FOSTER TOWNSHIP

Understanding the Proposed 2027 Real Estate Tax Increase

A Message from the Board of Supervisors

The Foster Township Board of Supervisors is reviewing the 2027 budget and considering an adjustment to the municipal real estate tax millage. We recognize that residents face rising household costs. The Township is also experiencing increasing costs for fuel, employee healthcare, road salt, vehicle repairs, equipment maintenance, utilities, and other essential operations.

What Is Being Proposed?

The current Township real estate tax rate is **1.00 mill**. The Board is evaluating a **10% increase to 1.10 mills** and a **15% increase to 1.15 mills**. The increases would be distributed proportionally among the General Fund, Fire Fund, and Road Machinery Fund. The 10% option would generate approximately **$24,903** in additional annual taxes billed; the 15% option approximately **$37,355**. Actual collections may be lower.

What Would This Cost Property Owners?

The amount depends on a property's **taxable assessed value, not market value**. The following examples show the additional annual Township real estate tax:

Taxable Assessed Value	10% Increase / Year	15% Increase / Year
$25,000	$2.50	$3.75
$50,000	$5.00	$7.50
$75,000	$7.50	$11.25
$100,000	$10.00	$15.00
$150,000	$15.00	$22.50

Important: This increase applies only to Foster Township's municipal real estate tax, not the entire property tax bill. It does not include county, school district, or separately billed street lighting taxes.

Why Is an Increase Being Considered?

Street lighting is one example of the financial pressures facing the Township. Foster Township bills approximately **$18,407** annually in street lighting taxes, but approximately **$3,000** remains uncollected each year. Estimated collections are therefore about **$15,407**, while annual street lighting costs exceed **$25,000**. This creates a minimum estimated annual shortfall of **$9,592** that must be covered by other available Township revenue. **The Board is not proposing to increase the separately billed street lighting tax at this time.**

Where Would the Additional Revenue Go?

General Fund: General municipal operations, including authorized road-related operations, utilities, employee costs, and other services.
Fire Fund: Authorized fire protection purposes.
Road Machinery Fund: Authorized road equipment and machinery expenses.
The proposal would adjust existing tax rates, not create a new tax category.

Our Commitment to Residents

The Board understands that Township funds come from the property owners we serve. Any increase must be evaluated against actual expenses, expected collections, and financial obligations. Our goal is to maintain essential services, address funding shortfalls, and plan responsibly while limiting the impact on residents. **No final decision has been made** regarding the proposed increase. The Board will continue reviewing the 2027 budget before adopting final millage.

Foster Township Board of Supervisors
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