

F. CAPITAL PROJECTS TOTAL ANNUAL TAX EFFECTS

The following table #8 estimates the total annual change in the tax rate resulting from all capital projects in each year from 2019 through 2024. The table is based on the actual tax rate in 2018 of \$10.11. For 2018, \$22,362 (approximately) in taxes spent on capital projects will cause the tax rate to rise 1¢ per year per \$1,000 of property value. The estimated annual changes in the tax rate for the period 2019-2024 on Table 8 below are based on many assumptions, including:

1. All projects will be requested;
2. All projects will be approved;
3. All projects will occur in the year(s) scheduled;
4. Estimated project costs are reasonably accurate;
5. The projects are funded by taxes; and
6. An estimate of \$22,362 in project costs will continue to equate to 1 ¢ in the tax rate.
7. The tax base does not change.

**TABLE 8
ANNUAL TAX EFFECTS OF RYE TOWN AND RYE SCHOOL CAPITAL PROJECTS**

| <u>Year</u> | <u>Total Project Costs</u> | <u>Divided by</u> | <u>= Tax Rate Affect in cents per thousand for one year only</u> | <u>Comments</u> <u>Tax increase expires at year's end</u> |
|-------------|----------------------------|-------------------|--|---|
| 2019 | \$2,085,953* | \$22,362. | 93c | Culvert, roads, fire equipment, salt shed |
| 2020 | \$1,195,162 | \$22,362. | 53c | Culvert, roads, fire equipment, fire truck lease |
| 2021 | \$1,514,134 | \$22,362. | 68c | Culvert, roads, fire equipment, fire truck lease Conservation bond year 1 |
| 2022 | \$1,530,568 | \$22,362. | 68c | Culvert, roads, fire equipment, fire truck lease Conservation bond year 2 |
| 2023 | \$1,497,203 | \$22,362. | 67c | Culvert, roads, fire equipment, fire truck lease Conservation bond year 3 |
| 2024 | \$1,630,237 | \$22,362. | 73c | Culvert, roads, fire equipment, fire truck lease Conservation bond year 4 |

*Will be partially funded

by Capital Reserve

Key Information for CIP:

Determination of the 2018 Town-Wide Property Tax Rate

Rye Property taxes divided by total town property in thousands equal the tax rate

- $\$22,608,868 \div 22,362 \text{ thousands} = \$10.11 \text{ per } \$1,000 \text{ property value.}$
- $\$22,608,868 \div 1,011 \text{ cents} = \$22362 \text{ raises tax rate one cent (1¢) per } \$1,000 \text{ property value.}$

Notes:

1. A tax rate increase caused by capital projects is **not** carried over from year to year.
 2. All amounts for all periods are shown in current dollars. No estimated inflation has been added.
 3. Some project costs are offset by revenue, for example the Water District, Rye Beach District, Cemetery, Sewer and Rye Recreation.
 4. Determination of the 2018 town-wide property tax rate:
 - Rye property taxes ÷ by total town property in thousands = tax rate
 5. Determination of 2018 tax amount = to one cent (1 ¢) in property tax rate.
 - Rye property taxes ÷ tax rate in cents = about \$22,362.
 - \$22,608,868 ÷ 10.11 cents = \$22362 raises tax rate one cent (1¢) per \$1,000 property value.
- **Utilities do not pay school tax.

