



BOND & LEVY TRANSFER FAQ



\$19 Million No Tax Increase Bond Issue & Levy Transfer on April 5, 2022 Ballot

Question 1: \$19 million no tax increase bond issue to construct storm shelters at Tiger Paw, Ozark Middle School and Ozark High School.

What is proposed? The \$19 million no tax increase bond issue would construct three storm shelters, providing usable space for each building to accommodate current growth. If this bond issue passes, every school within Ozark School District would have a storm shelter. Additional projects are included as funding allows.

How will the storm shelters be utilized? Each storm shelter would provide usable space and accommodate the entire population of the building. Tiger Paw’s storm shelter would be used as a cafeteria and can accommodate up to 600 people. The Ozark Middle School storm shelter would provide 6-8 classrooms and accommodate up to 990 people. The two-story high school storm shelter would be utilized as physical education and practice space accommodating up to 1,999 people.

Why a bond issue? A bond issue is necessary for the District to borrow money for construction. Without a bond issue, the district would not be able to afford to build the storm shelters.

What does a no tax increase bond issue really mean? The amount of “credit” available to the District without increasing our tax rate is \$19 million. The \$4.14 tax rate will remain the same regardless of the outcome of this vote. By borrowing \$19 million, the District would simply extend the current debt payment.

What is the timeline for the storm shelters? If the bond issue passes, the District will be added to a list to construct the precast storm shelter. Until we are on the list, we don’t know how long it will take. However, our goal would be for the storm shelter at Tiger Paw to be completed for the 2023-24 school year. The OMS and OHS storm shelters will take longer because they are much larger.

Why aren’t you building the storm shelters through FEMA? Using FEMA money to build storm shelters would require us to follow certain criteria, such as opening the storm shelter up to the public during certain weather events. Safety is a top priority for the District. Because we plan to use the storm shelters as other usable space for students to help us accommodate current growth, allowing the general public into our storm shelter during school hours is a safety concern.

Question 2: 10 cent no tax increase levy transfer from our debt service fund to our operating expenses fund.

Why a levy transfer? In 2021, the District was required by state law through the Hancock Amendment to reduce our operating levy by 17 cents due to an increase in real estate assessment values. The District transferred the 17 cents from the general operating fund to the debt service fund. The no tax increase levy transfer would transfer 10 cents from our debt service fund back to our operating expenses fund. This transfer would provide approximately \$500,000 annually to help offset rising operating costs.



What is the Hancock Amendment? The Hancock Amendment limits the amount of Missouri's income that may be used to fund state government to no greater than the portion used to do so in 1981. The impact of the amendment in practice is that taxing jurisdictions' operating levies move up or down depending on the reassessment of existing properties. What this means for the school district is that our operating levy decreased by 17 cents in August 2021. The practice of the District for several years has been to maintain our total overall tax levy at the voter approved rate of \$4.14 regardless of whether the operating levy goes up or down.

Why does Question 2, second paragraph, say the District "expects" to make a corresponding reduction? The word "expects" is used because the Board of Education is legally unable to obligate future boards to any decisions made by the existing board. We have a tax rate hearing every year, so a future board could decide to shift money back into our debt service fund from our operating fund.

Could Ozark School District lower taxes? If we stopped building, our taxes would remain the same rate until our current debt was paid off in 2040. At that point the tax rate would decrease; however, Ozark continues to grow and every single building would be over capacity well before 2040.

If voters approve these questions, will my taxes increase? The overall tax levy of \$4.14 will remain the same, regardless of the vote on both Question 1 and Question 2. The District's tax levy has remained unchanged since 2003. We are committed to not asking our voters for a tax increase.

If you're not raising taxes, why is it on the ballot? We are required to ask the voters to borrow money through school bonds for building projects such as the three storm shelters in Question 1. We are also required to ask voters to allow us to transfer 10 cents back into our operating expenses fund in Question 2.

Why did my personal and real estate taxes increase in 2021? Your taxes increased because properties were re-assessed in 2021. Ozark School District's tax rate is \$4.14 per \$100 of assessed value, so the increase is due to the assessment value being higher not because Ozark School District increased taxes.

What if voters approve one question and not the other? Question 1 and Question 2 are independent of each other. The outcome of one will not affect the other.

Want more information? Visit www.ozarktigers.org/bond or email ozarkcommunications@ozarktigers.org.

Paid for by Ozark School District., Dr. Chris Bauman, superintendent, 1600 W. Jackson St., Ozark, MO 65721

This information is being provided to you by the Ozark School District so you can learn more about the proposed no tax increase bond issue. Regardless of whether you support the bond issue or not, we encourage you to vote.