

## **Tax Billing FAQ**

### **What's included in a tax bill?**

Property owners in Warren County have paid one tax bill for decades. That single bill is actually three separate tax bills rolled into one – municipal taxes, county taxes and school district taxes.

### **So what are you actually proposing to change?**

Instead of one combined bill, the bills for municipal and county taxes will now be split from the school district portion of the bill.

### **When will I receive my county and municipal tax bill?**

These tax bills will be sent to property owners in March. Conversations are ongoing to establish additional office hours with each municipality's tax collector.

### **When will I receive my school district tax bill?**

These tax bills will be sent to property owners in August.

### **How do other counties handle tax bills?**

We've learned that Warren County is the last of the state's 67 counties that sent out combined tax bills.

### **Why is the county taking this step? What problem will this help solve?**

The county operates on a Jan.-Dec. fiscal year while the school district's fiscal year runs from July through June. The county's 2024 property tax revenue did not start coming in until September, nine months into the fiscal year. That presents budgeting and cashflow challenges until it's known, not until October or November, with just a month or two remaining in the fiscal year, whether the revenue for the year will match what was projected before the year started. Under this new model, revenue will come in much earlier in the year, allowing for more accurate financial planning.

### **What is a tax anticipation note and how does it work?**

Think of a tax anticipation note, or TAN, as a temporary loan. A lending institution agrees to provide the county access to a certain amount of money to cover expenses before tax revenue comes in. The bank makes its money by charging interest on that loan. With the acceleration of interest rates in recent years, utilizing a TAN has become an increasingly more expensive proposition.

### **Will the county no longer need a tax anticipation note?**

We're not sure. That won't be clear until at least 2026 as we gain an understanding regarding how this change will impact the county's financial planning. If a TAN is needed in future years, we believe this tax billing change will allow for a reduction in the amount needed to borrow. With a complete picture of fiscal year revenues by June rather than October, we're confident we can more effectively contain expenses in the latter part of the year and potentially reduce the level of borrowing.

**Has the county implemented any changes to reign in expenses?**

Yes. The county's 2025 budget includes a change in pharmacy benefit managers expected to generate \$150,000 in savings while a change in brokers and stop loss providers will see an additional \$300,000 in savings.

**I pay my taxes via an escrow with my mortgage. Will I have to do anything to accommodate this change?**

Property owner should contact their mortgage company to make sure they are aware of the change. Tax collection officials have been in contact with mortgage companies to notify them of the change but there are many smaller mortgage companies that might remain unaware. We recommend the taxpayer reach out to their mortgage holder and have that discussion.

**What will the dates be for me to pay county/municipal taxes at discount, par and penalty?**

The discount window will run from March 1 through April 30 to be followed by "par" from May 1 through June 30 and then "penalty" from July 1 through Dec. 31.

**What will the dates be for me to pay school district taxes at discount, par and penalty?**

These windows will change slightly as a result of this change. Discount will be in August and September. Taxes paid during October and November will be at par while the penalty phase will run from Nov. 1 through Dec. 31.

**What happens if I don't pay my taxes by Dec. 31?**

Dec. 31 will be the last day to pay with your municipal tax collector. After that date, all unpaid taxes will be returned to the Tax Claim Bureau at the Warren County Courthouse by the tax collector. Those tax bills will then be assessed a \$15 fee for each bill returned (up to \$45) and be payable on February 1.

**Do municipal officials support this decision?**

This change was discussed with municipal leaders at a recent Warren County Council of Governments meeting and no concerns were raised.