Hickman Mills C-1 School District
Tax Levy Public Hearing
September 17, 2026

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Board Policy DC-1

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.

Statute requires at least one public hearing to be held after the budget is adopted and before the rate is set.

Per Article X, Section 11 (g), school board of any district whose 1995 Operating Levy was established by a federal court, can levy below the court-ordered levy. Hickman Mills' 2025 operating tax levy was $5.0517.

Hickman Mills C-1 School District's proposed 2026 operating tax levy is **$5.3517**.

Understanding the 2026 Tax Levy: Why This Year Is Different

- The District's 2026 assessed valuation (AV) is approximately $657.5 million, **nearly $37 million below** last year's $694.3 million AV
- This unusual decline in a non-reassessment year is largely related to changes made after the 2025 levy was set, including **the 15% cap on commercial property values** implemented by the Jackson County Executive
- Because the levy had already been established, the District could not go back and reset the 2025 rate using the subsequently reduced valuation
- The lower valuation now carries forward into the District's 2026 levy calculations
- The reduced tax base has a significant financial impact: based on the current tax hearing calculations and assuming 100% collection, the District is projecting approximately **$2.3 million less in overall property tax revenue** than the amount calculated using the prior-year valuation and tax rates

Why This Matters to the Voter-Approved $0.30 Levy Transfer

- In April 2026, voters approved transferring $0.30 from Debt Service to Operating
- The transfer was projected to generate approximately $2 million annually for operations
- A lower assessed valuation means each levy cent generates fewer dollars
- Therefore, the $0.30 operating transfer will generate less revenue than originally projected

At $694,328,106 of AV:

$694,328,106 ÷ 100 × $0.30 ≈ **$2.083 million**

At $657,465,628 of AV:

$657,465,628 ÷ 100 × $0.30 ≈ **$1.972 million**

That's approximately $110,600 less gross levy capacity from the $0.30 alone, before considering collection rates and other adjustments.

What This Means for the District

- The District is therefore proposing a **2026 operating levy of $5.3517,** exactly $0.30 above last year’s $5.0517, rather than the $5.3525 rate the State Auditor’s calculation would otherwise have allowed based on the decline in AV
- The **debt service levy decreases from $1.10 to $0.80**, keeping the District’s total tax rate unchanged at $6.1517
- With assistance from MOCAAT, the District is working with Jackson County and the Missouri State Auditor’s Office to obtain a revised 2025 AV and determine whether a recoupment levy can be used in 2027
- The goal is to provide the District an **opportunity to recover revenue** it should have received had the corrected property values been available when the 2025 levy was established

Total Assessed Valuation (AV)

Year Over Year Comparison

For the 2025-2026 School Year
(Re-Assessment Year)
Total Valuation

2025 Preliminary AV	$694,328,106
2024 Certified AV	$721,272,339
$ (Dollar) Decrease	**-$26,944,233**
% (Percentage) Decrease	-3.74%

For the 2026-2027 School Year
(Non Re-Assessment Year)
Total Valuation

2026 Preliminary AV	$657,465,628
2025 Certified AV	$694,328,106
$ (Dollar) Decrease	**-$36,862,478**
% (Percentage) Decrease	-5.31%

This is not the growth pattern we would ordinarily anticipate between reassessment cycles, and it has a direct effect on the amount of revenue each cent of our levy can generate.

HMC1's Aggregate Assessed Valuation (AV) from the County Legislature

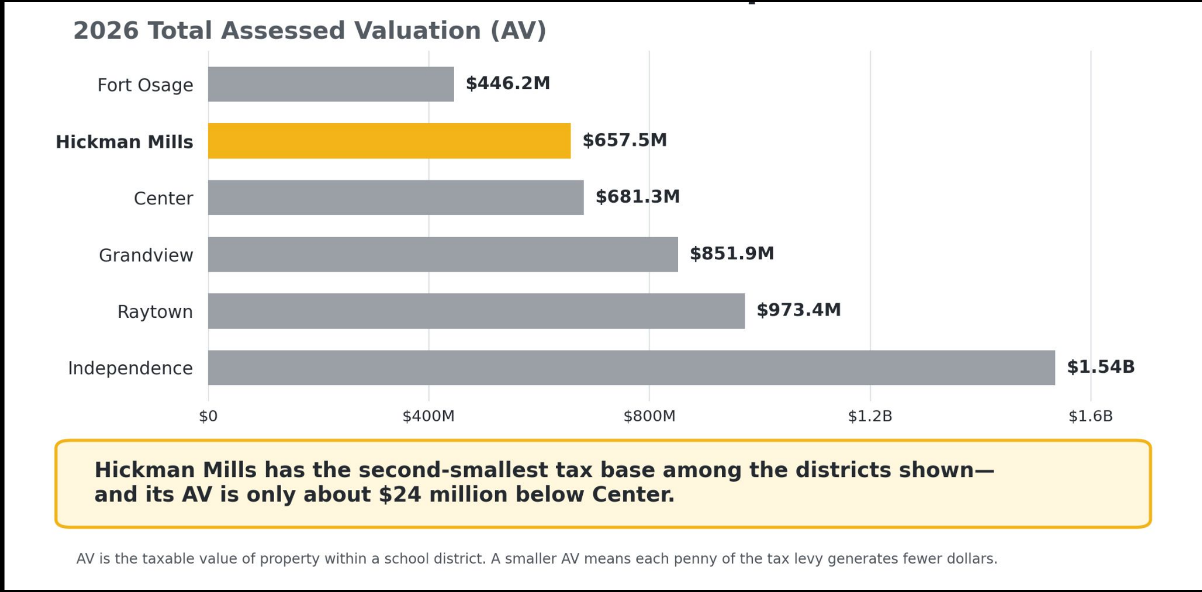
SY	Residential	%	Agriculture	Commercial	%	Total Real Property	Personal Property	Total AV	%
22-23	314,177,224	0.19	315,836	116,672,931	-1.85	431,165,991	129,888,417	561,054,408	4.30
23-24	450,662,332	43.44	336,352	140,706,757	20.60	591,705,441	128,891,800	720,597,241	28.44
24-25	445,595,202	-1.12	389,197	142,310,826	1.14	588,295,225	132,977,114	721,272,339	0.09
25-26	404,516,239	-9.22	211,734	175,245,966	23.14	579,973,939	114,354,167	694,328,106	-3.74
26-27	404,122,975	-0.10	247,486	138,049,689	-21.23	542,420,150	115,045,478	657,465,628	-5.31

Estimated Impact to Homeowners

	2026 Tax Rate $100,000 home with NO increase in AV	2025 Tax Rate $100,000 home with NO increase in AV	Increase
Market Value of the Home	$100,000	$100,000	$0
Assessed Valuation of the Home at 19%	$19,000	$19,000	$0
AV Divided by 100	$190.00	$190.00	$0
Operating Tax Rate	$5.3517	$5.0517	$0.30
Property Tax	$1,016.82	$959.82	$57.00

Missouri law generally allows the District to collect about the same property-tax revenue as the prior year, plus revenue from new construction and a limited adjustment for inflation. That inflation adjustment is capped at the lower of 5% or the Consumer Price Index (CPI). As a result, when property values decrease, the tax rate may increase without providing the District with a large increase in revenue.

How HMC1's Tax Base Compares



Assessed valuation, or AV, represents the taxable value of real and personal property located within each school district.

At 100% collection, one penny of levy generates approximately $65,700 for Hickman Mills, compared with approximately $68,100 for Center.

A district with a larger AV generates more revenue from the same tax rate. For example, one levy penny generates approximately $97,300 in Raytown and $153,600 in Independence.

The amount of revenue a district receives depends on both its tax rate and the size of its tax base.

Proposed Tax Levy Rate for 2026

Proposed Tax Levy Breakdown:

General (Incidental) Fund	$5.3517
Teacher (Special) Fund	$0.0000
Capital Projects Fund	$0.0000
Total Operating Levy	$5.3517
Debt Service Fund	$0.8000
Total Tax Levy	$6.1517

Questions?

Recommendation

The Superintendent recommends approval of the District's 2026-2027 Tax Levy in the amount of $6.1517; General Levy in the amount of $5.3517 and the Debt Service Levy in the amount of $0.8000.