

Annual Cost of a Special Assessment District (SAD) to Property Owners in HLC

The Township's **initial** asking price for all of the property they own in HLC was \$72,670, **which is still in negotiation**. They could arrange payment via a special assessment property tax millage for the residents of Horseshoe Lake Corporation, to occur over a period of time up to 25 years, **which is also still in negotiation**. To provide context for what that may cost a resident of HLC, here are some calculations and tables.

The Tax Base in all of HLC is \$24,457,726 as of 2/22/2022. A 1 mill tax in all of HLC would raise \$24,457.73 in one year using these numbers. This means, to pay the Townships asking cost of \$72,670 it would take about 3 mills total (3x \$24,457.73 = \$73,373.19). Extending the assessment term reduces the annual millage rate. Divide the 3 mill rate by the number of years to find the annual millage rate.

Taxable Value	Millage Rate	Tax Dollar Yield	Years	Tax Dollar Yield
24,457,726	x 3.0000	= \$73,373.18	1	\$73,373.18
24,457,726	x 0.5000	= \$12,228.86	6	\$73,373.18
24,457,726	x 0.3000	= \$7,337.32	10	\$73,373.18
24,457,726	x 0.2500	= \$6,114.43	12	\$73,373.18
24,457,726	x 0.1250	= \$3,057.22	24	\$73,373.18

What does raising 3 mills in taxes mean to a property owner, given various lengths of assessment time?

Cost in taxes per year:

	Millage Rate	Term	Taxable Value of Your Property		
			\$100,000	\$200,000	\$300,000
			Annual Special Assessment Tax		
3.0000	Mills	1 yr	\$300.00	\$600.00	\$900.00
0.5000	Mills	6 yrs	\$50.00	\$100.00	\$150.00
0.3000	Mills	10 yrs	\$30.00	\$60.00	\$90.00
0.2500	Mills	12 yrs	\$25.00	\$50.00	\$75.00
0.1250	Mills	24 yrs	\$12.50	\$25.00	\$37.50

- 1.) The relationship is linear meaning, if we are able to cut the townships price in half, the cost per year goes down by half.
- 2.) As the taxable value of the properties within HLC increase, the length of time the millage is assessed will decrease.