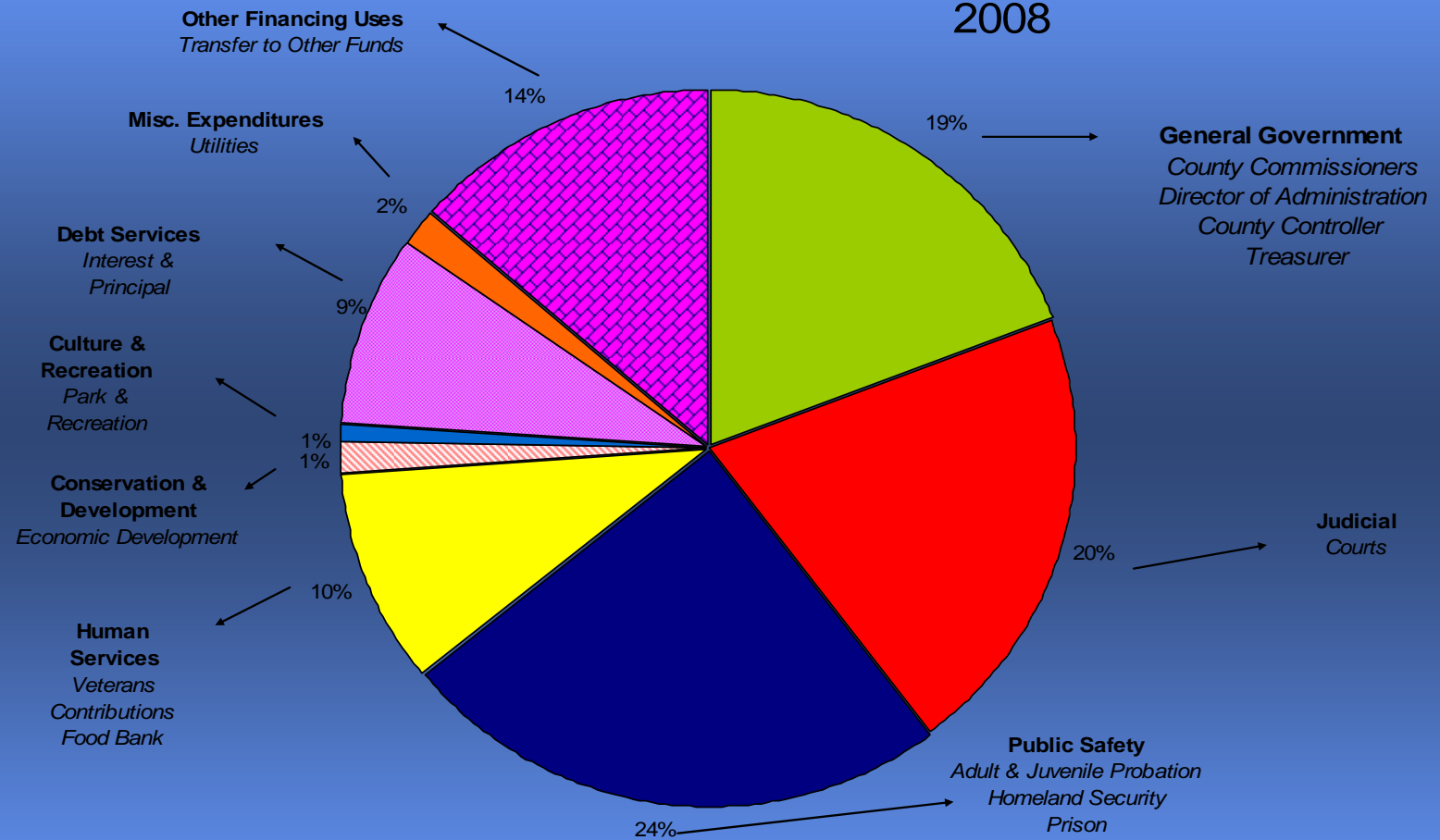
Facts About the Butler County Budget

- The County does not receive an earned income tax, nor a real estate transfer tax. It primarily relies on property taxes to generate revenue to support the County's General Fund budget.
- Approximately 70% of the County's General Fund budgeted expenses are for Human Services, Court operations, Public Safety, and Prison operations.
- The County Commissioners have limited ability to manage those costs due to crime, trials, jail sentences, and **State mandates**.

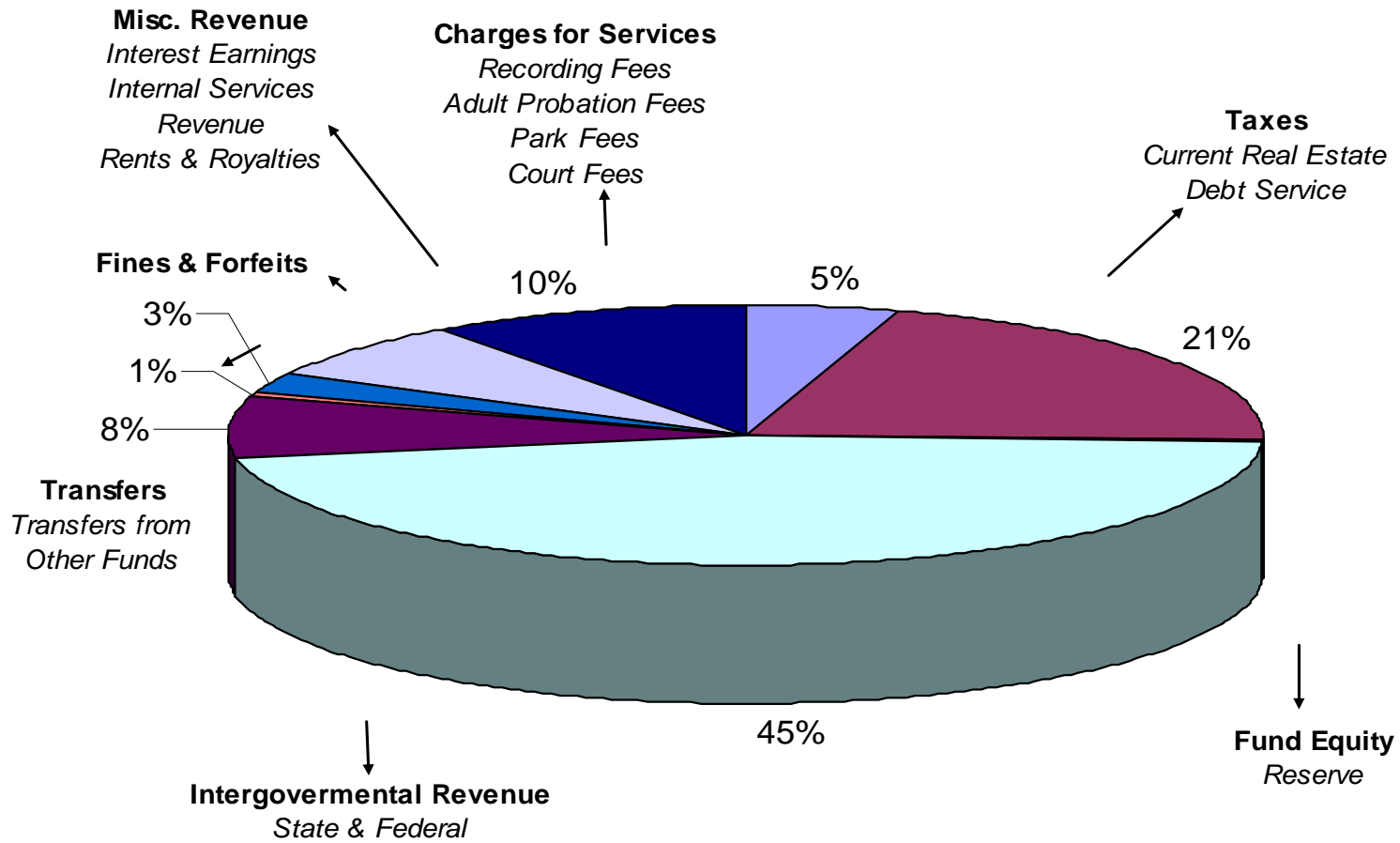
SOURCE OF GENERAL FUND REVENUES 2008



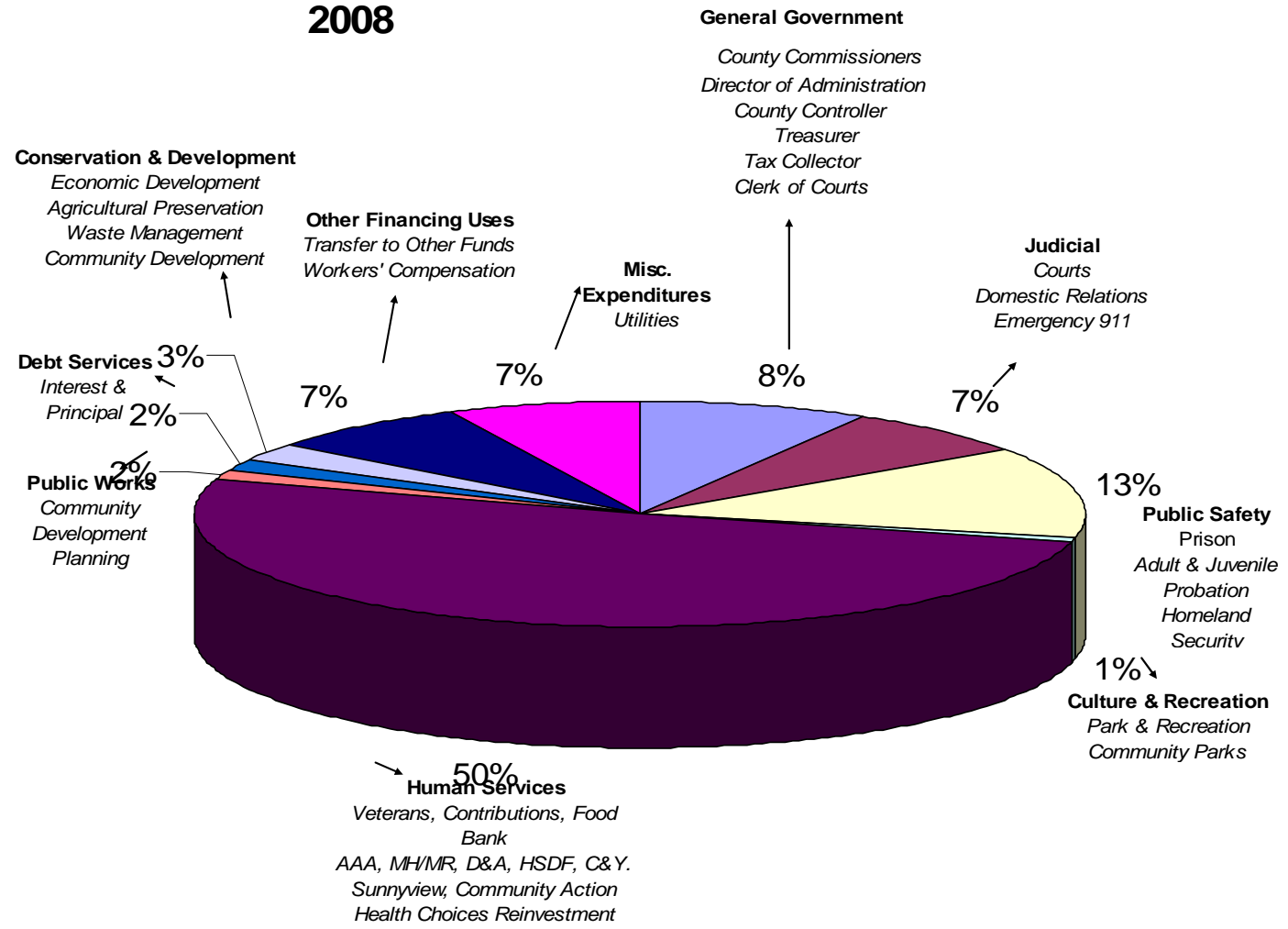
Distribution of General Fund Expenditures 2008



SOURCE OF REVENUE FROM ALL FUNDS 2008

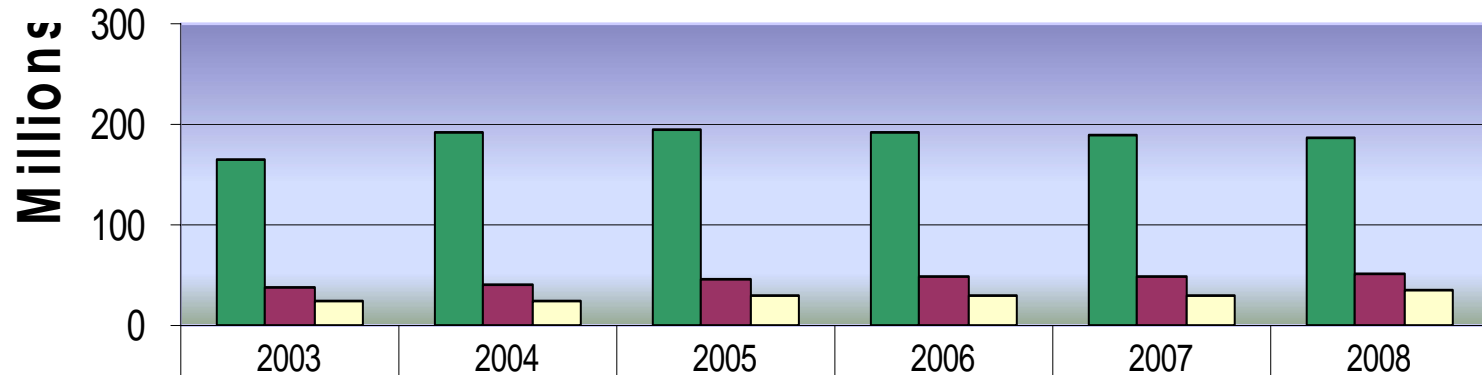


Distribution of All Funds 2008



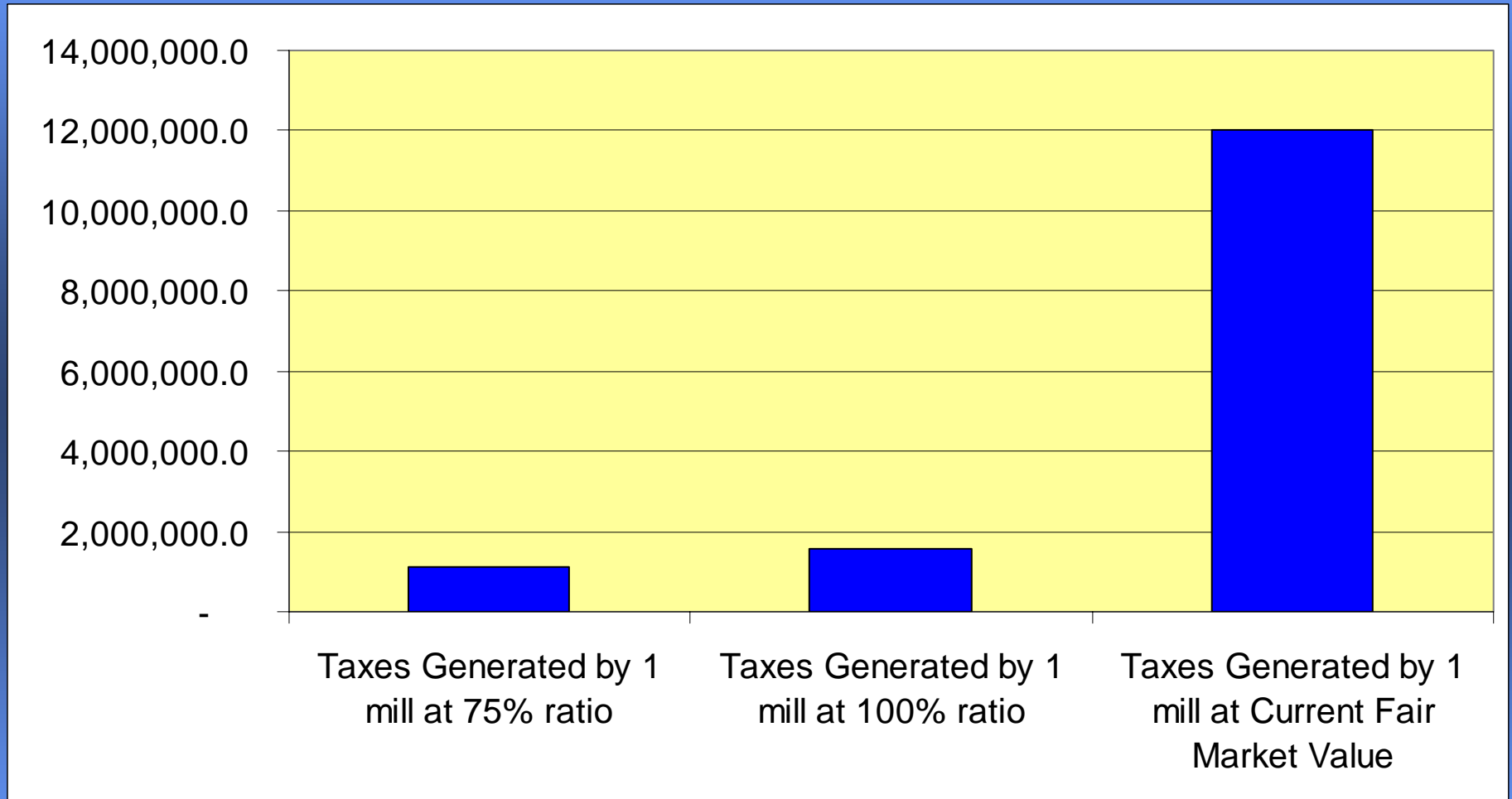
Budget Summary - All Budget Funds

NOTE: Includes Bond Issue for Capital Projects

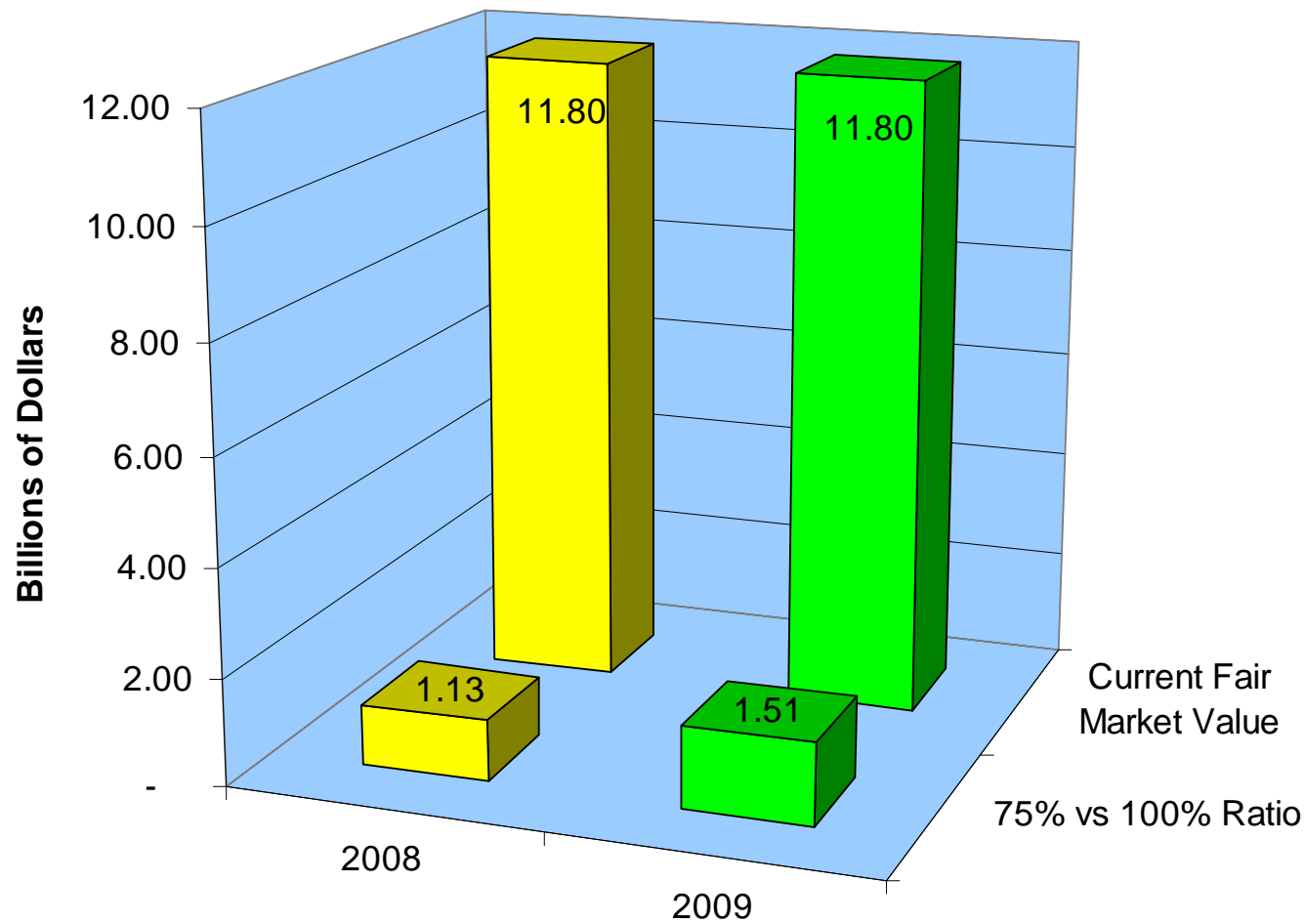


	2003	2004	2005	2006	2007	2008
■ All funds	164,436,934	192,564,783	195,747,022	192,531,492	189,381,246	185,280,851
■ General Fund	37,361,828	40,727,939	45,895,300	47,473,683	47,737,565	51,198,586
■ Taxes	23,900,000	24,569,000	28,613,000	28,968,000	30,030,000	33,800,000

Taxes Generated by 1 mill



Assessed Value vs. Market Value in Billions



Budget Advisory Committee Recommendations Enacted by the Commissioners

So far in 2008, the Commissioners have already enacted the following cost-saving recommendations of the Budget Advisory Committee:

- 1% reduction in General Fund operating expenses.
- Review/re-bid of printing services.
- Elimination of outside solicitors' employee benefits.
- Review of charges for services.

Why is Butler County Considering Changing the Assessment Ratio?

- Butler County has reached its maximum General Fund millage established by the Pennsylvania Legislature.
- The County must continue to financially support essential programs mandated by the State and Federal governments.
- The County Commissioners had a choice of either a change in the assessment ratio, a County-wide reassessment, or filing a petition to Court for a millage increase.

Why is the County announcing the ratio change for next year now?

- By law all notices of the change must be mailed on or before July 15th, to meet the notification deadlines.
- Also that all Butler County taxing district are able to start their budgeting process with the most current assessment information.

2009 Butler County Predetermined Ratio Change

- The current predetermined ratio is 75% of 1969 base year market values.
- The 2009 predetermined ratio will change to 100% of 1969 base year market values.

Effective Date for the Ratio Change

On or before July 1, 2008, you will receive a change of ratio notice.

The ratio change values will appear on County and Municipal tax bills on March 1, 2009, and on School tax bills on August 1, 2009.

Ratio Change: The Facts

What is Meant by the Term “Base Year Value”?

- A base year value is a market value for a tax year when the County completed its last County-wide re-evaluation or reassessment.

When Did Butler County Last Reassess All Properties?

- Butler County last reassessed every property in the County in 1969.

What is Meant by the Term "Assessment Ratio"?

- The assessment ratio is a percentage of a base year market value used to calculate an assessment.

Did Butler County Ever Change the Ratio Before?

- In 1982, Butler County was at its maximum millage of .025 (25 mills), and changed the predetermined ratio from 33.3% of 1969 base year values to 75% of 1969 base year values, which in turn adjusted the County millage rate to 9.8 mills.
- At that time, the ratio of 75% was the maximum allowed by law. This law was changed in 1999, allowing for a 100% ratio.

What is a “Mill” or “Millage”?

- Millage is a term commonly used to express a property tax rate.
- A mill is equal to $1/10^{\text{th}}$ of one cent.
- For every \$10,000 of assessment, 1 mill equals \$10.00 in real estate tax.
- In calculating real estate taxes, the formula is expressed as the assessed value times the millage equals the property tax.

Example

Total property assessed value at 75% of 1969 values is $\$10,000 \times .025$ (25 mills), indicating a County tax of \$250.00.

Total property assessed value at 100% of 1969 values will be $\$13,333 \times .01875$ (18.75 mills), indicating a new estimated County tax of \$250.00.

Who Sets the Millage?

- The County Commissioners set the millage for the County.
- Borough Councils or Township Supervisors/ Councils set the millage for the Municipalities.
- The School Boards set the millage for the School Districts.
- In Cities, the City Council sets the millage.

How are Assessments Computed?

The Assessment Office, through its certified assessors, determines the 1969 base year market values from charts and data collected, and multiplies the value by the predetermined ratio to determine the assessed value for real estate taxes.

Does the Assessment Office Set the Taxes?

NO! The Assessment Office establishes the property's base year market value. The County Commissioners establish the predetermined assessment ratio, and the various taxing bodies set the millage needed to balance their annual budgets.

What Are the Duties of the Assessment Office?

The Assessment Office is responsible for maintaining a complete set of tax maps and property record cards, and to see that all properties are assessed uniformly at the County's base year market value.

When the County Changes Its Ratio, How Will I Know?

The Assessment Office is required by law to send a notice any time your assessment changes. Notice is sent to the last known address of the property owner, informing you of your prior assessment as well as your revised assessment.

Procedure for Challenging Property Assessed Values

- By law, any property owner can file a tax appeal in writing with the Board of Assessment Appeals on or before September 1 of each year.
- You must submit an independent appraisal with your appeal filing to help determine the current fair market value of your property.
- In an appeal, your assessment can increase, decrease, or remain the same.

Procedure for Challenging Property Assessed Values (continued)

- You will be notified when and where to appear for your hearing at least 20 days prior to your hearing date.
- You must attend your hearing and bring any additional information that you believe will help your case.
- All tax appeals must be heard and decided by the last day in October 2008 for the 2009 tax year.

How Will the Ratio Change Affect Taxing Districts?

- As a Taxing District, you must reduce your millage. This can be accomplished by multiplying your 2008 mills by 75% to determine your starting millage rate for 2009.
- If you cannot balance your budget with the starting millage rate, you are allowed an increase of not more than 5% to balance your 2009 budget. For School Districts, the increase is limited to 10% (review Act 1).

How Will the Ratio Change Affect Taxing Districts?

(continued)

- The Assessment Office will certify the 2009 assessment rolls at a public meeting by July 15, 2008. As a Taxing District, you will receive a copy of the certified tax rolls with the 100% ratio values by the end of July for your budgeting process.
- We will continue to send these certified updates to your Taxing Districts on a monthly basis.

Butler County Council of Governments (COG)

- Following the County Commissioner's action on the Ratio change, the County will contact the (COG) to help prepare and offer further training and assistance to all taxing districts for implementation of the Ratio change values to your 2009 budget.

Ratio Change Information - 2009 Taxes

- 2008 Certified Assessment @ 75% \$ 1,187,753,012
- General Mills 25
- Debt Mills 5
- Total County Mills 30
- Total Taxes Discounted \$ 33,800,000.00
- Total Taxes Billed \$ 35,632,590.00
- **2008 County Taxes per \$150,000 Current Market Value: \$ 432.00**

(If revenue-neutral)

- 2009 Certified Assessment @ 100% \$ 1,583,670,683
- General Mills 18.75
- Debt Mills 3.75
- Total County Mills 22.5
- Total Taxes Discounted \$ 33,800,000.00
- Total Taxes Billed \$ 35,632,590.00
- **2009 County Taxes per \$150,000 Current Market Value: \$ 432.00**

(If with 5% allowed by law)

- 2009 Certified Assessment @ 100% \$ 1,583,670,683
- General Mills 19.69
- Debt Mills 3.95
- Total County Mills 23.64
- Total Taxes Discounted \$ 35,491,129.00
- Total Taxes Billed \$ 37,414,220.00
- **2009 County Taxes per \$150,000 Current Market Value: \$ 454.00**

BUTLER COUNTY, PENNSYLVANIA		06/09/2008	
NOTICE		DATE OF THIS NOTICE	
OF		DISTRICT	
ASSESSMENT		BUTLER CITY WARD 3	
RATIO CHANGE 2009		Parcel: 563 - 28 - 24-0000	
THIS IS NOT A TAX NOTICE		Location: 108 WOODY DR	
APPEAL ON THIS CHANGE MUST BE FILED WITHIN 30 DAYS FROM DATE SHOWN		Description: LOT 20 OFF BLDG	
		108 WOODY DR	
IMPORTANT		REASON FOR CHANGE	
REAL ESTATE		2009 COUNTY RATIO CHANGE	
ASSESSMENT			
CHANGE FOR			
2009		ASSESSMENT CHANGE	
Old 75%	15,675	136,763	152,438
New 100%	20,900	182,350	203,250
	Land	Building	Total

TAXPAYER COPY

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NOTICE

The law makes it possible for any taxpayer who feels aggrieved by an assessment to appeal to the Board of Assessment Appeals. Therefore, if you wish to appeal from this assessment, you must file with this Board, within 30 days from date of this notice, a statement in writing of such intention to appeal designating the assessment by which you feel aggrieved and the address to which notice to appear for hearing shall be mailed. If the assessment valuation of your property is satisfactory, no action need be taken.

In compliance with an act of May 21, 1943, PL 571, as amended, you are hereby notified that the assessment valuation of property in your name as described above has been changed.

Should you desire to appeal the revised assessment, a "Notice, of Intention to Appeal" form may be obtained at the Assessment Office, Court House, Butler, Pennsylvania. No person may legally appeal from any assessment in any year unless he shall first have filed the statement of intention to appeal, nor shall any person be permitted to appeal an assessment not designated in such statement. If appealed, your assessment is open; it may be raised, lowered or may remain the same.

BOARD OF ASSESSMENT APPEALS

IMPORTANT NOTICE TO ALL MOBILE HOME OWNERS

DEAR TAXPAYER: As per State Law this is your written notification that it is illegal to attempt to move a mobile home or house trailer from the territorial limits of a taxing district without first having received a "MOBILE HOME REMOVAL PERMIT" from the local tax collector. Failure to do so may result in prosecution and conviction of a summary offense.

(P.S. 5453.617a paragraph d)