



MEXICO – September 2021

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Mexico property tax rates set

Mexico's City Council on Monday unanimously approved the property tax rate for the upcoming year and the decision came with good news for both city funds and local taxpayers.

"The actual rate will be going down," explained city manager Bruce Slagle.

In 2020 the city's property taxes were fixed at a fraction over 74 cents per \$100 in assessed value. For 2021 that figure will drop to just below .7392, a decrease of approximately one-third of a cent.

Meanwhile the city's tax levy increased from \$155 million a year ago to \$158.7 million in 2021. That gives Mexico a revenue allocation of \$1,173,476 for the 2021-22 fiscal year.

The assessed valuation of real estate within city limits accounts for much of the increase. The city added \$2.8 million for a total real estate valuation of \$105.8 million in 2021. The assessed value of railroads and utilities jumped from \$11.1 million in 2020 to \$12.8 million for the current tax year.

The assessment of personal goods dropped slightly. Almost \$40.9 million a year ago, the amount fell to \$40.1 million.

Slagle points out that the state Auditor's office calculates property tax rates on a revenue neutral basis.

Property taxes feed the city's general fund as well as Parks and Recreation and public health. Broken down, the general fund accounts for 44 cents per \$100 of assessed value. The parks department receives just under 10 cents, with almost 20 cents per \$100 directed toward public health.

The rates are calculated by dividing the amount of gross revenue needed to meet budget requirements by the current assessed valuation. That figure is then multiplied by 100.

Mayor Chris Miller says that residents often consider property taxes as the most significant source of funds for the city's budget. But that is not the case.

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"Property tax is a small portion of the total budget," he said.

The council held a public hearing regarding the tax rate before taking up their regular agenda at the Aug. 23 meeting. No members of the public took issue with the figures.

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