DIVISION 198
SPECIAL DISTRICTS

150-198.955(3)(a)

Assets of Dissolved Districts

Surplus funds of the dissolved district shall be treated as an offset.

The offsets shall be apportioned between the districts who share territory with the dissolved district in the following manner.

(1) The assessor shall use the value used to compute taxes for the current year to do this calculation. Only the value in code areas which both districts share shall be used in this calculation.

(2) The assessor shall list individually the value of each district within the shared territory of the dissolved district.

(3) The assessor shall establish a multiplier for each district in the following manner. Divide the shared value of each district within the dissolved district's territory by the total shared value of all of the districts established in (2). The sum of the multipliers of the districts for this step shall equal 1.00.

(4) The assessor shall multiply the total offset available for apportionment by the individual district multiplier. This will yield the offset for each district. The total offsets for all districts must equal the total available for offset.

(5) The assessor shall divide the apportioned offset for the district by the shared value used to compute taxes for the district in order to determine the offset rate for each of those districts whose total territory lies within the boundaries of the dissolved district.

(6) The assessor shall subtract the offset rate from the district general operating tax rate in the same manner as all other offsets rates. For those taxing districts that have territory both within and outside of the boundaries of the dissolved district, the tax rate shall be adjusted for the offset **only in code areas** that are shared with the dissolved district.

Example: Dissolved district provides $16,000 to the county.

Step 1: In this example the county deducts $6,000 for actual administrative expenses. This leaves $10,000 as the total offset amount.

Step 2: Calculate the values for the taxing districts within the boundaries of the dissolved district and calculate the multiplier.

District	Total District Value	Code Area 1	Code Area 2	Code Area 3	District Shared Total Value	District Multiplier (District Total divided by Grand Total)
County	$90,000,000	$2,500,000	$5,000,000	$2,500,000	$10,000,000	$ .40
School 1	43,550,000	2,500,000	5,000,000	0	7,500,000	.30
School 2	22,500,000	0	0	2,500,000	2,500,000	.10
City	5,000,000	0	5,000,000	0	5,000,000	.20
Grand Total	$161,050,000				$25,000,000	$1.00

Step 3: Multiply the total offset available by the multiplier for each district.

District	Total Offset Available	Individual District Multiplier	Offset Amount to Each District
County		.40	$4,000
School 1		.30	3,000
School 2		.10	1,000
City		.20	2,000
Total	$10,000	1.00	$10,000

Step 4: Divide the offset amount by the district's taxable value within the shared territory; subtract this rate from the district's operating rate in those code areas where there is shared territory with the dissolved district.

District	Taxable Value	Offset Amount	Offset Rate	District Operating Rate (Before Offset)	Billing Rate (in Code Areas where there is shared territory)
County	$10,000,000	$4,000	.4000	3.95	3.55
School 1	7,500,000	3,000	.4000	5.00	4.60
School 2	2,500,000	1,000	.4000	5.00	4.60
City	5,000,000	2,000	.4000	6.00	5.60