



St. Michael-Albertville School District ISD #885

Public Hearing for Taxes Payable in 2018

DECEMBER 4, 2017

PRESENTED BY: DR. ANN-MARIE FOUCAULT, SUPERINTENDENT

Tax Hearing Presentation

State Law Requires Public Meeting:

- Between November 24th and December 28th
- After 6:00 PM
- May be part of regularly scheduled meeting
- May adopt final levy at same meeting

State Law Requires Presentation of:

- Current year budget
- Prior year actual revenue & expenditures
- Proposed property tax levy including % increase
- Specific purposes & reasons taxes are being increased

**State Law also requires the district allow for public comment*

Agenda for Hearing



- A. Background on School Funding, Property Tax Levies, and Budgets
- B. Information on District Budget
- C. Information on District's Proposed Tax Levy for Taxes Payable in 2018
- D. Public Comments and Questions

MCA Rankings 2013-2017

2013 Results		2014 Results		2015 Results		2016 Results		2017 Results	
Top 10%		Top 10%		Top 10%		Top 10%		Top 10%	
Grade 11 Math	3%	Grade 8 Math	5%	Grade 8 Math	4%	Grade 3 Math	5%	Grade 11 Math	3.6%
Grade 8 Math	7%	Grade 7 Math	6%	Grade 11 Math	7%	Grade 3 Reading	6%	Grade 4 Math	4.6%
Grade 6 Math	10%	Grade 5 Math	7%	Grade 3 Math	8%	Grade 8 Math	7%	Grade 8 Math	4.7%
		Grade 11 Math	7%	Grade 5 Math	7%	Grade 4 Reading	8%	Grade 4 Read	5.2%
		Grade 6 Reading	9%	Grade 4 Reading	9%	Grade 11 Math	8%	Grade 8 Read	5.6%
				Grade 8 Reading	10%	Grade 7 Math	9%	Grade 3 Read	6.1%
						Grade 4 Math	10%	Grade 3 Math	6.3%
						Grade 5 Math	10%	Grade 6 Math	6.7%
								Grade 10 Read	7.6%
								Grade 5 Math	8.2%
								Grade 7 Math	8.7%
								Grade 7 Read	8.7%
Top 15%		Top 15%		Top 15%		Top 15%		Top 15%	
Grade 5 Math	12%	Grade 4 Math	11%	Grade 3 Reading	11%	Grade 6 Math	11%	Grade 6 Read	12.0%
		Grade 4 Reading	12%	Grade 7 Reading	13%	Grade 7 Reading	12%	Grade 5 Read	13.6%
		Grade 3 Math	13%	Grade 5 Reading	13%	Grade 10 Reading	12%		
		Grade 5 Reading	13%	Grade 4 Math	14%	Grade 8 Reading	13%		
		Grade 10 Reading	15%						
Top 25%		Top 25%		Top 25%		Top 25%		Top 25%	
Grade 7 Reading	16%	Grade 8 Reading	16%	Grade 7 Math	16%	Grade 6 Reading	17%		
Grade 7 Math	16%	Grade 6 Math	19%	Grade 6 Math	17%	Grade 5 Reading	19%		
Grade 8 Reading	20%	Grade 7 Reading	19%	Grade 6 Reading	18%				
Grade 6 Reading	20%	Grade 3 Reading	24%						
Grade 3 Reading	23%								
Grade 4 Reading	25%								
Grade 10 Reading	25%								
Top 30%		Top 30%		Top 30%		Top 30%		Top 30%	
Grade 3 Math	26%								
Grade 5 Reading	26%								
Top 40%		Top 40%		Top 40%		Top 40%		Top 40%	
Grade 4 Math	33%			Grade 10 Reading	30%				
Average		Average		Average		Average		Average	
Reading	22.10%	Reading	15%	Reading	14.80%	Reading	12.20%	Reading	8.39%
Math	15%	Math	10%	Math	10.40%	Math	8.50%	Math	6.09%
Combined	18.70%	Combined	12.50%	Combined	12.60%	Combined	10.50%	Combined	7.25%

MCA Rankings 2013-2017

2013 Results		2014 Results		2015 Results		2016 Results		2017 Results	
Top 10%		Top 10%		Top 10%		Top 10%		Top 10%	
Grade 8 Science	3%			Grade 8 Science	2%	Grade 8 Science	3%	Grade 8 Science	1.12%
				Grade 5 Science	5%	Grade 5 Science	7%	Grade 5 Science	6.70%
								Grade 10 Science	8.07%
Top 15%		Top 15%		Top 15%		Top 15%		Top 15%	
Grade 5 Science	14%	Grade 8 Science	2%	HS Science	13%	HS Science	11%		
		Grade 5 Science	11%						
Top 25%		Top 25%		Top 25%		Top 25%		Top 25%	
HS Science	23%								
Top 30%		Top 30%		Top 30%		Top 30%		Top 30%	
		HS Science	27%						
Top 40%		Top 40%		Top 40%		Top 40%		Top 40%	
Average		Average		Average		Average		Average	
13.0%		13.0%		7.0%		7.0%		5.3%	
All Subjects Combined		All Subjects Combined		All Subjects Combined		All Subjects Combined		All Subjects Combined	
								6.9%	

Public Schools Established by Minnesota Constitution

ARTICLE XIII

MISCELLANEOUS SUBJECTS

Section 1

“**UNIFORM SYSTEM OF PUBLIC SCHOOLS.** The stability of a republican form of government depending mainly upon the intelligence of the people, *it is the duty of the legislature to establish a general and uniform system of public schools.* The legislature shall make such provisions by taxation or otherwise as will secure a thorough and efficient system of public schools throughout the state.”

As a result...

School funding is highly regulated by the state

State Sets:

- Formulas which determine revenue; most revenue based on specified amounts per pupil
- Tax policy for local schools
- Maximum authorized property tax levy (districts can levy less but not more than amount authorized by state, unless approved by voters)

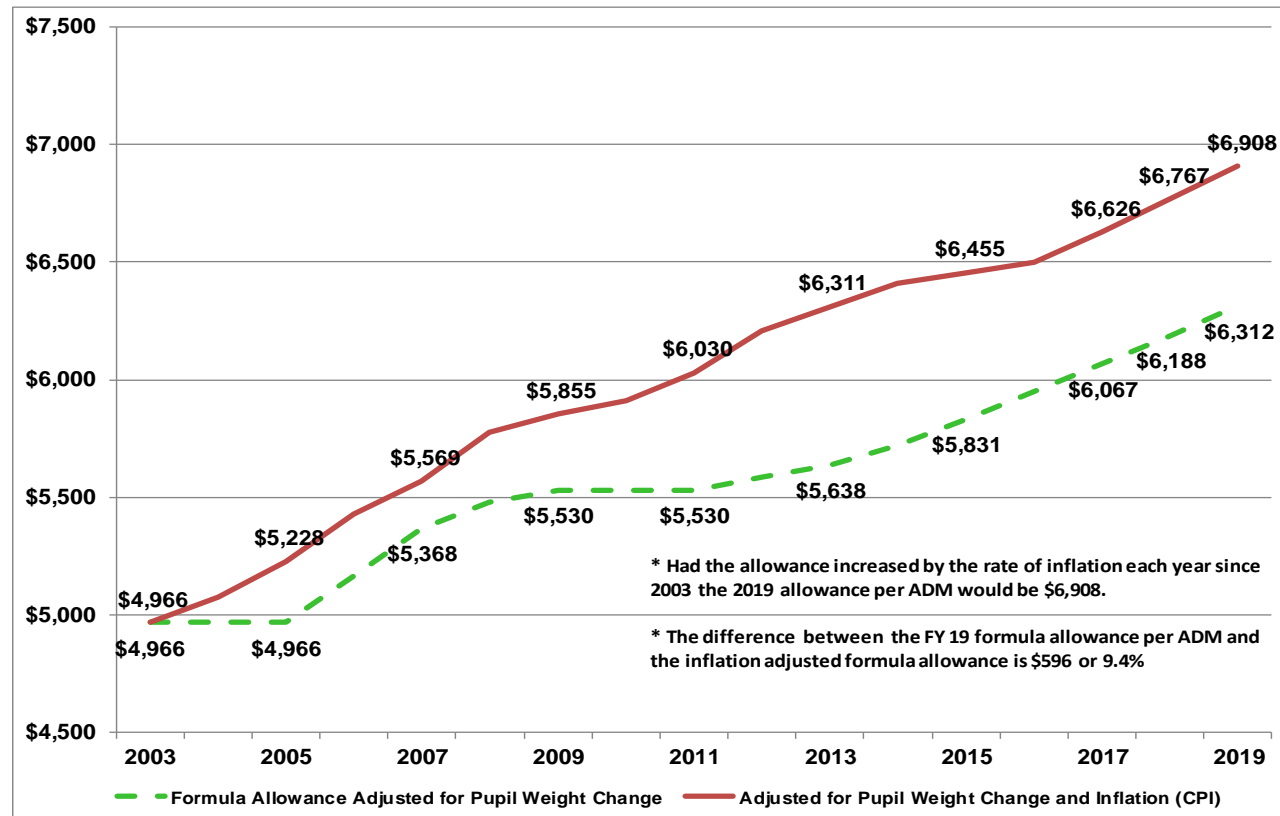
State also authorizes school board to submit referendums for operating and capital needs to voters for approval

Challenge: State Set Basic General Education Formula Lags Inflation

- Since 2003, the State General Education Revenue formula has not kept pace with inflation
- For FY 2018 and FY 2019, Legislature approved an increase of 2% per year
 - \$121 per pupil unit in FY 2018
 - An additional \$124 for FY 2019
- Per-pupil allowance for Fiscal Year 2019 would need to increase by another \$596 (9.4%) to have kept pace with inflation since 2003

Basic General Education Formula Lags Inflation

General Education Formula Allowance, 2003-2019
Adjusted for Pupil Weight Change and Inflation (CPI)



Source: MDE January 2017 Inflation Estimates

Underfunding of Special Education

- MDE reports cost of providing special education programs was underfunded by \$697 million, or an average of 40% underfunded
- Translating into a statewide average funding shortfall of \$5,783 per special education student
- Underfunding of special education costs necessitates a transfer from regular program resources to support an underfunded program mandated by state and federal law
- Primary options to bridge special education funding gap are to cut regular program budgets or increase referendum revenue, most districts have done both

Result: Growing Dependence on Referendum Revenue

- In 1993, 65% of districts had operating referendum revenue averaging \$332 per pupil
- For 2017-18, all Minnesota districts have referendum revenue and/or local optional revenue levy authority averaging \$1,296 per pupil
 - 20.5% of general education formula allowance
 - Of this amount, \$879 is board approved or voter approved operating referendum, and \$417 is Local Optional Revenue

Change in Tax Levy Does not Determine Change in Budget

- Tax levy is based on many state-determined formulas plus voter approved referendums
- Some increases in tax levies are revenue neutral, offset by reductions in state aid
- *Expenditure budget is limited* by state-set revenue formulas, voter-approved levies, and fund balance
- An increase in school taxes does not always correlate to an equal increase in budget

School District Levy Cycle Differs from City/County Levy Cycle

City/County:

- Budget Year same as calendar year
- 2018 taxes provide revenue for 2018 calendar year budget

Schools:

- Budget year begins July 1st and coincides with school year
- 2018 taxes provide revenue for 2018-2019 school fiscal year
- Budget will be adopted in June 2018

Budget Information

Because approval of school district budget lags certification of tax levy by six months, state requires only current year budget information and prior year actual financial results be presented at this hearing.

All school districts' budgets are divided into separate funds based on purposes of revenue, as required by law.

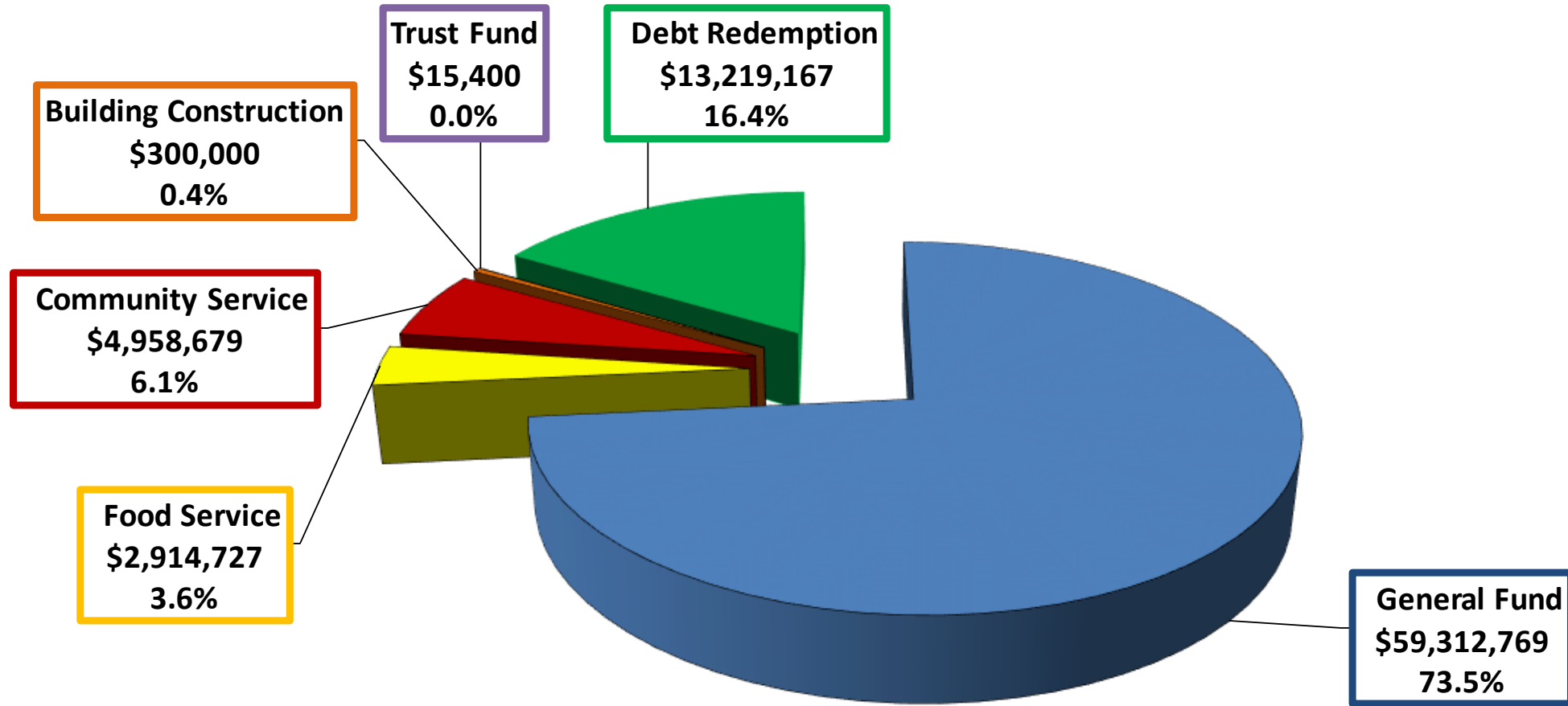
Our District's Funds:

- General
- Food Service
- Community Service
- Building Construction
- Debt Service
- Trust

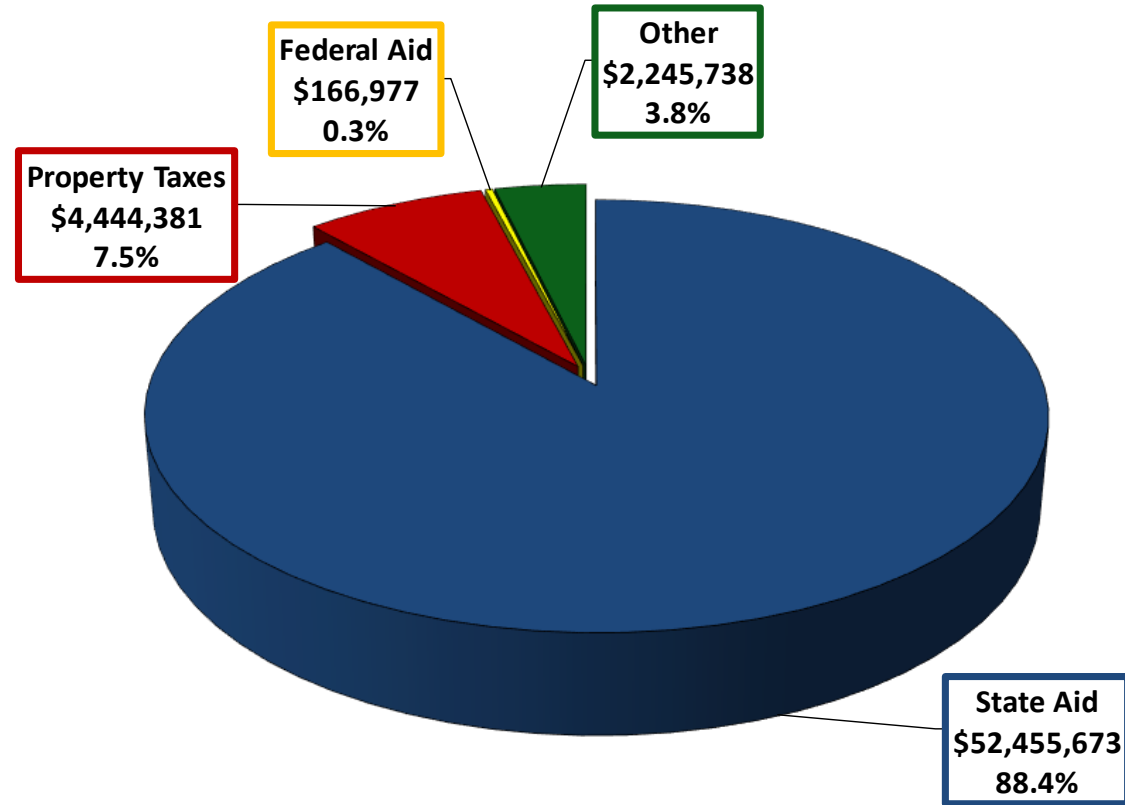
St. Michael-Albertville Independent School District 885
District Revenues and Expenditures
Actual for FY 2017, Budget for FY 2018

FUND	FISCAL 2017 BEGINNING FUND BALANCES	2016-17 ACTUAL REVENUES AND TRANSFERS IN	2016-17 ACTUAL EXPENDITURES & TRANSFERS OUT	JUNE 30,2017 ACTUAL FUND BALANCE	2017-18 BUDGET REVENUES AND TRANSFERS IN	2017-18 BUDGET EXPENDITURES & TRANSFERS OUT	JUNE 30,2018 PROJECTED FUND BALANCE
General Fund/Restricted	\$1,845,659	\$6,926,764	\$6,566,140	\$2,206,283	\$5,687,413	\$5,420,040	\$2,473,656
General Fund/Other	13,842,810	51,284,737	50,541,405	14,586,142	53,625,356	53,646,804	14,564,694
Food Service Fund	1,330,439	2,853,893	2,898,667	1,285,665	2,914,727	3,265,798	934,594
Community Service Fund	2,026,452	4,869,278	4,735,453	2,160,277	4,958,679	4,917,603	2,201,353
Building Construction Fund	-	36,774,868	2,773,905	34,000,963	300,000	26,643,500	7,657,463
Debt Service Fund	4,087,554	51,431,934	13,593,823	41,925,665	13,219,167	13,623,525	41,521,307
Trust Fund	34,929	21,065	16,750	39,244	15,400	15,850	38,794
Total All Funds	\$23,167,843	\$154,162,539	\$81,126,143	\$96,204,239	\$80,720,742	\$107,533,120	\$69,391,861

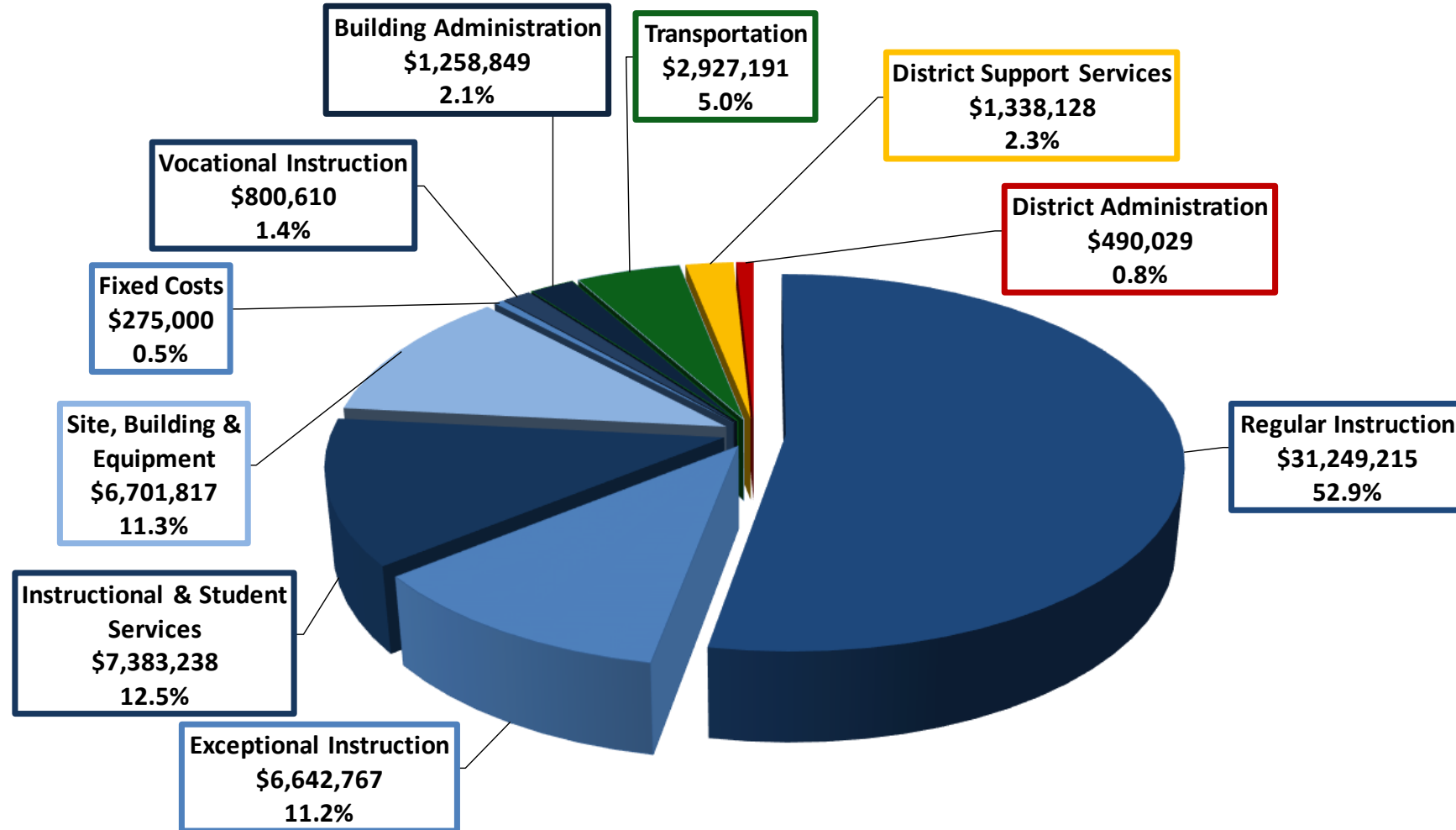
St. Michael-Albertville Independent School District No. 885
Revenue all Funds
2017-18 Budget \$80,720,742



St. Michael-Albertville Independent School District No. 885
General Fund Revenue
2017-18 Budget \$59,312,769

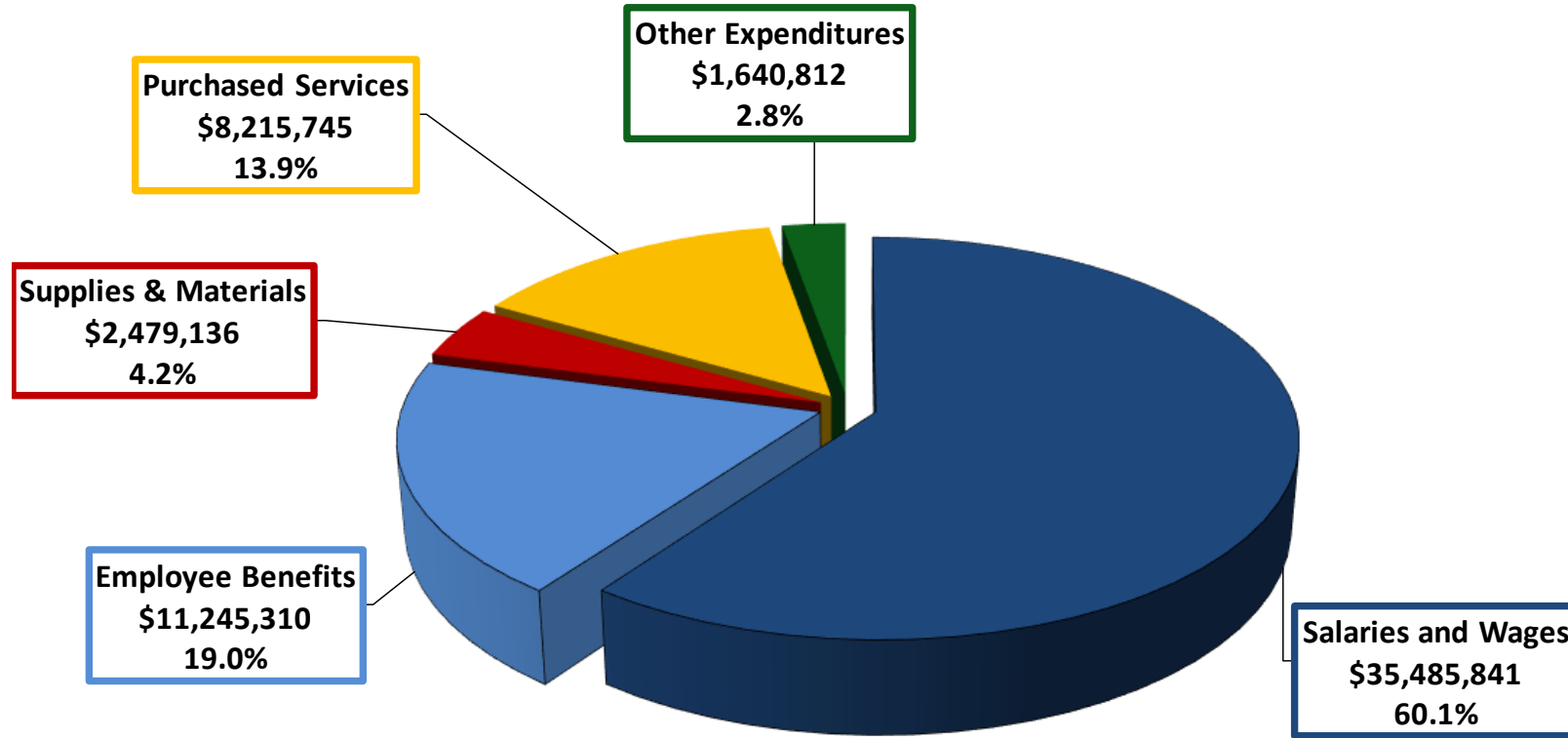


St. Michael-Albertville Independent School District No. 885 General Fund Expenditures by Program 2017-18 Budget \$59,066,844



Blue tiles represent General Fund budget allocated to building level operations: 91.9%

St. Michael-Albertville Independent School District No. 885
General Fund Expenditure by Object
2017-18 Budget \$59,066,844



Payable 2018 Property Tax Levy

- Determination of levy
- Comparison of 2017 to 2018 levies
- Specific reasons for changes in tax levy
- Impact on taxpayers

Property Tax Background

- Every owner of taxable property pays property taxes to various “taxing jurisdictions” (county, city/township, school district, special districts) in which property is located
- Each taxing jurisdiction sets own tax levy, often based on limits in state law
- County sends bills, collects taxes from property owners, and distributes funds back to other taxing jurisdictions



Spruce County
 Jane Smith, Auditor-Treasurer
 345 12th Street East, Box 78
 Spruceville, MN 55555-5555
 (555) 345-6789
 www.co.spruce.mn.us

TAXPAYER(S):

John and Mary Johnson
 123 Pine Rd S
 Spruceville, MN 55555-5555

Property Information

PIN Number: 01.234.56.789.R1 Property Address: 789 Pine Rd S
 Spruceville, MN 55555

Property Description:
 Lot 1, Block 1, Spruce Acres Subdivision

PROPOSED TAXES 2018

THIS IS NOT A BILL. DO NOT PAY.

VALUES AND CLASSIFICATION			
Step	Taxes Payable Year	2017	2018
1	Estimated Market Value	\$125,000	\$150,000
	Homestead Exclusion	\$	\$23,800
	Taxable Market Value	\$125,000	\$126,200
	Class	Res NHmstd	Res Hmstd
PROPOSED TAX			
2	Property Taxes before credits	\$1,562.46	
	School building bond credit	\$	12.00
	Agricultural market value credit		
	Other credits		
	Property Taxes after credits	\$1,550.46	
PROPERTY TAX STATEMENT			
3	Coming in 2018		
The time to provide feedback on PROPOSED LEVIES is NOW			

Proposed Property Taxes and Meetings by Jurisdiction for Your Property

Contact Information	Meeting Information	Actual 2017	Proposed 2018	
State General Tax	No public meeting	\$0	\$0	
County of Spruce Spruce County Courthouse 123 Spruce St Spruceville, MN 55555 www.co.spruce.mn.us (555) 123-4567	December 7, 7:00 PM	\$438.06	\$484.18	
City of Spruceville Mayor's Office 456 Spruce St Spruceville, MN 55555 www.ci.spruceville.mn.us (555) 123-7654	December 4, 6:30 PM Spruceville City Hall	\$273.79	\$312.06	
Spruceville School District 999 150 1st St N Spruceville, MN 55555 www.spruceville.k12.mn.us (555) 123-6789	December 5, 7:00 PM Spruceville High School Cafeteria			
Voter Approved Levies		\$289.35	\$296.68	
Other Levies		\$340.11	\$374.60	
<i>Your school district was scheduled to hold a referendum at the November general election. If the referendum was approved by the voters, the school district's voter approved property tax for 2018 may be higher than the proposed amount shown on this notice.</i>				
Metro Special Taxing Districts		\$57.76	\$58.70	
Spruceville Metropolitan Council www.spruce.metrocouncil.org (555) 555-5555 Spruceville, MN 55055	December 8, 7:30 PM Spruce Park Centre 500 Pine St.			
Other Special Taxing Districts	No public meeting	\$12.80	\$13.02	
Tax Increment Tax	No public meeting	\$10.15	\$11.22	
Total excluding any special assessments		\$1,410.02	\$1,650.46	9.0%

School District Property Taxes

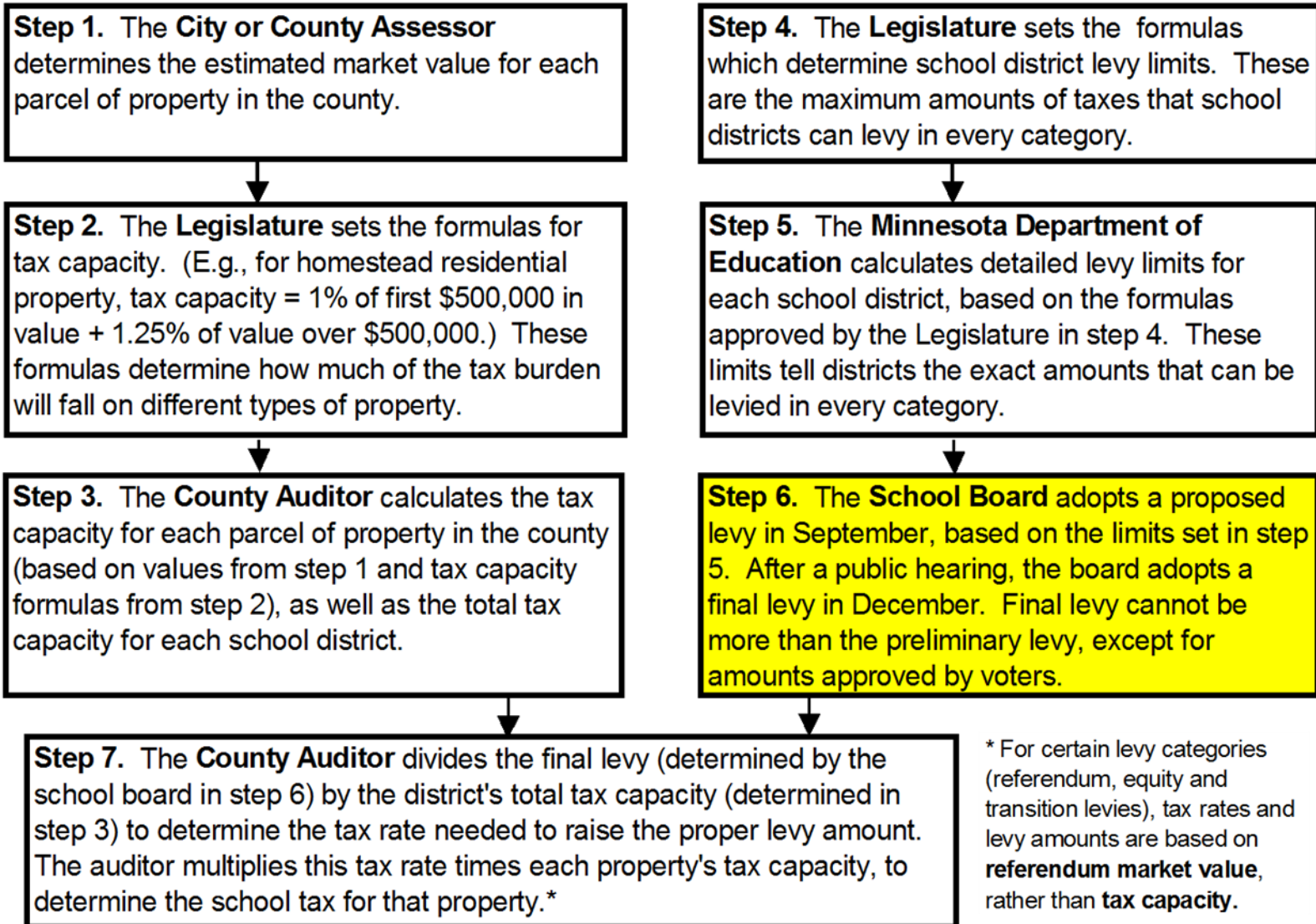
- Each school district may levy taxes in over 30 different categories
- “Levy limits” (maximum levy amounts) for each category are set by:
 - State law
 - Voter approval
- Minnesota Department of Education (MDE) calculates detailed levy limits for each district

Property Tax Background

School District Property Taxes

- Key steps in process are summarized on next slide
- Any of these steps may affect the taxes on a parcel of property, but district has control over only 1 of the 7 steps

Minnesota School District Property Taxes - Key Steps in the Process



Schedule of Events in Approval of District's 2017 (Payable 2018) Tax Levy

- September 8: MDE prepared and distributed first draft of levy limit report setting maximum authorized levy
- September 18: School board approved proposed levy amounts
- Mid-November: County mailed “Proposed Property Tax Statements” to all property owners
- December 4: Public hearing on proposed levy at regular meeting
- Following hearing, School Board will certify final levy amounts

Overview of Proposed Levy Payable in 2018

- The total 2018 proposed property tax levy will increase from 2017 by \$1,071,605, or 8.6%
- State law requires that we explain the reasons for the major increases in the levy
- Some decreases in specific levies will also be explained

St. Michael-Albertville School District ISD #885

Comparison of Proposed Tax Levy Payable in 2018 to Actual Levy Payable in 2017

Fund	Levy Category	Actual Levy Payable in 2017	Proposed Levy Payable in 2018	\$ Change	% Change
General Fund					
	Voter Approved Referendum	\$687,225	\$729,175	\$41,950	
	Board Approved Referendum	13,715	14,552	837	
	Local Optional Levy	1,709,378	1,813,722	104,344	
	Equity	631,497	669,897	38,399	
	Student Achievement Levy	27,880	0	(27,880)	
	Operating Capital	206,249	186,817	(19,432)	
	Long Term Facilities Maintenance	410,207	564,091	153,883	
	Instructional Lease Levy	57,067	62,579	5,513	
	Safe Schools	247,961	251,359	3,398	
	Other	84,443	85,441	998	
	Levy Adjustments	(3,155)	20,676	23,830	
	<u>Total, General Fund</u>	<u>\$4,345,735</u>	<u>\$4,696,272</u>	<u>\$350,537</u>	<u>8.1%</u>
Community Service Fund					
	Basic Community Education	\$181,600	\$181,600	\$0	
	Early Childhood Family Education	65,239	67,979	2,740	
	Other	915	952	37	
	Levy Adjustments	28,822	6,071	(22,751)	
	<u>Total, Community Service Fund</u>	<u>\$306,577</u>	<u>\$326,603</u>	<u>\$20,026</u>	<u>6.5%</u>
Debt Service Funds					
	Voter Approved Debt Service	\$8,616,248	\$9,705,736	\$1,089,488	
	Reduction for Debt Excess	(774,718)	(1,196,355)	(421,637)	
	Levy Adjustments	335	33,527	33,191	
	<u>Total, Debt Service Fund</u>	<u>\$7,841,865</u>	<u>\$8,542,908</u>	<u>\$701,042</u>	<u>8.9%</u>
Total Levy, All Funds		\$12,494,177	\$13,565,782	\$1,071,605	8.6%
Subtotal by Truth in Taxation Categories:					
	Voter Approved Levies	\$8,588,250	\$9,302,924	\$714,673	
	Other Levies	<u>\$3,905,927</u>	<u>\$4,262,859</u>	<u>\$356,932</u>	
	<u>Total</u>	<u>\$12,494,177</u>	<u>\$13,565,782</u>	<u>\$1,071,605</u>	<u>8.6%</u>

Explanation of Levy Changes

Category: Voter Approved Operating Referendum and Local Optional Revenue

Change: \$146,294

Use of Funds: General Operating Expenses

Reason for Change:

- Enrollment projected to increase

Explanation of Levy Changes

Category: Long Term Facilities Maintenance (LTFM)

Change: \$153,883

Use of Funds: Deferred Maintenance Projects

Reason for Change:

- New category of revenue created by legislation in 2015; replaced previous Health & Safety and Deferred Maintenance programs
- Revenue is phasing in over 3 years, with revenue increasing each year from 2016-17 through 2018-19
- Increase partially offset by reduction in other levy categories (Student Achievement and Operating Capital)

Explanation of Levy Changes

Category: Voter Approved Debt Service

Change: \$1,089,488

Use of Funds: Annual required payment of principal and interest on bonds

Reason for Change:

- Levy increased as a result of the bond referendum on February 7, 2017.

Explanation of Levy Changes

Category: Debt Excess Levy Reduction

Change: - \$421,637

Use of Funds: Annual required payment of principal and interest on bonds

Reason for Change:

- Legislative changes to speed up debt service aid payments had the benefit of increasing cash available to meet debt service payment obligations. As a result, district is able to retain less funds for cash flow purposes, enabling a larger reduction in the levy than last year.

Factors Impacting Individual Taxpayers School Taxes

Many factors can cause the tax bill for an individual property to increase or decrease from year to year:

- Changes in value of the individual property
- Changes in the total value of all property in the district
- Increases or decreases in levy amounts caused by changes in state funding formulas, local needs and costs, voter-approved referendums, and other factors

Four Year School Levy Comparison

The following are tables and graphs showing examples of changes in the school district portion of property taxes from 2015 to 2018

Examples include school district taxes only

All examples are based on a 10.3% increase in property value over this period

- Actual changes in value may be more or less than this for any parcel of property
- Figures are intended to provide a fair representation of what has happened to school district property taxes over this period for typical properties

Impact on Taxpayers

- Figures for 2018 are preliminary estimates, based on best available data – final figures could change slightly
- Estimates prepared by Ehlers, district's municipal financial advisors

St. Michael-Albertville School District

Estimated Changes in School Property Taxes, 2015 to 2018

Based on 10.3% Cumulative Changes in Property Value from 2015 to 2018 Taxes

Type of Property	Estimated Market Value for 2015 Taxes	Actual Taxes Payable in 2015	Estimated Market Value for 2016 Taxes	Actual Taxes Payable in 2016	Estimated Market Value for 2017 Taxes	Actual Taxes Payable in 2017	Estimated Market Value for 2018 Taxes	Estimated Taxes Payable in 2018	Change in Taxes 2015 to 2018	Change in Taxes 2017 to 2018
Residential Homestead	\$181,268	\$1,090	\$186,706	\$1,086	\$192,308	\$1,121	\$200,000	\$1,184	\$94	\$63
	203,927	1,250	210,045	1,244	216,346	1,283	225,000	1,355	105	72
	226,586	1,410	233,383	1,403	240,385	1,445	250,000	1,525	115	80
	249,244	1,570	256,721	1,562	264,423	1,607	275,000	1,695	125	88
	271,903	1,730	280,060	1,720	288,462	1,769	300,000	1,866	136	97
	294,561	1,890	303,398	1,879	312,500	1,930	325,000	2,036	146	106
	317,220	2,050	326,736	2,037	336,538	2,092	350,000	2,206	156	114
	362,537	2,370	373,413	2,355	384,615	2,416	400,000	2,547	177	131
	407,854	2,690	420,090	2,669	432,692	2,732	450,000	2,872	182	140
453,171	2,992	466,766	2,966	480,769	3,036	500,000	3,191	199	155	
Commercial/ Industrial #	\$181,268	\$1,740	\$186,706	\$1,735	\$192,308	\$1,764	\$200,000	\$1,875	\$135	\$111
	362,537	3,863	373,413	3,838	384,615	3,880	400,000	4,109	246	229
	453,171	4,924	466,766	4,889	480,769	4,938	500,000	5,226	302	288
	679,757	7,578	700,149	7,518	721,154	7,584	750,000	8,019	441	435
906,342	10,231	933,532	10,147	961,538	10,229	1,000,000	10,812	581	583	
Agricultural Homestead (average value per acre of land and buildings)	\$4,532	\$11.57	\$4,668	\$11.46	\$4,808	\$11.27	\$5,000	\$8.01	-\$3.56	-\$3.26
	5,438	13.89	5,601	13.75	5,769	13.53	6,000	9.60	-4.29	-3.93
	6,798	17.36	7,001	17.19	7,212	16.91	7,500	12.01	-5.35	-4.90
	8,157	20.83	8,402	20.63	8,654	20.29	9,000	14.41	-6.42	-5.88
Agricultural Non-homestead (average value per acre of land and buildings)	\$4,532	\$23.15	\$4,668	\$22.92	\$4,808	\$22.54	\$5,000	\$16.01	-\$7.14	-\$6.53
	5,438	27.78	5,601	27.50	5,769	27.05	6,000	19.22	-8.56	-7.83
	6,798	34.72	7,001	34.38	7,212	33.82	7,500	24.02	-10.70	-9.80
	8,157	41.67	8,402	41.26	8,654	40.58	9,000	28.82	-12.85	-11.76
Tax Rates										
Tax Capacity Rate		51.082		49.103		46.893		47.882		
Referendum Market Value Rate		0.14950		0.14430		0.16250		0.15946		

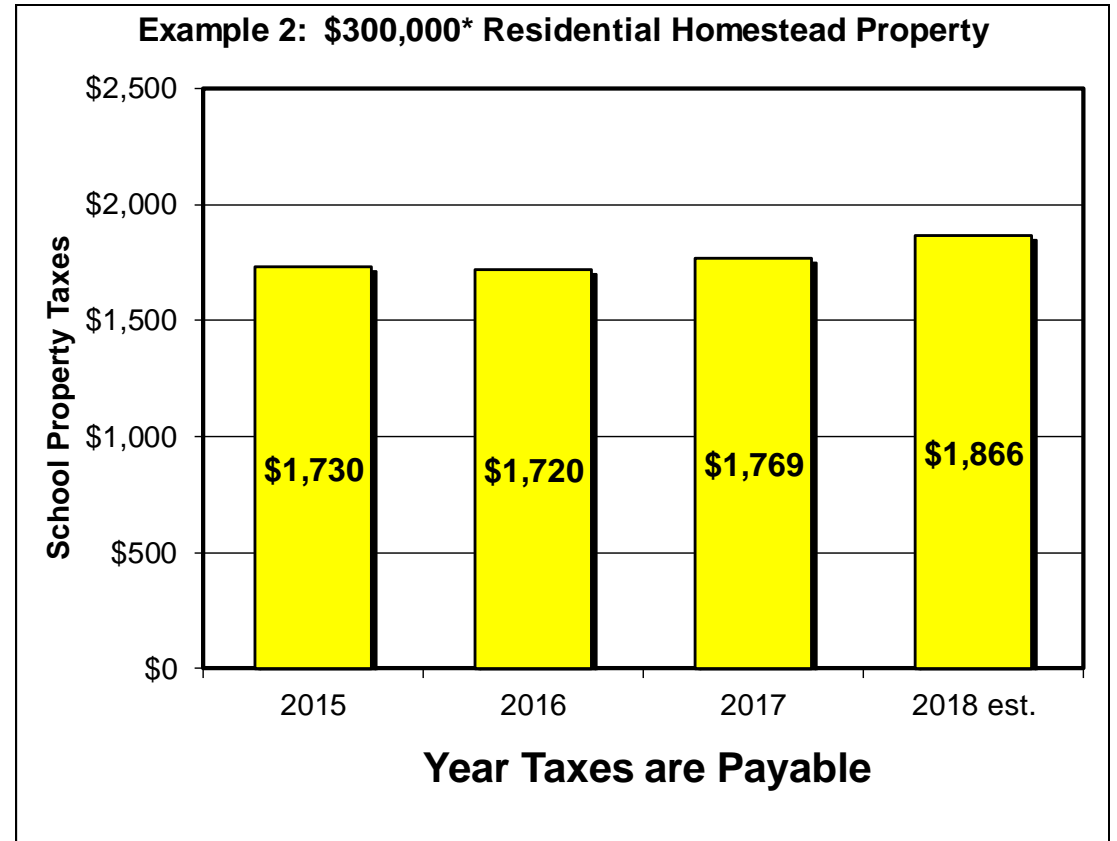
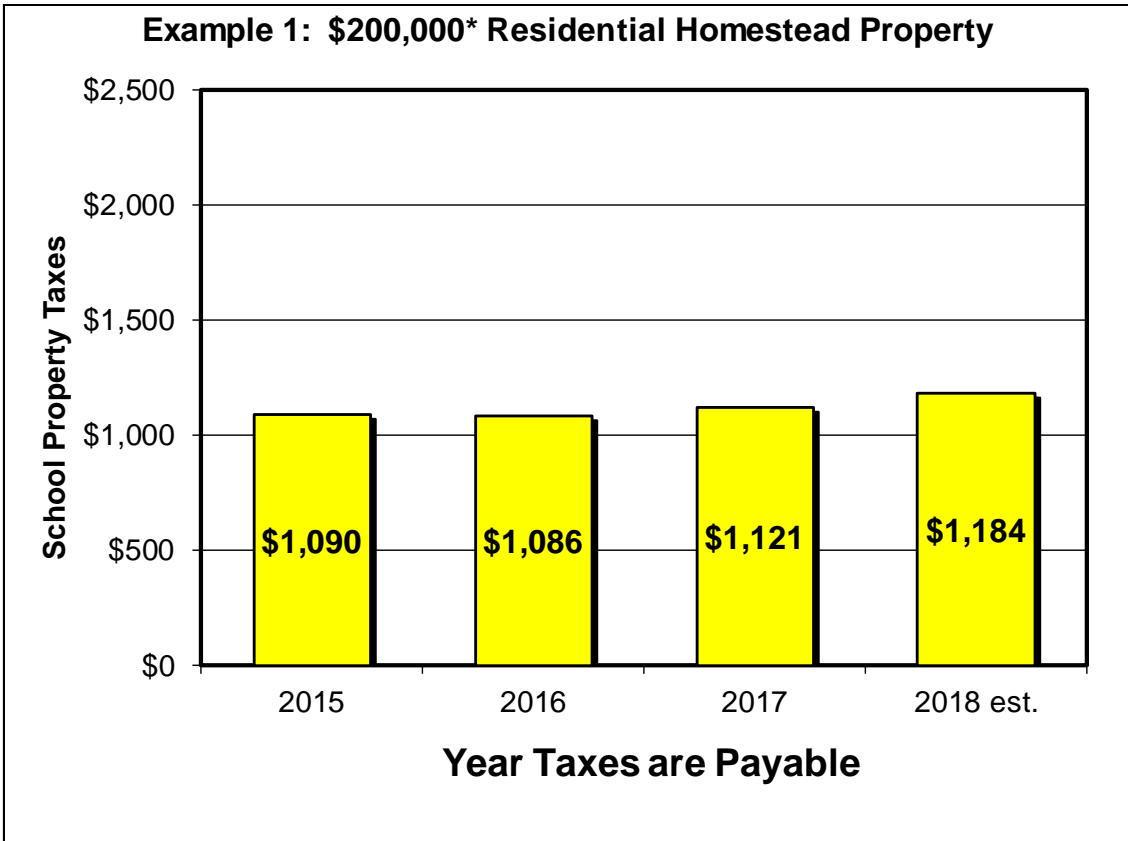
General Notes

1. The figures in the table are based on school district taxes only, and do not include taxes for the city or township, county, state, or other taxing jurisdictions.
2. Estimates of taxes payable in 2018 are preliminary, based on the best data available as of the date above.
3. For all examples of properties, taxes are based on changes in taxable market value of 3.0% from 2015 to 2016 taxes, 3.0% from 2016 to 2017, and 4.0% from 2017 to 2018.
4. For agricultural property, estimates of taxes payable in 2018 include the impact of the new School Building Bond Agricultural Credit. Average value per acre is the total estimated market value of all land and buildings, divided by total acres. Homestead examples do not include the value of the house, garage, and one acre, for which tax impact will be the same as on a residential homestead property. This calculation does not include the impact of the Agricultural Homestead Credit, which reduces taxes on each parcel of agricultural homestead property by varying amounts.

St. Michael-Albertville School District

Estimated Changes in School Property Taxes, 2015 to 2018

Based on 10.3% Cumulative Changes in Property Value from 2015 to 2018 Taxes

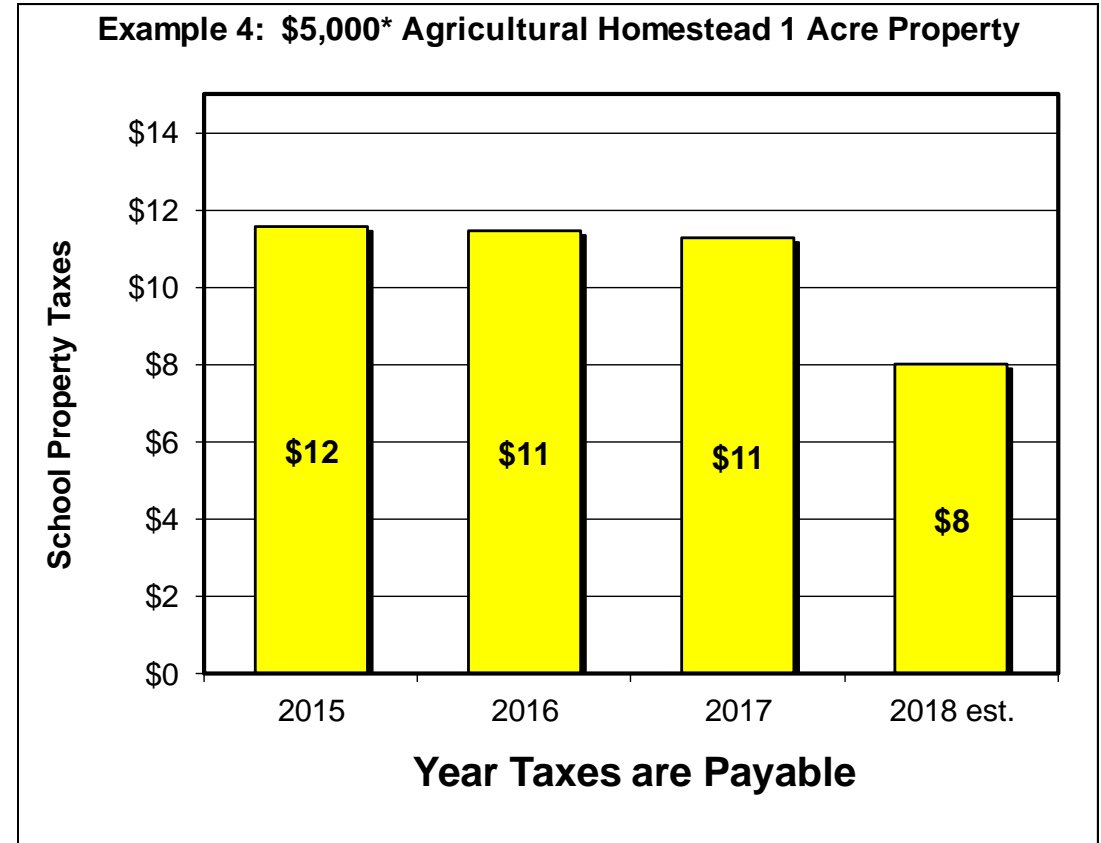
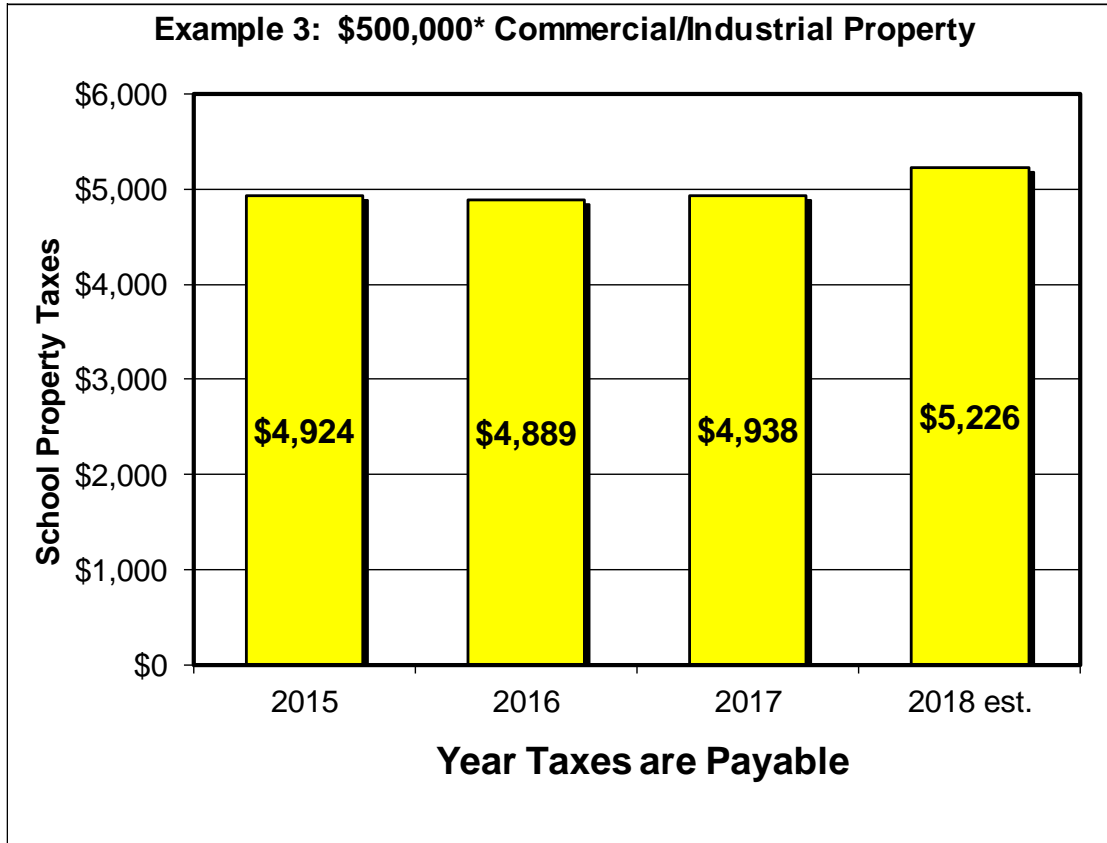


* For all four examples of properties, the value shown in the title of the chart is the estimated market value for taxes payable in 2018. Taxes are calculated based on changes in market value of 3.0% from 2015 to 2016 taxes, 3.0% from 2016 to 2017, and 4.0% from 2017 to 2018.

St. Michael-Albertville School District

Estimated Changes in School Property Taxes, 2015 to 2018

Based on 10.3% Cumulative Changes in Property Value from 2015 to 2018 Taxes



* For all four examples of properties, the value shown in the title of the chart is the estimated market value for taxes payable in 2018. Taxes are calculated based on changes in market value of 3.0% from 2015 to 2016 taxes, 3.0% from 2016 to 2017, and 4.0% from 2017 to 2018.

Minnesota Homestead Credit Refund “Circuit Breaker”

- Has existed since 1970s
- Available **each year** to owners of homestead property
(applies to taxes paid on house, garage and one acre for ag homestead property)
- Annual income must be approximately \$108,660 or less
(income limit is higher if you have dependents)
- Sliding scale - refund based on income and total property taxes
- Maximum refund for homeowners is \$2,660
- Average refund was \$847 for property tax in year 2015
- Also available to renters

Minnesota Special Property Tax Refund

- Available each year to owners of homestead properties with a gross tax increase of at least 12% and \$100 over prior year
- This may benefit many of the district's homeowners in 2018, because of the increase in taxes from the bond referendum
- Refund is 60% of amount by which tax increase exceeds greater of 12% or \$100, up to a maximum of \$1,000
- No income limits
- Complete state tax form M-1PR (www.revenue.state.mn.us)

Senior Citizen Property Tax Deferral

- Allows people age 65 and older with household income of \$60,000 or less to defer a portion of property taxes on their home
- Limits maximum amount of property tax paid to 3% of household income
- Additional taxes are deferred, not forgiven
- Provides predictability; amount of tax you pay will not change for as long as you participate in the program
- Deferred property taxes plus accrued interest must be paid when home is sold or homeowner(s) dies

Next Steps

- Board will accept public comments and questions on proposed levy
- Board will certify the 2018 property tax levy



Public Comments & Questions?
