



# 2013 PROPERTY TAX

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## LEVY

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RICHFIELD PUBLIC  
SCHOOLS

LEVY INFORMATION



# **RICHFIELD PUBLIC SCHOOLS**

## **AGENDA**

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**December 3, 2012**

**7:00 p.m.**

- I. Truth in Taxation Requirements
- II. Explanation of property tax statements  
(school only)
- III. Discussion of TAXES payable 2013
- IV. 2012/2013 Budget Review



## TRUTH IN TAXATION LAW

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Minnesota's Truth in Taxation Law (M.S. 275.065) **requires that cities, counties and school districts follow certain requirements** before adopting a tax levy for the next year.

# TRUTH IN TAXATION LAW

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1. The law provides for a **mailed notice** to each property owner in the county ***listing the proposed change in the tax levies*** by the city, county and school district and the percent of increase.



## TRUTH IN TAXATION LAW

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2. The second part of the law pertains to a ***"Truth in Taxation" public hearing for each taxing jurisdiction.***



# **TWO TYPES OF SCHOOL DISTRICT LEVY AUTHORITY**

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**1. “Voter Approved Levy”**

**2. State Approved “Other Local Levies”**

# 1. VOTER APPROVED LEVY:

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This includes a **OPERATING LEVY** for the support of classroom instruction, **DEBT SERVICE LEVY** for principal & interest payments on property and property improvements, **OPERATING CAPITAL** for remodeling and new construction, a **CAPITAL PROJECTS LEVY** for technology and other equipment purchases.

- **Operating levy#1**- an amount of **\$361.40** /student was approved by the voters at the November 2012 Special Election which expires with taxes payable 2023.
- **Operating levy#2** – an increase to levy#1 in the amount of **\$798.38** /student was approved by the voters at the November 2005 Special Election which expires with taxes payable in 2016.

## 1. VOTER APPROVED LEVY, Cont'd:

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- **Debt service levy** is for loan payments on property improvements that will be paid off in 2025.
- **Technology levy** approved by the Richfield voters at the November 2003 Special Election that will expire with taxes payable in 2014.



## 2. STATE APPROVED “OTHER LOCAL LEVIES”

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This includes levies for specific purposes which are based upon **formulas set by the state legislature**. The school district has some discretion in determining whether we need to levy to the limit set by law or a reduced amount.

- **Safe Schools**
- **Health & Safety**
- **Building Leases**
- **Health Benefits**
- **Re-employment Insurance**
- **Community Education**
- **Integration**
- **Deferred Maintenance**
- **Career Technical**



**DISCUSSION OF TAXES**  
**PAYABLE 2013**



# **TERMINOLOGY**

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**THE SCHOOL DISTRICT  
LEVY CERTIFICATION  
2012 PAYABLE 2013**

**for FY14  
or  
SCHOOL YEAR  
2013-14**



# The RICHFIELD PUBLIC SCHOOL DISTRICT is:

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- **An independent taxing authority.**
- **Independent of the City of Richfield and the Hennepin County taxing authorities.**
- **Student enrollment drive the revenue received, not property values.**



## **SEVEN VARIABLES WHICH AFFECT PROPERTY TAXES:**

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- 1. Changes in market values**
- 2. Changes in class rates**
- 3. Homestead Market Value Exclusion**
- 4. Changes in student enrollment**
- 5. Changes in local levy  
(State Approved special levies)**
- 6. Abatements & fiscal disparities**
- 7. Property tax refunds**



# 1. Change in Market Value

( from 2013 Property Tax Statement )

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## Homestead property

### 1<sup>st</sup> Property

Taxable Market Value for 2012 taxes: \$181,850

Taxable Market Value for 2013 taxes: \$153,510

**-15.58% DECREASE**

### 2<sup>nd</sup> Property

Taxable Market Value for 2012 taxes: \$429,000

Taxable Market Value for 2013 taxes: \$429,000

**0.00%**



## Changes in market value

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The changes in market value **are not** under the control of the Richfield Public School's, Board of Education. They were discussed at the local board of review and county board of equalization hearings.

If your property is a qualifying homestead, your taxable market value may include recent **home improvements**.

## 2. Change in Class Rates (no change in 2013)

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### Payable 2012 Rates

### Payable 2013 Rates

#### Residential

Up to \$500,000 value	<b>1.00%</b>	Up to \$500,000 value	<b>1.00%</b>
Over \$500,000 value	<b>1.25%</b>	Over \$500,000 value	<b>1.25%</b>

#### Commercial

Up to 150,000 value	<b>1.50%</b>	Up to 150,000 value	<b>1.50%</b>
Over 150,000 value	<b>2.00%</b>	Over 150,000 value	<b>2.00%</b>

#### Apartment

Regular	<b>1.25%</b>	Regular	<b>1.25%</b>
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#### Residential (Non-homestead)

Up to \$500,000 value	<b>1.00%</b>	Up to \$500,000 value	<b>1.00%</b>
Over \$500,000 value	<b>1.25%</b>	Over \$500,000 value	<b>1.25%</b>





### 3. HOMESTEAD MARKET VALUE EXCLUSION

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- Reduces the calculation of “taxable market value” on residential homesteads with a market value of less than \$413,000, by excluding a portion from the taxable market value.
- Formula very similar to the old homestead credit – maximum “exclusion” is on a \$76,000 home, with no exclusion for homes with a value of \$413,000 or more.
- The exclusion reduces the total tax base for the political subdivision and ***therefore affects tax rates and the taxes of all properties***



# HOMESTEAD MARKET VALUE EXCLUSION

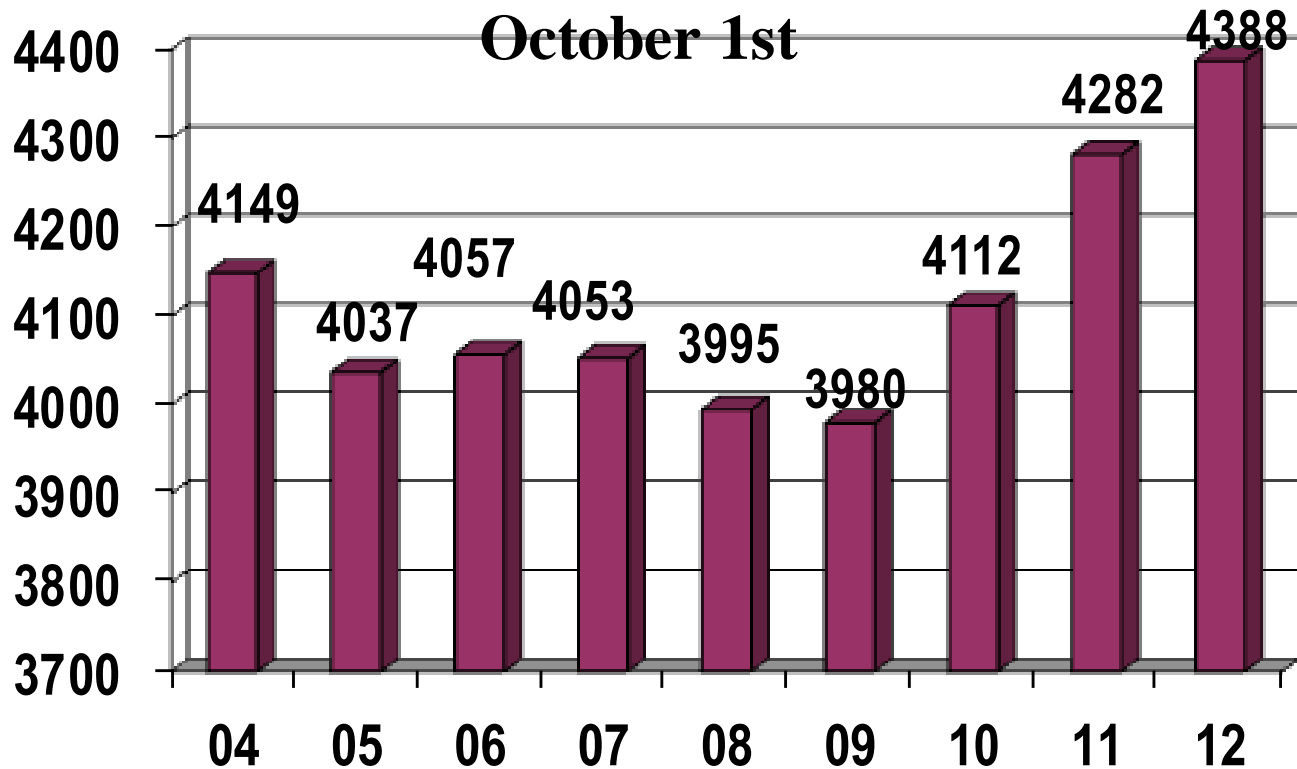
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## ○ IMPACT ON TAXES

- **State money is no longer reducing total taxes:** Since there will be no state property tax credit the entire property tax levy will be paid by taxpayers.
- **Reduction in taxable market value increases tax rates:** With total taxable market value being reduced by the exclusion, raising the same total levy as the prior year requires a higher property tax rate.

## 4. Changes in Student Enrollment

(levy increases/decreases with increase/decline in student enrollment)





## 5. Changes in Local Levy

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**The State's formula for the general education local levy revenue (\$415/student) was shifted to state aid for taxes payable in 2002.**

**The state's share of school funding has continued to decline since 2002 in proportion to the local levy with the school's increasing dependence upon state approved special levies not requiring voter approval.**



## 6. Abatements & Fiscal Disparities

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The amount of local tax relief from fiscal disparities is substantially reduced from the taxes payable 2001 to taxes payable in 2013. The School District has become a net loser in the Fiscal Disparities resource pool.



## **7. Property Tax Refunds**

**(changed in 2013)**

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**The regular or circuit breaker refund in the amount up to \$2,460 (was \$2,370) is available to households with an income of \$100,780 (was \$99,240) or less.**

**The largest refund goes to residents with high property taxes & low income.**



## Property tax refunds - cont.

(no change in 2013)

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**Special Refunds or Targeting is available with no income limitation for total property tax increases greater than 12% and at least \$100 over previous year's tax using form M1-PR schedule A.**

**The refund amount is 60% of the increase above \$100 or 12% whichever the greatest. Maximum refund is \$1,000 per tax payer.**

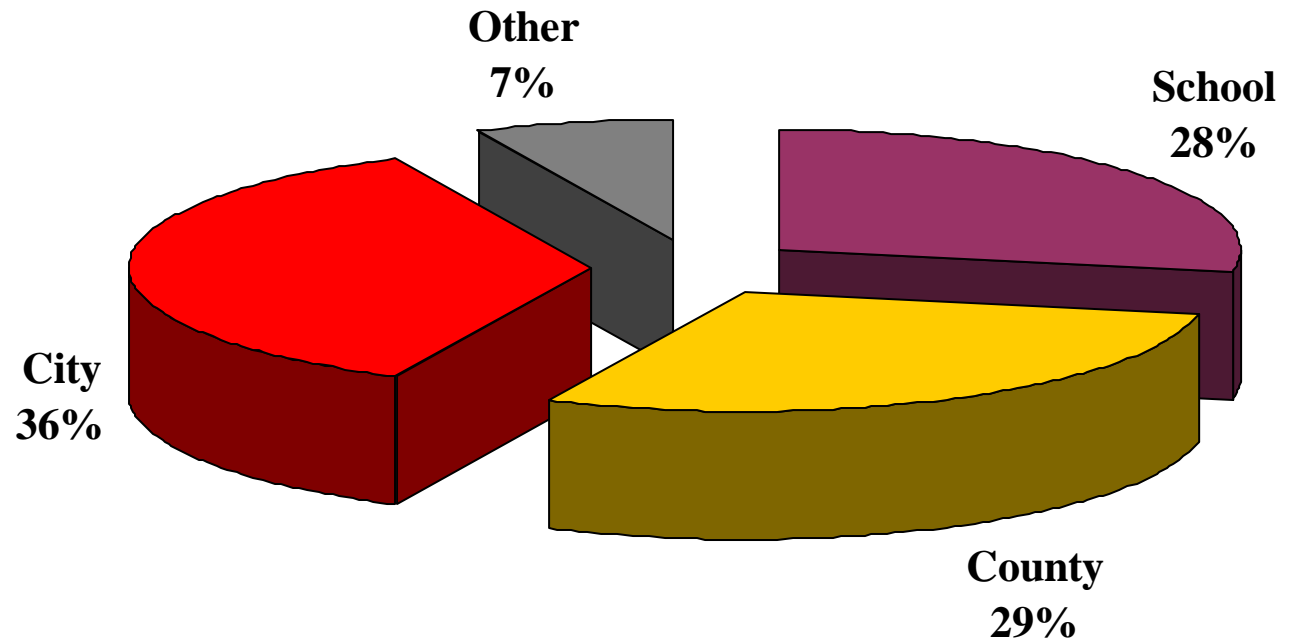


YOUR  
SCHOOL TAXES  
PAYABLE 2013



# Your Property Tax Dollar for 2012

11/27/12 Ehlers



**Other special taxing authorities may include Solid Waste Fee, Water Shed, Sewer, Metro Transit, Metro Mosquito, Airports Commission, State General Tax, Housing Redevelopment Authority, Economic Development Authority, etc.**



# MAXIMUM SCHOOL LEVY AUTHORITY FOR TAXES PAYABLE 2013 (SCHOOL TAX REPORT DATA)

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	2011 TAX	2012 TAX	2013 TAX	\$ CHANGE	%
<b>Voter Approved General</b>	\$7,331,315.62	\$7,400,506.49	\$7,792,336.09	\$391,830	5.3%
<b>Voter Approved Debt</b>	\$2,913,773.49	\$2,738,190.66	\$3,045,305.45	\$307,114	11.2%
<b>Other Local</b>	\$6,121,298.43	\$6,392,789.78	\$6,807,969.60	\$415,180	6.5%
<b>School Dist. Total</b>	\$16,366,387.54	\$16,531,486.93	\$17,645,611.14	<b>\$1,114,124</b>	<b>6.7%</b>

# Pay 2013

## LOCAL LEVY REVENUE SUMMARY

	2010 Pay 11 2011-12	2011 Pay 12 2012-13	2012 Pay 13 2013-14	\$ Change
<b>GENERAL FUND</b>				
<b>Equity</b>	\$355,405	\$448,456	\$545,662	\$97,206
<b>Operating Capital</b>	\$885,168	\$766,774	\$775,718	\$8,944
<b>Deferred Maintenance</b>	\$270,129	\$286,901	\$314,284	\$27,383
<b>Alt. Teacher Comp</b>	\$0	\$0	\$0	\$0
<b>LCTS Levy</b>	\$6,594	\$0	\$0	\$0
<b>Integration Levy</b>	\$174,435	\$184,319	\$190,987	\$6,668
<b>Referendum Levy</b>	\$5,952,260	\$6,027,968	\$6,406,186	\$378,218
<b>Referendum - Technology</b>	\$1,379,056	\$1,372,538	\$1,386,150	\$13,612
<b>Safe Schools</b>	\$180,086	\$191,267	\$209,522	\$18,255
<b>Judgement Levy</b>	\$0	\$0	\$0	\$0
<b>Health and Safety Levy</b>	\$879,811	\$448,881	\$545,086	\$96,205
<b>Building/ Lease Levy</b>	\$752,403	\$731,193	\$868,046	\$136,853
<b>Health Benefits Levy</b>	\$84,108	\$66,074	\$43,687	(\$22,387)
<b>Interest Earning Loss</b>	\$0	\$0	\$0	\$0
<b>Re-employment Insurance</b>	\$116,662	\$94,157	\$70,163	(\$23,994)
<b>Career Technical</b>	\$80,167	\$93,997	\$80,198	(\$13,799)
<b>Adjustments-Levy</b>	(\$203,218)	\$180,099	\$244,368	\$64,269
<b>LEVY TOTAL</b>	\$10,913,065	\$10,892,623	\$11,680,057	\$787,434

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**COMMUNITY EDUCATION FUND**

Basic Levy	\$278,165	\$287,666	\$287,666	\$0
Early Child & Family Lev	\$148,929	\$139,225	\$143,924	\$4,699
Home Visiting Levy	\$4,050	\$3,869	\$3,598	(\$271)
Voc Handicapped Levy	\$5,429	\$5,429	\$5,429	\$0
Adjustments	\$770	\$6,851	\$7,956	\$1,105
<b>TOTAL</b>	<b>\$437,343</b>	<b>\$443,040</b>	<b>\$448,573</b>	<b>\$5,532</b>

**DEBT SERVICE FUND**

Debt Levy	\$3,040,177	\$3,131,672	\$3,142,230	\$10,558
Debt Excess	(\$240,243)	(\$650,000)	(\$300,000)	\$350,000
Alternative Bond	\$1,274,849	\$1,274,849	\$1,274,849	\$0
OPEB Bond	\$898,335	\$1,370,835	\$1,243,460	(\$127,375)
Adjustments	\$42,861	\$68,467	\$156,442	\$87,975
<b>TOTAL</b>	<b>\$5,015,979</b>	<b>\$5,195,823</b>	<b>\$5,516,981</b>	<b>\$321,158</b>

**LEVY TOTAL all funds**    \$16,366,388    \$16,531,487    \$17,645,611    **\$1,114,124**



# THE SCHOOL DISTRICT LOCAL LEVY

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**MAXIMUM PAYABLE 2013  
LEVY CERTIFICATION  
6.7% increase OR \$1,114,124**

**Major changes come from:**

- Operating Referendum/Equity – \$ 475K
- Health & Safety - \$100K
- Building Lease - \$137K
- Abatement/TIF Adjustments - \$150K
- OPEB Bond - **-\$125K**
- Debt Excess - \$ 350K



# **SCHOOL DISTRICT BUDGET**

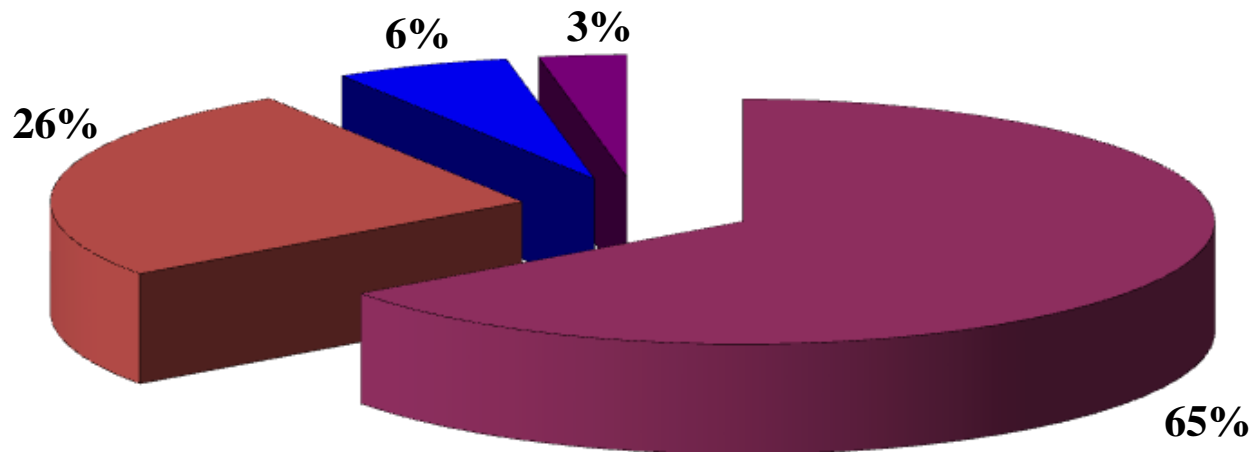
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**Current school year  
2012 – 2013**

# SOURCE OF SCHOOL REVENUES 2012-13

(All Funds \$59,256,320 Less OPEB Trust & OPEB Debt Service)

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■ State Aid

■ Local Levy

■ Federal/Grants

■ Rentals/Fees & Investments



# THREE REVENUE FUNDS SUPPORTED BY THE LOCAL LEVY (Food Service & Alt. Bond N/I)

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## GENERAL FUND

- Provides funding for the districts **instructional programs**, also regular and special education **transportation** and for the purchase of instructional **equipment**, and building **maintenance**. (based on student enrollment)

## COMMUNITY EDUCATION FUND

- Provides for **Community Education programming** and is based upon Richfield's adult population and children under age 5.

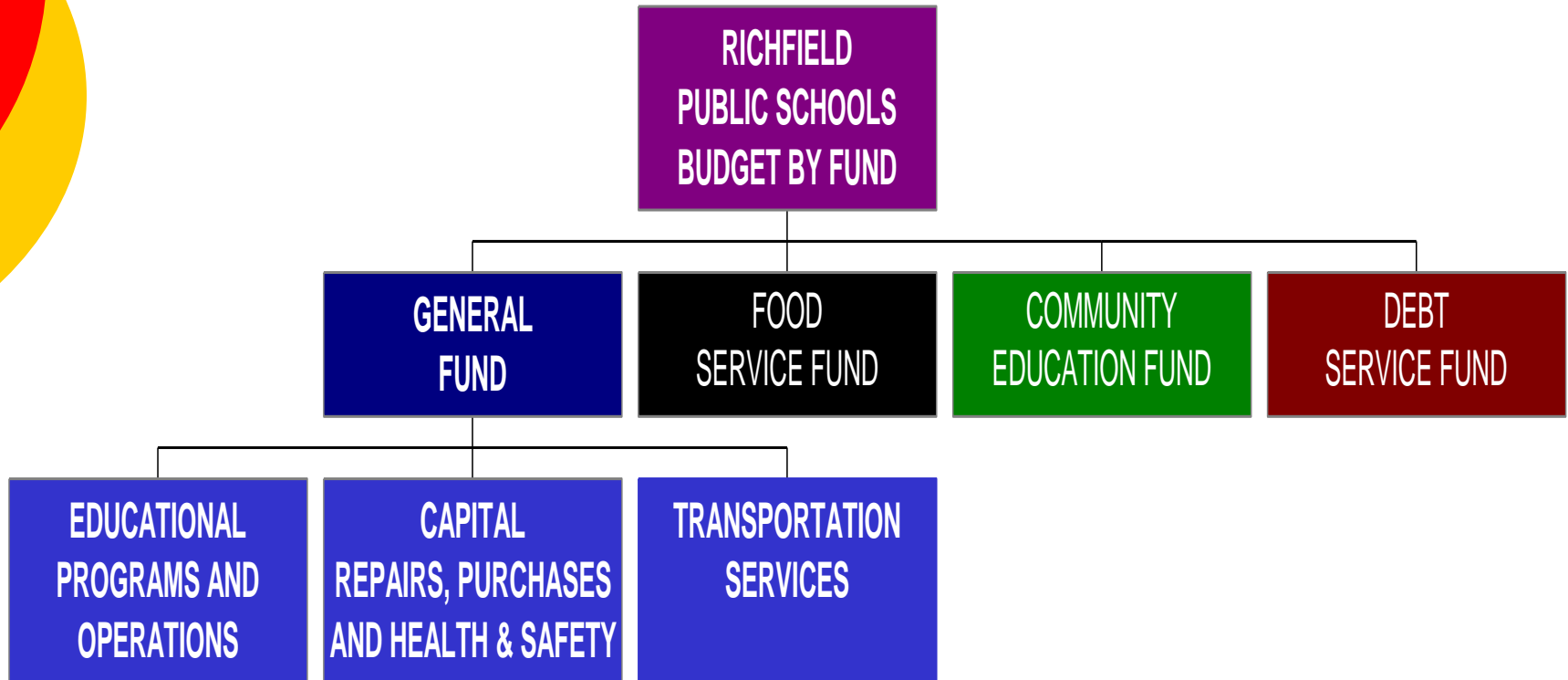
## DEBT SERVICE

- Used for servicing repayment of principal and interest on outstanding bonded debt for purchases of properties and improvements, and for other post-employment benefits.



# GOVERNMENTAL FUND ACCOUNTING

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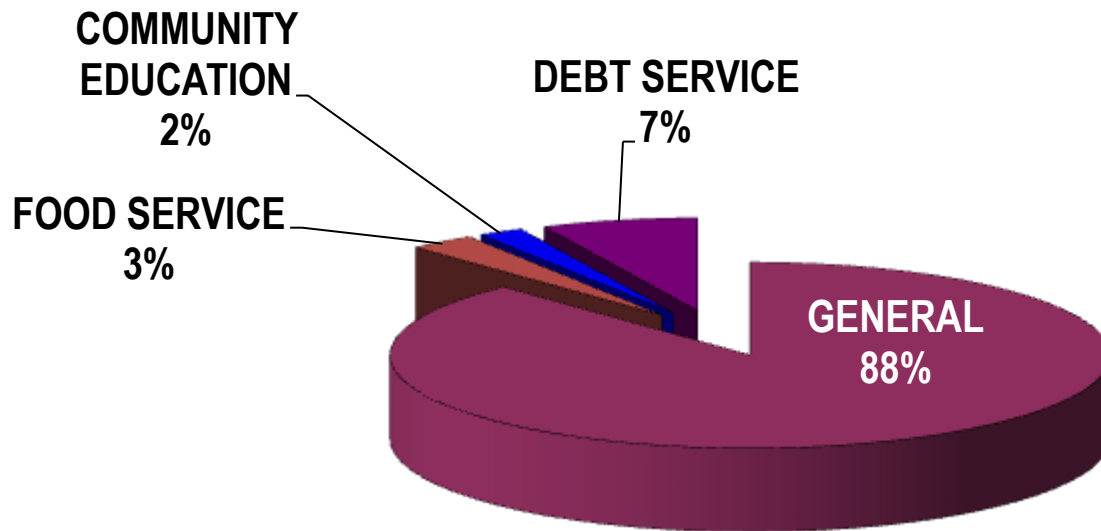


# EXPENDITURE BUDGET BY FUND

## 2012-13

(\$60,081,842 w/o OPEB Trust & OPEB Debt Service)

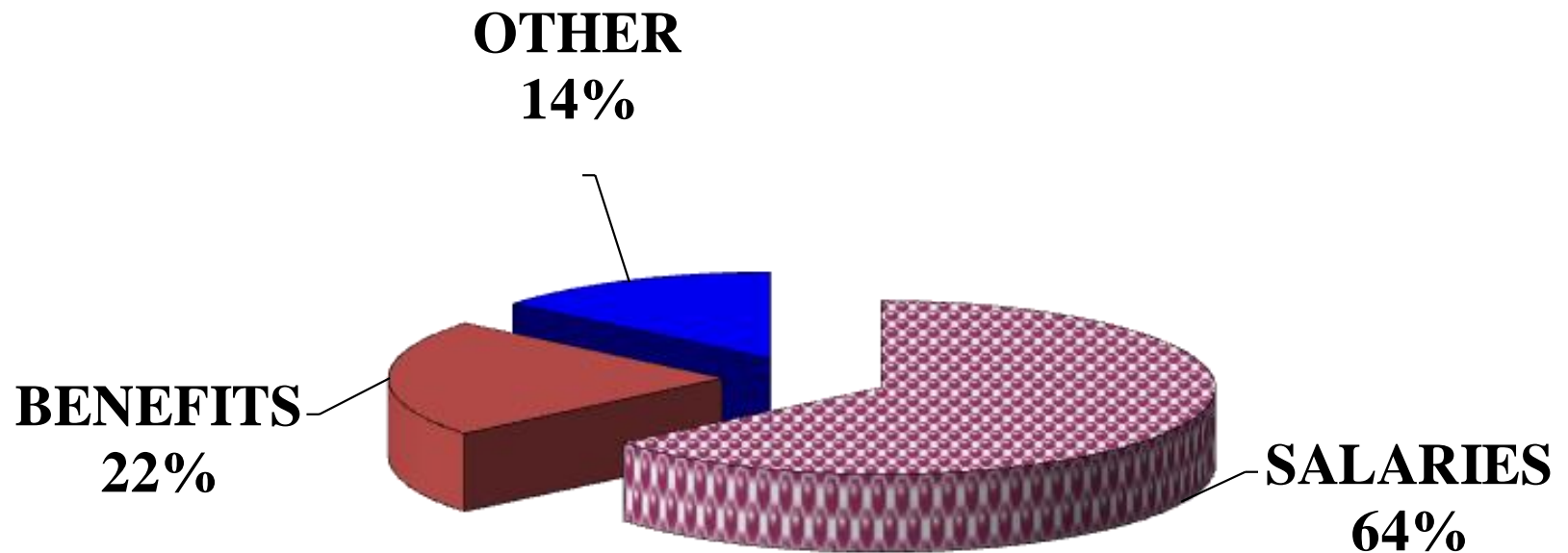
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# GENERAL FUND EXPENDITURE BUDGET 2012-13

(\$41,938,196 w/o Transportation, Capital & Student Activities)

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**RICHFIELD PUBLIC SCHOOLS**  
**2012-13 EXPENDITURE BUDGET OVERVIEW**  
**DECEMBER 3, 2012**


(without Betterment, Student Activities, Alt. Bonding & OPEB Trust)

FUNDS	2011-12 Audit	2012-13 Budget	Percent Change
<b>General</b>	\$45,775,870	\$ 46,129,659	0.7%
<b>Transportation</b>	\$2,606,436	\$2,312,906	<b>-11.3%</b>
<b>Capital Outlay</b>	\$4,295,504	\$3,791,889	<b>-11.7%</b>
<b>Food Service</b>	\$1,958,425	\$1,956,500	<b>-0.1%</b>
<b>Community Education</b>	\$1,271,591	\$1,256,729	<b>-1.4%</b>
<b>Debt Service</b>	\$4,114,978	\$4,246,684	3.2%
	<b>\$ 60,022,804</b>	<b>\$ 59,694,367</b>	<b>-0.5%</b>

**RICHFIELD PUBLIC SCHOOLS**  
**2012-13 REVENUE BUDGET OVERVIEW**  
**DECEMBER 3, 2012**

**(without Betterment, Student Activities, Alt. Bonding & OPEB Trust)**

<b>FUNDS</b>	<b>2011-12 Audit</b>	<b>2012-13 Budget</b>	<b>Percent Change</b>
<b>General</b>	<b>\$ 44,637,734</b>	<b>\$ 45,698,995</b>	<b>2.4%</b>
<b>Transportation</b>	<b>\$2,606,436</b>	<b>\$2,312,906</b>	<b>-11.3%</b>
<b>Capital Outlay</b>	<b>\$4,505,676</b>	<b>\$4,026,202</b>	<b>-10.6%</b>
<b>Food Service</b>	<b>\$1,962,142</b>	<b>\$1,956,500</b>	<b>-0.3%</b>
<b>Community Education</b>	<b>\$1,227,611</b>	<b>\$1,256,729</b>	<b>2.4%</b>
<b>Debt Service</b>	<b>\$3,997,743</b>	<b>\$3,829,988</b>	<b>-4.2%</b>
	<b>\$58,937,342</b>	<b>\$ 59,081,320</b>	<b>0.2%</b>



# Statement of FY13 Revenues, Expenditures and Projected General Fund Balances

(Ending 6-30-13 without Betterment & Student Activities)

<b>Fund Desc.</b>	<b>Rev. Budget</b>	<b>Exp. Budget</b>	<b>Unreserved Fund Bal.</b>
<b>General</b>	\$45,698,995	\$46,129,659	<b>\$1,175,011</b>
<b>Transportation</b>	\$ 2,312,906	\$ 2,312,906	<b>\$ 0</b>
<b>Capital</b>	<u>\$ 4,026,202</u>	<u>\$ 4,004,364</u>	<u><b>\$ 145,604</b></u>
	\$52,038,103	\$52,446,929	<b>\$1,320,615</b>

**Adopted Budget data as of 6-11-12**

**RESOLUTION ESTABLISHING  
FINAL SCHOOL DISTRICT TAX LEVIES PAYABLE 2013  
AUTHORIZED FOR GENERAL AND SPECIAL PURPOSES**

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**WHEREAS, Pursuant to Minnesota Statutes the School Board of Independent School District No. 280, Richfield, Minnesota, is authorized to make the following proposed tax levies for general purposes:**

Maintenance ( General Fund )	\$11,680,056.94
Community Education	\$448,573.21
Debt	\$4,233,569.02
OPEB Debt	\$1,283,411.97
<b>TOTAL PROPOSED SCHOOL TAX LEVY</b>	<b>\$17,645,611.14</b>
<b>PRPOSED LEVY REDUCTION/ADJUSTMENTS</b>	<b>-\$0.00</b>
<b>NET SCHOOL TAX LEVY after adjustments</b>	<b>\$17,645,611.14</b>
<b>FINAL SCHOOL TAX LEVY</b>	<b><u>\$17,645,611.14</u></b>

**NOW THEREFORE, Be it resolved by the School Board of Independent School District No. 280, Richfield, Minnesota, that the certified levy voted on in 2012 and to be payable in 2013 is set at \$17,645,611.14. The clerk of the School Board is authorized to certify the proposed levy to the County Auditor of Hennepin County, Minnesota.**

# Tax Impact of Proposed Levy

( from 2013 Property Tax Statement )

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## Homestead property payable 2013

	<u>Preliminary</u>	<u>Final Max.</u>
TMV: \$100,000	\$-16.89/yr.	\$35.92
TMV: \$169,000	\$-24.58/yr.	\$66.23
TMV: \$250,000	\$-33.63/yr.	\$101.80
TMV: \$500,000	\$-62.70/yr.	\$209.95





Audience comments?



THE END