

**SUBJECT:** Sanitary District Fee Update for Homeowners

**TO:** All homeowners

**FROM:** HKOAI Board of Directors

Dear High Knob homeowners,

## **WHAT**

As a homeowner on High Knob, you may be aware that your Sanitary District fee for Warren County is based on a flat rate for both improved and unimproved lots. For FY 24-25 (which covers the current year, July 2024-June 2025), the Sanitary District tax is \$1,000 per improved lot and \$620 per unimproved lot.

The Warren County Treasurer notified the HKOAI Board of Directors that the maximum Sanitary District fee for improved or unimproved lots is capped at \$999.99 due to a limitation with Warren County's budgeting software, which constrains the tax rate to no more than 5 digits long. The Warren County Treasurer indicated that the Board of Supervisors had no interest in upgrading their software to address the limitation.

## **SO WHAT**

As the cost of materials and labor steadily increases from year-to-year, the artificial cap on the Sanitary District fee will make it increasingly difficult for the HKOAI Board of Directors to provide critical services, maintain High Knob's infrastructure, fund and retain staffing, and cover other important budgetary items. Further, a shrinking budget also guarantees that large, multi-year capital investment projects, which require building a cash reserve for emergencies, cannot be funded.

In the next fiscal year (July 2025-June 2026), for example, HKOAI would be short an estimated \$55,521 in revenue (based on the previously planned flat rate of \$1,100 per improved lot).

## **NOW WHAT**

The Warren County Treasurer has recommended that High Knob shift away from a flat tax rate and adopt an assessed property value rate for improved lots. This approach aligns with the tax rate of other Sanitary Districts in Warren County and gives the HKOAI Board of Directors greater flexibility to ensure critical expenses can be covered each year.

After discussing the matter in depth with County officials in the Treasurer and Revenue offices, the HKOAI Board of Directors has agreed with the County and will be formally proposing a move to an assessed value tax rate for improved lots only. As a result, for the next fiscal year (July 2025-June 2026), Warren County will collect property taxes based on 0.3% of the assessed value for improved lots. The tax rate for unimproved lots will remain at a flat rate of \$620 per unimproved lot.

## WHAT THIS MEANS FOR YOU

The total amount that Warren County will assess each High Knob homeowner will change as a result of moving to an assessed value tax model. Based on current assessed values for improved lots, for the next fiscal year (July 2025-June 2026), approximately 48% of High Knob homeowners will see an increase, while 52% will see a decrease in their Sanitary District fee.

To determine your Sanitary District fee, please follow these steps:

1. Go to the Warren County GIS website: <https://www.warrencgis.org/>
2. Search for your property's address
3. Scroll down to the "Valuation & Sales" section and find the "Total Value" of your property (Total Value includes both Land and Improvements)
4. If the lot is improved, take the "Total Value" and multiply it by 0.3% to get the assessed tax rate for the year

Some practical examples:

| Lot Type | Assessed Total Value | Tax Rate | Sanitary District Fee |
|----------|----------------------|----------|-----------------------|
| Improved | \$300,000            | 0.3%     | \$900/year            |
| Improved | \$500,000            | 0.3%     | \$1,500/year          |

The HKOAI Board of Directors welcomes any questions or concerns from homeowners on this decision to move to an assessed rate.

Thank you,

HKOAI Board of Directors