



Truth in Taxation Presentation

December 9, 2019

for Taxes Payable in 2020

# Truth in Taxation Law

- State law initially approved in 1988
- Amended in 2009
- Requirements
  - Counties must send out “proposed property tax statements” between November 11-24, based on preliminary tax levies set by all taxing jurisdictions (counties, cities, townships, school districts, etc.)
  - Taxing jurisdictions must present information on proposed levy and current year budget
    - Discuss percentage change and reasons for change- **Total 2019 levy will increase by \$4,386,253 (28.76%)**
  - Allow for comments from audience at a regularly scheduled meeting

# School Levy vs. Budget Cycle

Unlike cities and counties, a school district does not set its budget when setting the tax levy

- **Property Tax Levy**

- Final levy set in December
- Property taxes levied on a calendar year basis

- **Budget**

- Final budget approved in June, 6 months later
- School fiscal year is July 1 through June 30
- Mid-year budget revision to be completed in January

# Tax Levy – Budget Relationship

- Tax levy is based on many state-determined formulas
- Some changes in tax levies are revenue neutral, offset by reductions or increases in state aid
- Expenditure budget is limited by state-set revenue formulas, voter-approved levies, available fund balance, and program needs, not just by tax levies
- Because approval of the budget lags behind certification of the tax levy by six months, only current year budget information and prior year actual financial results will be presented at this hearing

# Budget Information

- All school district budgets are divided into separate funds, based on purposes of revenue, as required by law
- For our district, 8 active funds:
  1. General fund (includes former transportation and capital expenditure funds)
  2. Food Service fund
  3. Community Service fund
  4. Building Construction fund
  5. Debt Service fund
  6. OPEB Debt Service fund
  7. HRA Trust fund
  8. OPEB Trust fund

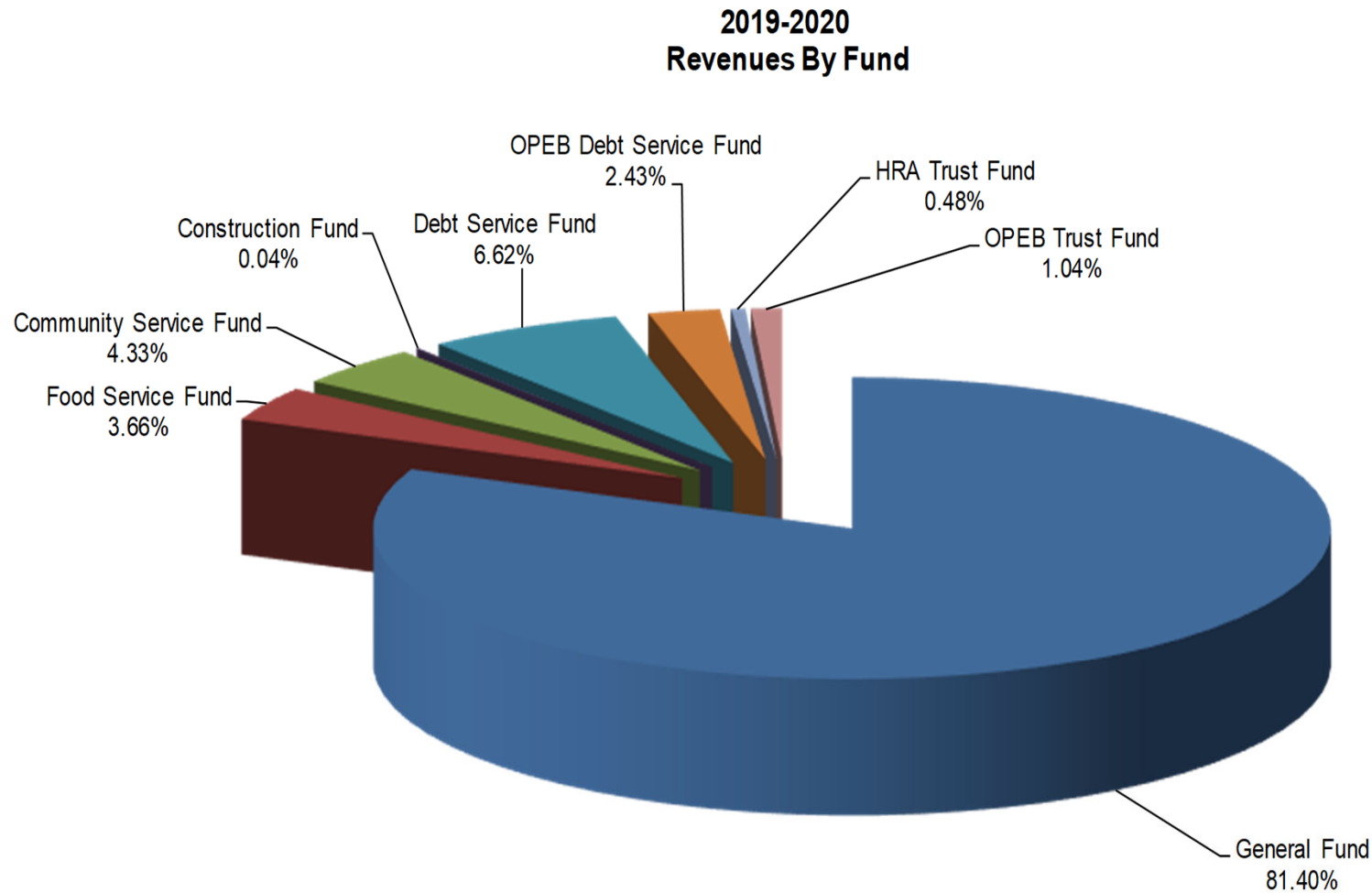
# 2019-20 Revenues by Fund

## ISD 877 BUFFALO-HANOVER-MONTROSE 2019-2020 BUDGET

### ALL FUNDS - REVENUE SUMMARY

	2016-17 Actual	2017-18 Actual	2018-19 Revised Budget	2018-19 Actual	2019-20
General Fund	\$62,463,044	\$64,371,662	\$67,535,225	\$67,537,743	\$68,524,710
Food Service Fund	\$3,160,304	\$2,992,989	\$2,965,264	\$3,060,614	\$3,085,335
Community Service Fund	\$3,830,995	\$3,719,932	\$3,668,587	\$3,687,297	\$3,649,299
Construction Fund	\$513,219	\$75,661	\$119,592	\$190,174	\$30,525
Debt Service Fund	\$6,312,971	\$12,495,625	\$5,502,310	\$5,505,781	\$5,572,141
OPEB Debt Service Fund	\$10,978,150	\$983,849	\$2,079,943	\$2,085,059	\$2,045,515
HRA Trust Fund	\$277,568	\$284,950	\$407,123	\$240,087	\$402,548
OPEB Trust Fund	\$1,228,814	\$1,280,247	\$710,003	\$1,168,781	\$877,423
<b>Total</b>	<b>\$88,765,064</b>	<b>\$86,204,916</b>	<b>\$82,988,047</b>	<b>\$83,475,536</b>	<b>\$84,187,496</b>

# 2019-20 Revenues by Fund



# 2019-20 Expenditures By Fund

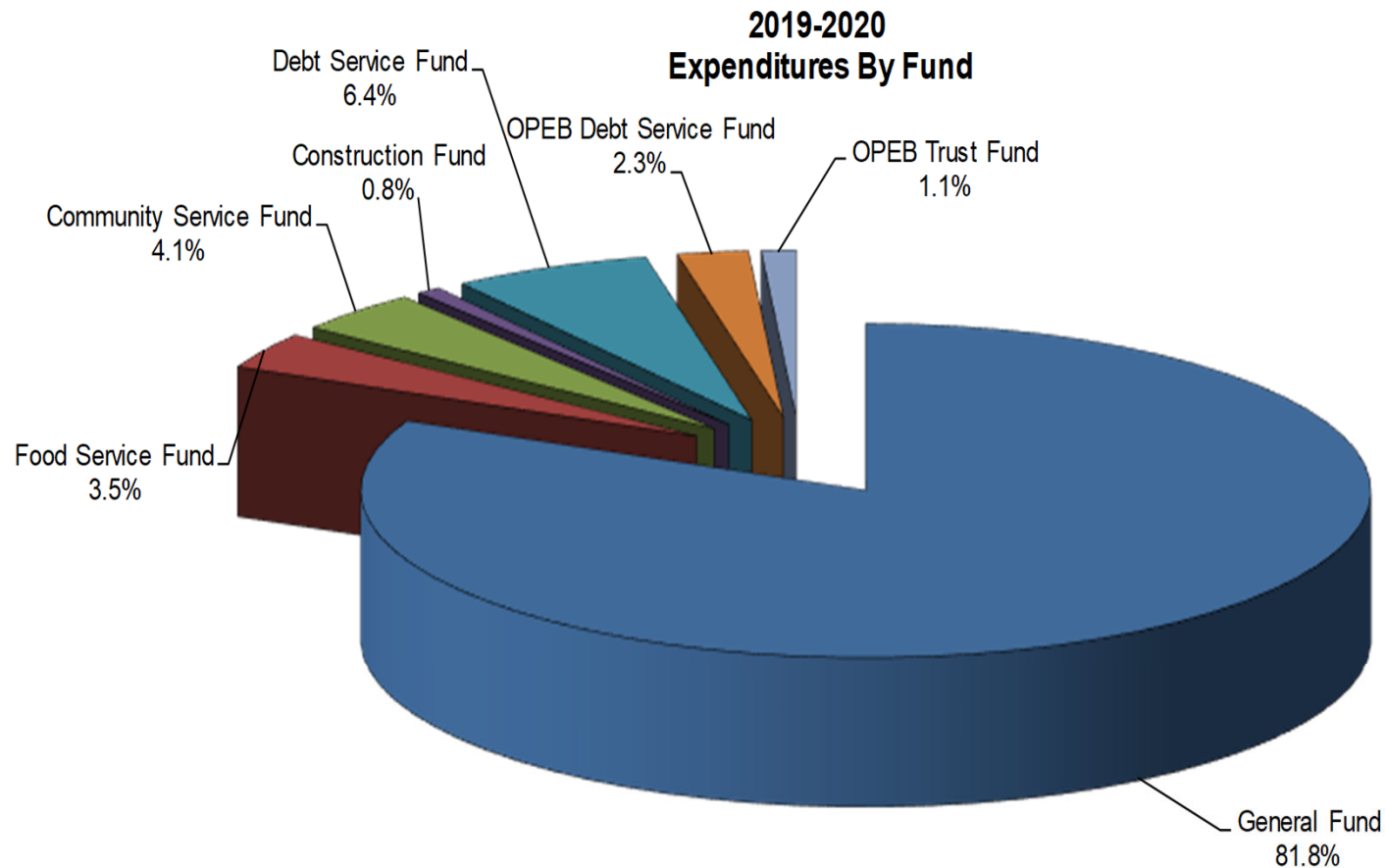
## ISD 877 BUFFALO-HANOVER-MONTROSE 2019-2020 BUDGET

### ALL FUNDS - EXPENDITURE SUMMARY

	2016-17 Actual	2017-18 Actual	2018-19 Revised Budget	2018-19 Actual	2019-20
General Fund	\$62,048,814	\$65,672,888	\$70,138,465	\$68,940,964	\$71,522,695
Food Service Fund	\$2,860,198	\$3,078,907	\$3,021,828	\$2,910,458	\$3,085,180
Community Service Fund	\$3,955,605	\$3,679,357	\$3,577,702	\$3,444,578	\$3,593,153
Construction Fund	\$12,710,713	\$4,213,641	\$1,470,662	\$1,281,799	\$682,155
Debt Service Fund	\$6,539,923	\$6,601,799	\$11,644,207	\$11,644,271	\$5,570,498
OPEB Debt Service Fund	\$10,915,122	\$1,229,766	\$1,971,835	\$1,971,835	\$1,986,235
OPEB Trust Fund	\$1,010,879	\$1,168,134	\$1,100,930	\$1,119,312	\$966,672
<b>Total</b>	<b>\$100,041,252</b>	<b>\$85,644,492</b>	<b>\$92,925,629</b>	<b>\$91,313,218</b>	<b>\$87,406,588</b>



# 2019-20 Expenditures By Fund



# Budget Information

- **General Fund Revenue Changes for 2019-20**

- \$126 increase to the General Education Aid formula (\$6,438 in total) which represents a 2% increase over the prior year
- Literacy Aid revenue
- 2.5% increase in special education revenue
- PreK-12 enrollment projection of 5,673 based on November 2018 projection
- Kindergarten projection assumes 99.5% of the students will attend the full day program
- \$189.13 board approved operating levy referendums.
- Integration and Achievement Revenue
- OPEB contributions continue in 2019-20
- Includes Alternative Teacher Development program (QComp/PPD)
- Full implementation of the Long-Term Facilities Maintenance Program

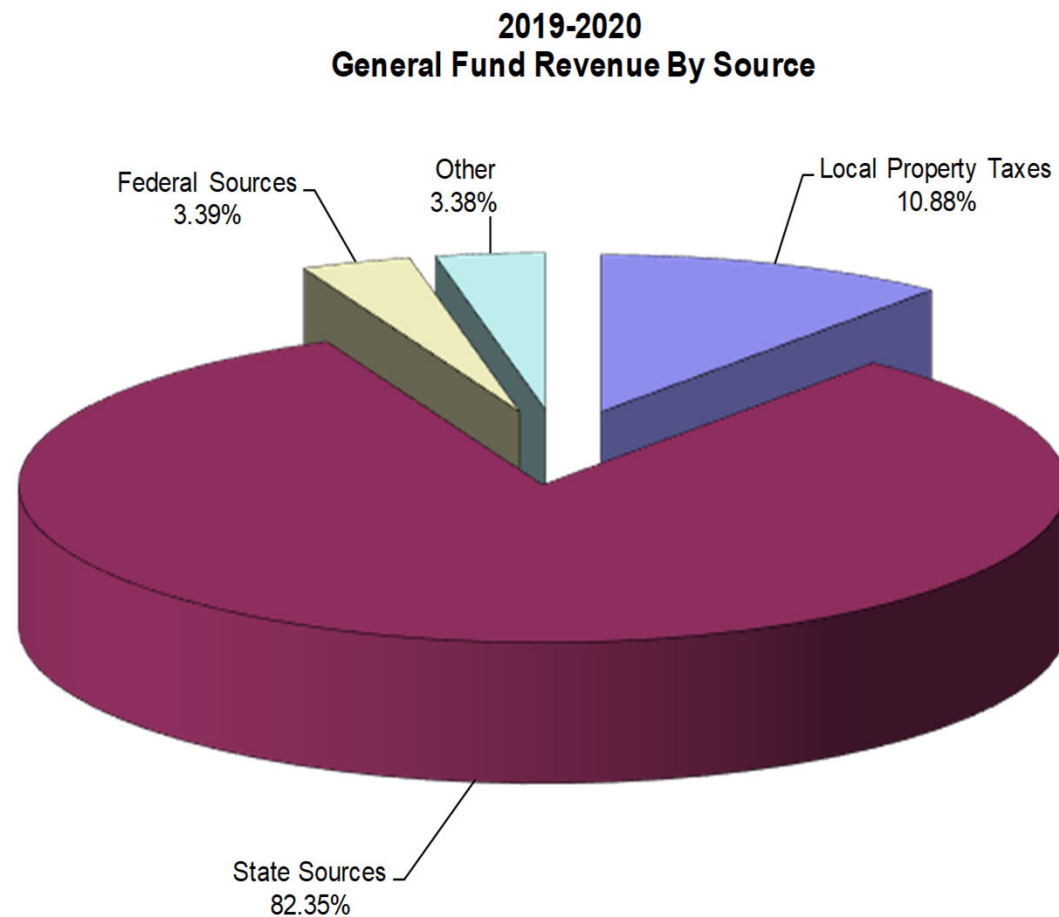
# 2019-20 General Fund Revenue Summary

## ISD 877 BUFFALO-HANOVER-MONTROSE 2019-2020 BUDGET

### GENERAL FUND 01 - REVENUE SUMMARY BY SOURCE

	2016-17 Actual	2017-18 Actual	2018-19 Revised Budget	2018-19 Actual	2019-20
Local Property Taxes	\$6,083,981	\$6,528,647	\$7,068,705	\$7,016,659	\$7,457,205
State Sources	\$52,807,290	\$54,339,704	\$56,020,570	\$56,485,820	\$56,431,359
Federal Sources	\$1,445,879	\$1,599,381	\$2,482,865	\$1,809,493	\$2,322,773
Other	\$2,125,893	\$1,903,930	\$1,963,085	\$2,225,772	\$2,313,373
<b>Total</b>	<b>\$62,463,044</b>	<b>\$64,371,662</b>	<b>\$67,535,225</b>	<b>\$67,537,743</b>	<b>\$68,524,710</b>

# 2019-20 General Fund Revenue Summary



# Budget Information

- **General Fund Expenditure Changes for 2019-20**

- Superintendent Contingency at 2.95 FTE to address staffing issues
- Continuation of 6.0 FTE for Class Size Reduction-includes Marketing budget and social workers
- Continuation of 6.0 FTE addition for Location Equity Revenue funding
- Salary and benefit changes based on settlements in place and market conditions for non-settled contracts
- Non-Salary, Non-Benefits Costs are estimated to increase at 0-5%
- Continued cost containment initiatives such as joint purchasing agreements, energy use reduction, paper reduction, insurance contracts, and other operational efficiencies
- QComp (PPD) continues for 2019-20 assuming matching revenues and expenditures
- \$400,000 of fund balance assigned for technology to be spent in 2019-20
- Full implementation of the Long-Term Facilities Maintenance Program
- Budget modifications totaling \$1,505,000

# Budget Information

- **Budget Modifications for 2019-20**

- Teaching and Learning curriculum purchase reductions - \$150,000
- \$50 Transportation Waiver Credit program eliminated - \$ 24,000
- Hiring freeze- 5.0 FTE teachers not replaced throughout the district - \$ 325,000
- Postage- fewer mailings going out districtwide - \$ 6,000
- English Learner Teaching Position added- 1 FTE teaching position - \$65,000
- Tuition costs paid to other districts for student placements reduced - \$20,000
- Legal fees budget reduced - \$10,000
- Superintendent contingency budget reduced - \$50,000
- Supply budget reductions across all departments except Special Education - \$100,000
- Activity and gate fee increases - \$25,000
- Energy Management/Operations savings through temperature control changes and other cost containment efforts - \$55,000
- BHS clerical position reduction - \$25,000
- Reduce 10.0 FTE teaching positions to move back to Fiscal Year 2014-15 district determined class size ratios - \$650,000

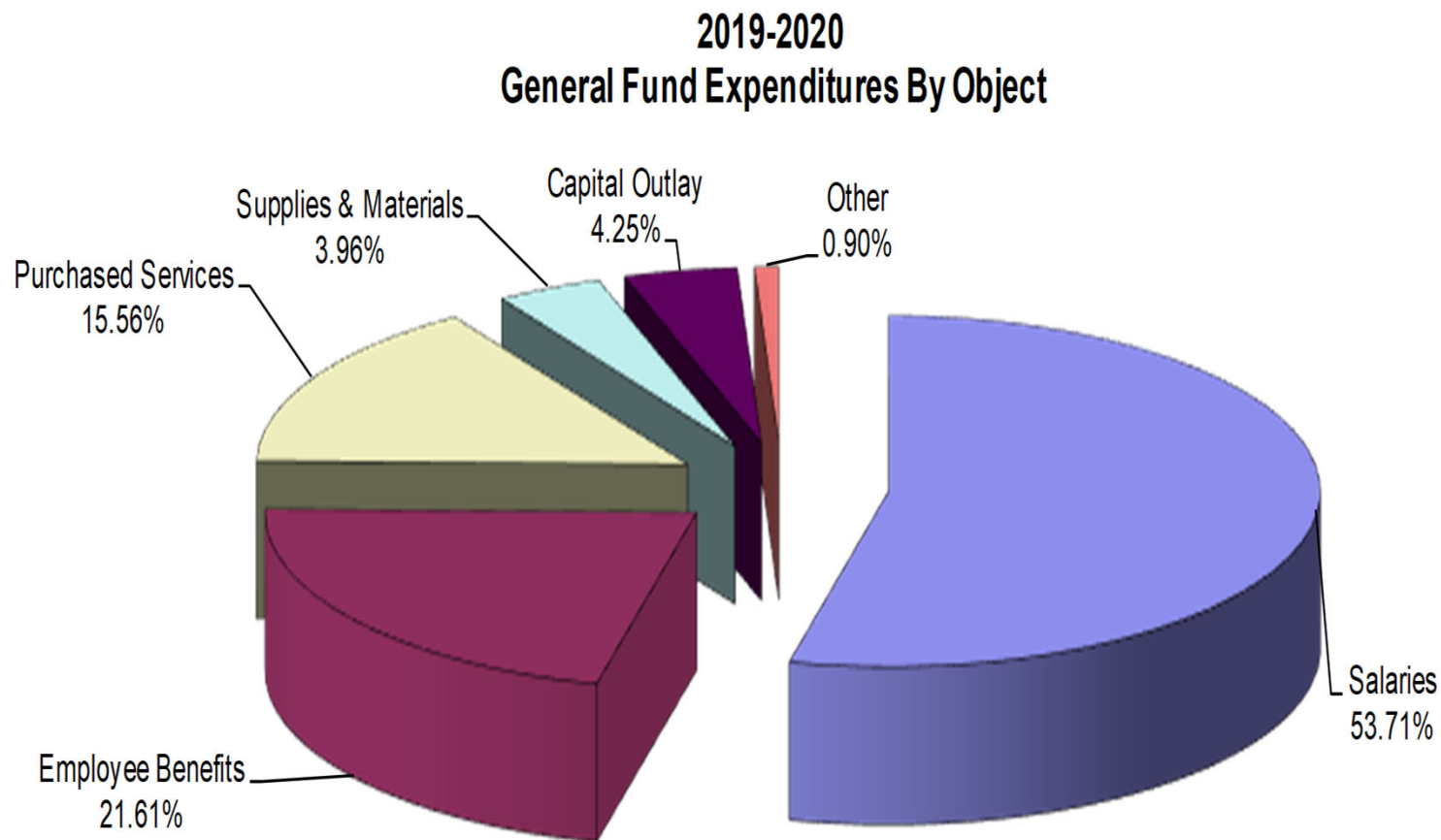
# 2019-20 General Fund Expenditure Summary

## ISD 877 BUFFALO-HANOVER-MONTROSE 2019-2020 BUDGET

### GENERAL FUND 01 - EXPENDITURE SUMMARY

	2016-17 Actual	2017-18 Actual	2018-19 Revised Budget	2018-19 Actual	2019-20
Salaries	\$35,692,543	\$36,416,491	\$37,981,420	\$37,638,672	\$38,415,466
Employee Benefits	\$12,367,674	\$13,652,227	\$14,584,538	\$14,326,980	\$15,458,954
Purchased Services	\$9,670,814	\$10,292,283	\$10,997,756	\$10,272,057	\$11,131,871
Supplies & Materials	\$2,222,604	\$2,622,893	\$3,463,850	\$3,254,715	\$2,832,492
Capital Outlay	\$1,453,988	\$2,086,909	\$2,445,719	\$2,780,454	\$3,039,095
Other	\$641,190	\$602,085	\$665,182	\$668,087	644,817.00
<b>Total</b>	<b>\$62,048,814</b>	<b>\$65,672,888</b>	<b>\$70,138,465</b>	<b>\$68,940,964</b>	<b>\$71,522,695</b>

# 2019-20 General Fund Expenditure Summary





# Overview of Proposed Levy Payable in 2020

- Law requires that we explain the major changes in the levy
  1. We will review how taxes are determined
  2. We will review the major changes in the levy total and the reasons for those changes
  3. We will look at some specific examples of tax impact
  4. We will review the Minnesota Property Tax Refund programs

# School Revenues and Taxes are Highly Regulated by the State

- **State sets** formulas which determine revenue; most revenue is based on specified amounts per pupil (Other local levies)
- **State sets** tax policy for local schools
- **State sets** maximum authorized property tax levy (districts can levy less but not more than amount authorized by state, unless approved by the voters)
- **State authorizes** school board to submit referendums for operating and capital needs to voters for approval (Voter approved levies)-Totals from November 2019 election not in the Truth in Taxation numbers but will be in final tax statements

## Minnesota School District Property Taxes- Key Steps and Participants in the Process

### A. Tax Determination and Preparation

**Step 1.** The **City or County Assessor** determines the estimated market value for each parcel of property in the county.

**Step 2.** The **Legislature** sets the formulas for tax capacity (e.g. for homestead residential property, tax capacity = 1% of first \$500,000 in value + 1.25% of value over \$500,000.) These formulas determine how much of the tax burden will fall on different types of property.

**Step 3.** The **County Auditor** calculates the tax capacity for each parcel of property in the county (based on values from step A.1. and tax capacity formulas from step A.2.), as well as the total tax capacity for each school district.

**Step 4.** The **County Auditor** divides the final levy (determined by the school board in step B.3. by the district's total tax capacity (determined in step A.3.) to determine the tax rate needed to raise the proper levy amount. The auditor multiplies this tax rate times each property's tax capacity to determine the school tax for that property.\*

### B. Levy Determination and Certification

**Step 1.** The **Legislature** sets the formulas which determine school district levy limits. These are the maximum amounts of taxes that school districts can levy in every category.

**Step 2.** The **Minnesota Department of Education** calculates detailed levy limits for each school district based on the formulas approved by the Legislature in step B.1. These limits tell districts the exact amounts that can be levied in every category.

**Step 3.** The **School Board** adopts a proposed levy in September based on the limits set in step B.1. and calculated in step B.2. After a public hearing, the board adopts a final levy in December. The final levy cannot be more than the preliminary levy, except for amounts approved by voters.

\*For certain levy categories (referendum, equity, and transition levies), tax rates and levy amounts are based on **referendum market value**, rather than **tax capacity**.

# Overview of Proposed Levy Payable in 2020

- Four main factors affect your taxes-(School portion only for this discussion)
  1. Levy total - Increased \$4,386,253 or 28.76%
  2. Total value of all property within the school district boundaries-(tax base)- Referendum Market Value and Net Tax Capacity **up** for the district- **County Assessor**
  3. Assessed value of your property (estimated and taxable market value)-**County Assessor**
  4. Market Value Exclusion- **State Legislature**
    - Reduces your taxable market value based on a state-determined formula
    - It is the reason why many statements show a difference between Estimated Market Value and Taxable Market Value

# School Levy Total-Truth in Taxation Notices-Prior to Operating Referendum Election

Buffalo-Hanover-Montrose School District #877			November 14, 2019		
Comparison of Proposed Tax Levy Payable in 2020 to Actual Levy Payable in 2019 by Fund-Truth in Taxation					
Using Final Levy Payable in 2019 as Base Year					
Category		2019	2020		
		Final	Final	Change from	Percent
		Levy	Levy	Prior Year	Change
	General Fund	\$ 7,360,502	\$ 7,905,940	\$ 545,438	7.41%
	Community Education	\$ 455,473	\$ 476,953	\$ 21,480	4.72%
	Debt Service	\$ 7,434,124	\$ 7,363,627	\$ (70,498)	-0.95%
	Total Certified Levy	\$ 15,250,100	\$ 15,746,520	\$ 496,420	3.26%

## School Levy Total-Final Levy with Operating Referendum Election

Buffalo-Hanover-Montrose School District #877			December 9, 2019		
Comparison of Final Proposed Tax Levy Payable in 2020 to Actual Levy Payable in 2019 by Fund					
Using Final Levy Payable in 2019 as Base Year					
Category		2019	2020		
		Final	Final	Change from	Percent
		Levy	Levy	Prior Year	Change
	General Fund	\$ 7,360,502	\$ 11,795,773.15	\$ 4,435,271	60.26%
	Community Education	\$ 455,473	\$ 476,953.26	\$ 21,480	4.72%
	Debt Service	\$ 7,434,124	\$ 7,363,626.77	\$ (70,498)	-0.95%
	Total Certified Levy	\$ 15,250,100	\$ 19,636,353.18	\$ 4,386,253	28.76%

# Explanation of Levy Changes- Payable 2020

General Fund	Amount of Change	Reason For Change		
Voter Approved Operating levy	\$ 3,788,511	Voter approved operating referendum levy		
RMV Adjustments	\$ 36,395	Prior year adjustments		
Equity Revenue and Transition Revenue	\$ (164,152)	Change in Levy % due to valuation increase, pupil units, and decrease due to approval of operating referendum		
Board Approved Referendum	\$ (537,080)	Authority moved to Local Option Revenue		
Local Option Revenue	\$ 1,144,417	Change in Levy % due to valuation increase,pupil units, and roll-in of Board approved authority		
Operating Capital	\$ 978	Change in Levy % due to valuation increase and pupil units		
Long-Term Facilities Maintenance Revenue	\$ 88,104	Change in Levy % due to valuation increase and pupil units		
Alternative Teacher Compensation (PPD)	\$ 25,456	Change in Levy % due to valuation increase and pupil units		
Integration	\$ 268	Change in Levy % due to valuation increase and pupil units		
Career Technical	\$ (8,096)	Change in Levy % due to valuation increase and pupil units		
General Fund Adjustments	\$ 38,350	Prior year adjustments		
Other	\$ 22,120	Change in levy % due to valuation increase or expenditure estimate		
<b>Total General Fund Levy</b>	<b>\$ 4,435,271</b>			

# Explanation of Levy Changes- Payable 2020

Community Education	Amount of Change	Reason For Change
CE Adjustments	\$ 21,004	Prior year adjustments
Other	\$ 476	Change in Levy % due to valuation increase and pupil units
<b>Total Community Education</b>	<b>\$ 21,480</b>	

Debt Service	Amount of Change	Reason For Change
Voter approved debt service principal, interest and 5% overlevy	\$ (9,712)	Planned debt service structure
Reduction for debt excess-All Categories	\$ (70,019)	Change in MDE allowable retention of 5% overlevy from prior year
Debt Service fund adjustments-all categories	\$ (4,836)	Tax abatement adjustments and change in LTFM levy
Debt Service-OPEB/Pension JOBZ Nonexempt	\$ 14,070	Planned debt service structure for OPEB bond issue
<b>Total Debt Service Levy</b>	<b>\$ (70,498)</b>	



# Property Value Changes- School District Portion

Buffalo-Hanover-Montrose School District #877			12/9/2019
Estimated Valuations used in Tax Calculations for Final Proposed Pay 2020 Levy			
Combined Values for Hennepin and Wright County			
Category	Pay 2019 Final	Pay 2020 Final	Net Change
Referendum Market Value*	\$ 3,154,239,325	\$ 3,393,337,800	\$ 239,098,475
Net % Change in Value			7.58%
Net Tax Capacity*	\$ 36,028,835	\$ 38,322,963	\$ 2,294,128
Net % Change in Value			6.37%
*All values for taxes payable in 2020 are estimates from Hennepin and Wright County			

# Property Value Changes- Tax Rate Calculations

<b>Buffalo-Hanover-Montrose School District #877</b>		
<b>Analysis of Impact of Proposed 2020 Tax Levy and Rates</b>		
<b>Using Final Levy Payable in 2019 as Base Year</b>		
<b>Split of Taxes into Voter Approved and Other Local Levies</b>		
<b>Tax Rate Calculations Used for Truth in Taxation Notices</b>	<b>2019</b>	<b>2020</b>
	<b>Final Levy</b>	<b>Final Levy</b>
Voter Approved Levy		
Referendum Market Value Tax Rate	0.01114%	0.00036%
Net Tax Capacity Tax Rate	14.5172%	13.4187%
Other Local Levies		
Referendum Market Value Tax Rate	0.11646%	0.12912%
Net Tax Capacity Tax Rate	16.2264%	15.6493%
Totals		
Total Referendum Market Value Tax Rate	0.12760%	0.12947%
Total Net Tax Capacity Tax Rate	30.7436%	29.0680%

# Property Value Changes- Tax Rate Calculations

<b>Buffalo-Hanover-Montrose School District #877</b>		
<b>Analysis of Impact of Proposed 2020 Tax Levy and Rates</b>		
<b>Using Final Levy Payable in 2019 as Base Year</b>		
<b>Split of Taxes into Voter Approved and Other Local Levies</b>		
<b>Tax Rate Calculations Used for Final Tax Rates</b>	<b>2019 Final Levy</b>	<b>2020 Final Levy</b>
Voter Approved Levy		
Referendum Market Value Tax Rate	0.01114%	0.12115%
Net Tax Capacity Tax Rate	14.5172%	13.4187%
Other Local Levies		
Referendum Market Value Tax Rate	0.11646%	0.12296%
Net Tax Capacity Tax Rate	16.2264%	15.6493%
Totals		
Total Referendum Market Value Tax Rate	0.12760%	0.24411%
Total Net Tax Capacity Tax Rate	30.7436%	29.0680%

# Market Value Exclusion Review

- Specifics
  - Applies to residential homestead property only
  - Eliminates the homestead market value credit
  - Declines to \$0 at property value of \$413,800
  - Reduces the Taxable Market Value of your property on a sliding scale in relationship to \$76,000 of value
    - Excludes 40% of the value up to \$76,000
    - Adds back 9% of the value over \$76,000
- Effects on property values
  - Artificially reduces your taxable market value
    - The exclusion is the difference between your Estimated Market Value for 2020 and your Taxable Market Value for 2020 as shown on your tax statement
  - Artificially reduces the net tax capacity of the school district causing a higher tax rate
- Effects on taxes
  - Shifted state paid credits onto local levies
  - Created a greater net tax capacity tax rate
  - Shifted tax burden among the different property classes
  - Pay 2020 is the ninth year of the program

# Impact on Taxpayers- School Portion Only

<b>Buffalo-Hanover-Montrose School District #877</b>			<b>November 14, 2019</b>
<b>Analysis of Impact of Proposed 2020 Tax Levy and Rates</b>			
<b>Truth in Taxation Notice Values</b>			
<b>Using Final Levy Payable in 2019 as Base Year</b>			
Tax Impact on Various Classes of Property-School Portion Only	2019	2020	
	Final Levy	Final Levy	Difference
Residential Homestead Property			
\$100,000	\$ 348	\$ 338	\$ (10)
\$150,000	\$ 580	\$ 561	\$ (18)
\$200,000	\$ 811	\$ 784	\$ (27)
\$215,160	\$ 881	\$ 852	\$ (29)
\$300,000	\$ 1,274	\$ 1,231	\$ (43)
\$400,000	\$ 1,736	\$ 1,677	\$ (59)
Commercial/Industrial Property			
\$75,000	\$ 442	\$ 424	\$ (17)
\$100,000	\$ 589	\$ 565	\$ (23)
\$107,580	\$ 633	\$ 608	\$ (25)
\$250,000	\$ 1,626	\$ 1,559	\$ (67)
Agricultural Homestead Property			
\$400,000.00 Ag Homestead+	\$ 1,118	\$ 1,075	\$ (43)
\$600,000.00 Ag Homestead+	\$ 1,426	\$ 1,366	\$ (60)
\$800,000.00 Ag Homestead+	\$ 1,733	\$ 1,656	\$ (77)
\$1,000,000.00 Ag Homestead+	\$ 2,041	\$ 1,947	\$ (94)
**Referendum revenue aid and levy based on an estimated 6,299.90 adjusted pupil units submitted to MDE by the school district			
*Includes all changes for Q Comp, LTFM, and debt service			
-Referendum market values are based on an estimated 7.58% average increase for Wright and Hennepin Counties for taxes payable in 2020			
-Net Tax Capacity values are based on an estimated 6.37% average increase for Wright and Hennepin Counties for taxes payable in 2020			
+A value of \$200,000.00 was assumed for the house, garage, and 1 acre for Ag Homestead Property			

# Impact on Taxpayers- School Portion Only

<b>Buffalo-Hanover-Montrose School District #877</b>			<b>December 9, 2019</b>
<b>Analysis of Impact of Proposed 2020 Tax Levy and Rates</b>			
<b>Final Tax Statement Estimates Including Operating Referendum</b>			
<b>Using Final Levy Payable in 2019 as Base Year</b>			
Tax Impact on Various Classes of Property-School Portion Only	2019	2020	
	Final Levy	Final Levy W/ Oper. Ref.	Difference From Prior Year
Residential Homestead Property			
\$100,000	\$ 348	\$ 453	\$ 104
\$150,000	\$ 580	\$ 733	\$ 154
\$200,000	\$ 811	\$ 1,014	\$ 203
\$215,160	\$ 881	\$ 1,099	\$ 218
\$300,000	\$ 1,274	\$ 1,575	\$ 301
\$400,000	\$ 1,736	\$ 2,136	\$ 399
Commercial/Industrial Property			
\$75,000	\$ 442	\$ 510	\$ 69
\$100,000	\$ 589	\$ 680	\$ 91
\$107,580	\$ 633	\$ 732	\$ 99
\$250,000	\$ 1,626	\$ 1,846	\$ 220
Agricultural Homestead Property			
\$400,000.00 Ag Homestead+	\$ 1,118	\$ 1,304	\$ 186
\$600,000.00 Ag Homestead+	\$ 1,426	\$ 1,595	\$ 169
\$800,000.00 Ag Homestead+	\$ 1,733	\$ 1,886	\$ 152
\$1,000,000.00 Ag Homestead+	\$ 2,041	\$ 2,176	\$ 136
**Referendum revenue aid and levy based on an estimated 6,299.90 adjusted pupil units submitted to MDE by the school district			
*Includes all changes for Q Comp, LTFM, and debt service			
-Referendum market values are based on an estimated 7.58% average increase for Wright and Hennepin Counties for taxes payable in 2020			
-Net Tax Capacity values are based on an estimated 6.37% average increase for Wright and Hennepin Counties for taxes payable in 2020			
+A value of \$200,000.00 was assumed for the house, garage, and 1 acre for Ag Homestead Property			

# Individual Property Examples- Truth In Taxation

	Parcel #1-City of Buffalo			Parcel #2-Hennepin County		
	2019	2020	Net Change	2019	2020	Net Change
Estimated Market Value	\$ 151,400	\$ 173,000	\$ 21,600	\$ 407,000	\$ 415,000	\$ 8,000
EMV % Change			14.3%			2.0%
Taxable Market Value	\$ 127,800	151,300	\$ 23,500	\$ 406,390	415,000	\$ 8,610
TMV % Change			18.4%			2.1%
Market Value Exclusion	\$ 23,600	\$ 21,700	\$ (1,900)	\$ 610	\$ -	\$ (610)
Voter Approved Levy	\$ 204	\$ 204	\$ 0	\$ 640	\$ 561	\$ (79)
Other Local Levies	\$ 386	\$ 460	\$ 74	\$ 1,140	\$ 1,189	\$ 49
Total Tax Amount	\$ 590	\$ 664	\$ 74	\$ 1,779	\$ 1,749	\$ (30)

- District estimated EMV percentage – 7.58% increase
- District estimated TMV percentage – 6.37% increase

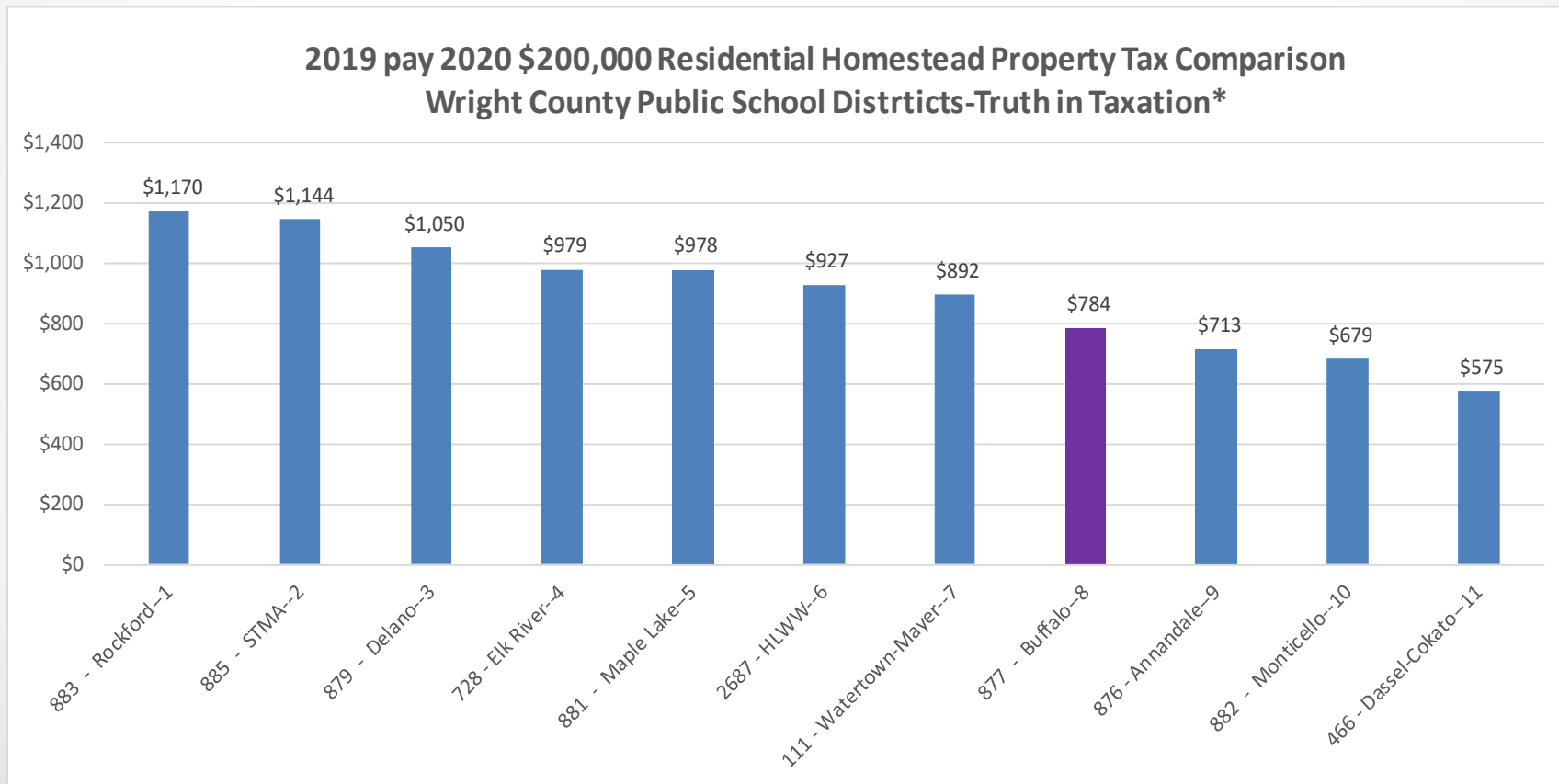
# Individual Property Examples – Final Proposed

	Parcel #1-City of Buffalo			Parcel #2-Hennepin County		
	2019	2020	Net Change	2019	2020	Net Change
Voter Approved Levy	\$ 204	\$ 413	\$ 209	\$ 640	\$ 1,062	\$ 423
Other Local Levies	\$ 386	\$ 450	\$ 64	\$ 1,140	\$ 1,160	\$ 20
<b>Total Tax Amount Proposed Final Levy</b>	<b>\$ 590</b>	<b>\$ 863</b>	<b>\$ 273</b>	<b>\$ 1,779</b>	<b>\$ 2,221</b>	<b>\$ 443</b>
<b>Total Prior to Ballot Question</b>						
Voter Approved Levy		\$ 204			\$ 561	
Other Local Levies		\$ 460			\$ 1,189	
<b>Total Tax Amount</b>		<b>\$ 664</b>			<b>\$ 1,750</b>	
<b>Net impact-Truth in Taxation</b>			<b>\$ 74</b>			<b>\$ (29)</b>
<b>Net Impact from the ballot question</b>			<b>\$ 199</b>			<b>\$ 471</b>
<b>Published tax impact from ballot question</b>			<b>\$ 216</b>			<b>\$ 517</b>
<b>Net Savings from Published Tax Impact</b>			<b>\$ (17)</b>			<b>\$ (46)</b>
<b>Breakdown of savings from published ballot question</b>						
Voter Approved Levy Increase		\$ 209	\$ (7)		\$ 501	\$ (16)
Change in Other Local levies from ballot question		\$ (10)	\$ (10)		\$ (29)	\$ (29)
<b>Net difference from published tax impact</b>		<b>\$ 199</b>	<b>\$ (17)</b>		<b>\$ 472</b>	<b>\$ (45)</b>

- District estimated EMV percentage – 7.58% increase
- District estimated TMV percentage – 6.37% increase



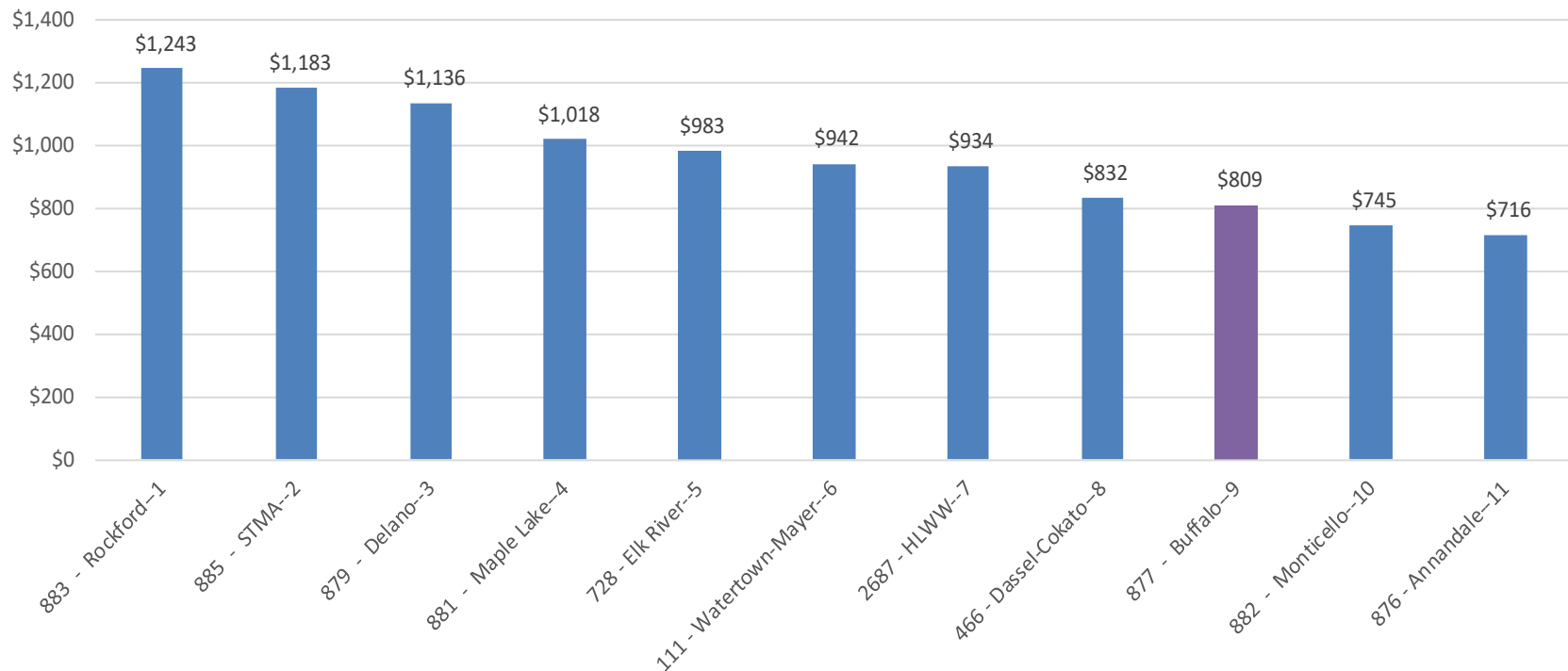
# Proposed Property Tax Comparison- Truth In Taxation



\*Source - Wright County, Minnesota Auditor/Treasurer's Office Property Taxes, Values, Levies, and Rates  
<https://www.co.wright.mn.us/780/Property-Taxes-Values-Levies-and-Rates>

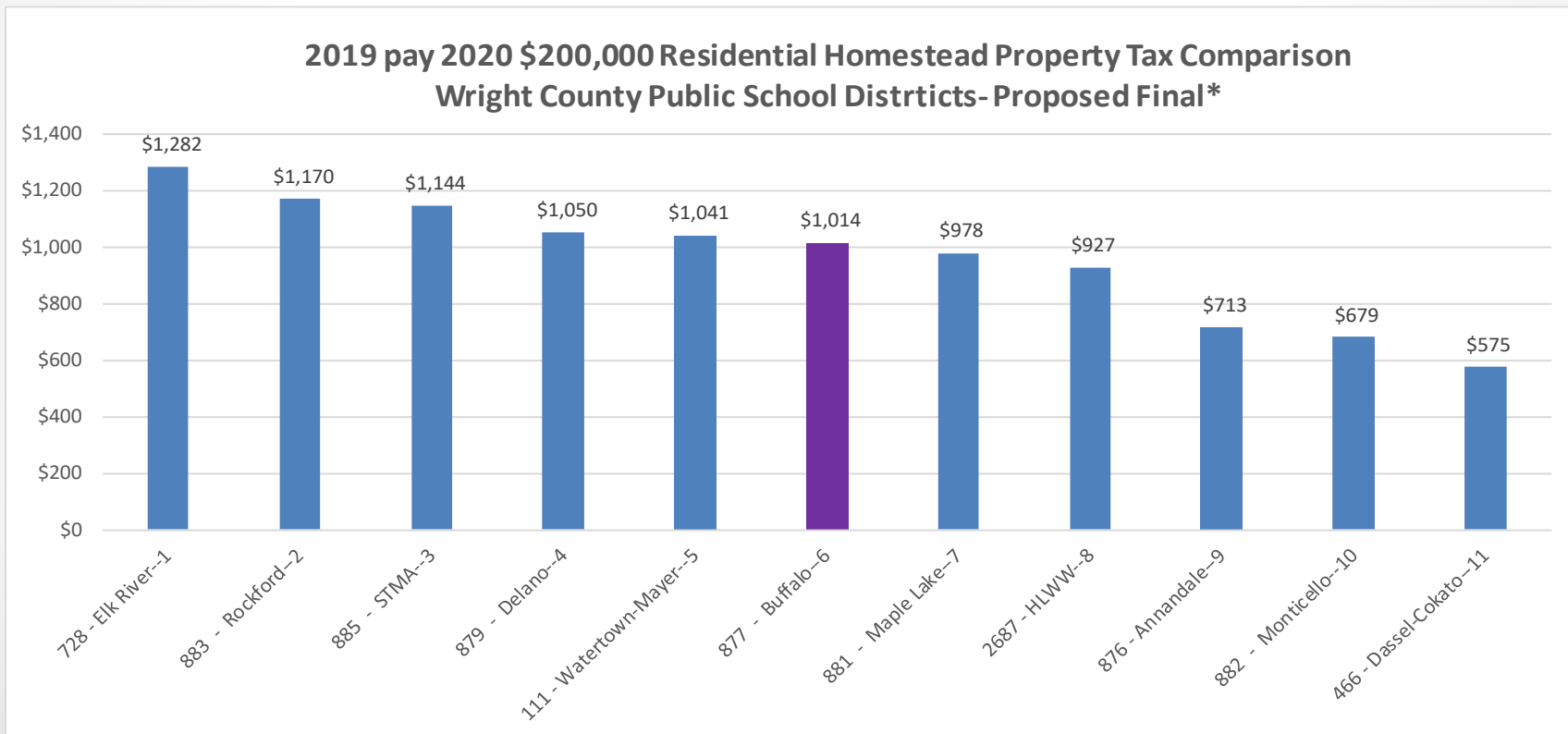
# Proposed Property Tax Comparison- Truth In Taxation

2018 pay 2019 \$200,000 Residential Homestead Property Tax Comparison  
Wright County Public School Districts\*



\*Source - Wright County, Minnesota Auditor/Treasurer's Office Property Taxes, Values, Levies, and Rates  
<https://www.co.wright.mn.us/780/Property-Taxes-Values-Levies-and-Rates>

# Proposed Property Tax Comparison- Final Estimates



\*Source - Wright County, Minnesota Auditor/Treasurer's Office Property Taxes, Values, Levies, and Rates

<https://www.co.wright.mn.us/780/Property-Taxes-Values-Levies-and-Rates>

Watertown-Mayer and Elk River increases for recently approved ballot questions received from district estimates

# State Property Tax Refunds

- State of Minnesota has two tax refund programs and one tax deferral program available for owners of homestead property
- These programs may reduce the net tax burden for local taxpayers, but only if you take time to complete and send in the forms
- For help with the forms and instructions:
  - Consult your tax professional, or
  - Visit the Department of Revenue website at [www.revenue.state.mn.us](http://www.revenue.state.mn.us)

# State Property Tax Refunds

- Minnesota Property Tax Refund
  - (aka “Circuit Breaker” Refund)
  - Has existed since 1970s
  - Available to all owners of homestead property
  - Annual income must be approximately \$113,150 or less (income limit is higher if you have dependents)
  - Refund is a sliding scale, based on total property taxes and income
  - Maximum refund is \$2,770
  - Especially helpful to those with lower incomes
  - Fill out state tax form M-1PR

# State Property Tax Refunds

- Special Property Tax Refund
  - Available for all homestead properties with a gross tax increase of more than 12% and \$100 or more over the prior year
  - Refund is 60% of the amount by which the tax increase exceeds the greater of 12% or \$100, up to a maximum of \$1,000
  - Increase was not due to improvements you made to the property
  - No income limits
  - Fill out state tax form M-1PR

# Senior Citizen Property Tax Deferral

- Allows people 65 years of age or older with a household income of \$60,000 or less to defer a portion of the property taxes on their home
- Taxes paid in any year limited to 3% of household income for the year before entering deferral program; this amount does not change in future years
- Additional taxes are deferred, but not forgiven
- State charges interest on deferred taxes and attaches a lien to the property
- The deferred property taxes plus accrued interest must be paid when the home is sold or the homeowner(s) dies
- Must have lived in, owned your home, and had it homesteaded for the last 15 years

# Next Steps

- Tonight
  - Board will accept public comments and questions on proposed levy
  - Board certifies final amount of tax levy payable in 2020
- Final levy is certified to county auditor by December 30, 2019