

**FOCUSED FORUM
TAXES PAYABLE
2021**



Meeting Goals

- Explanation of the property tax statement (school portion only)
- Discussion of taxes payable 2021
- Discussion of FY 2020-2021 budget
- Comments



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



School District Property Taxes

Each school district may levy taxes in over 40 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

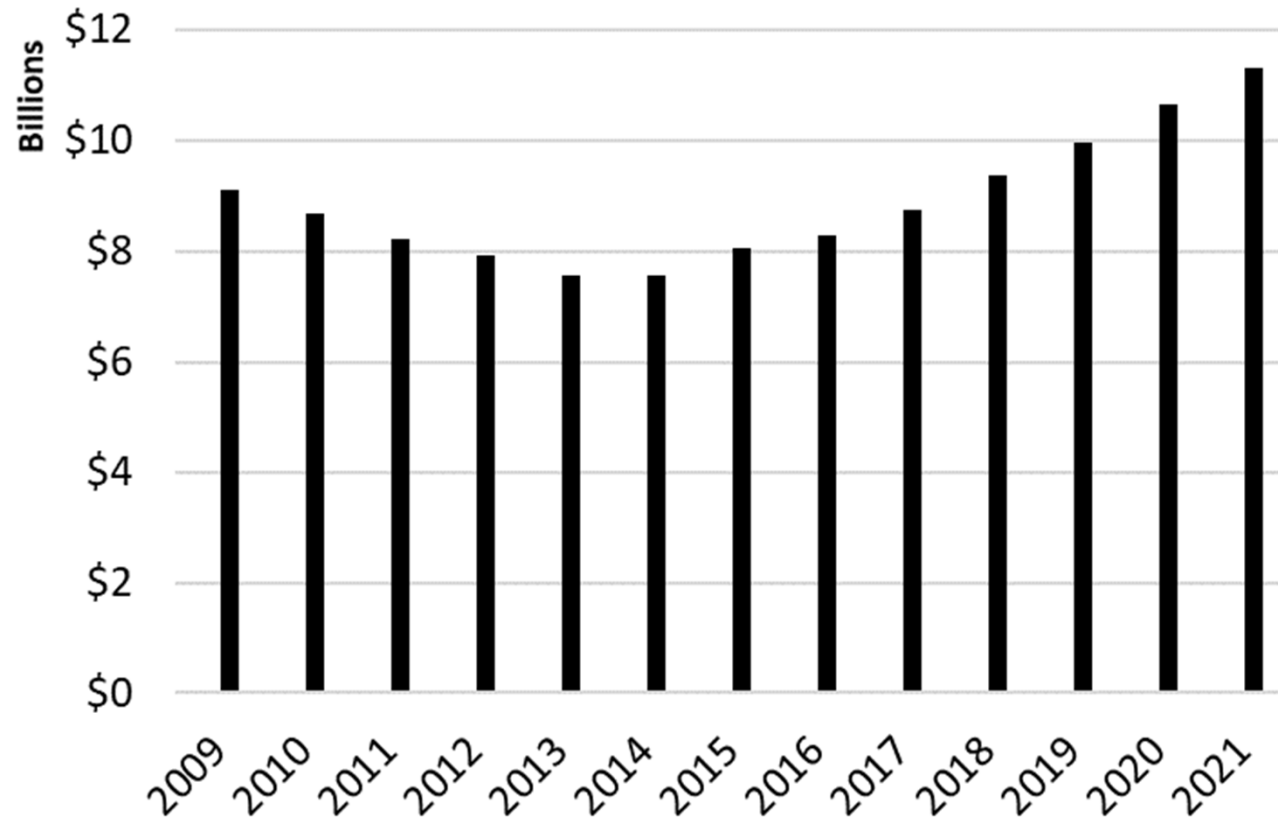
Factors Impacting Individual Taxpayers' School Taxes

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

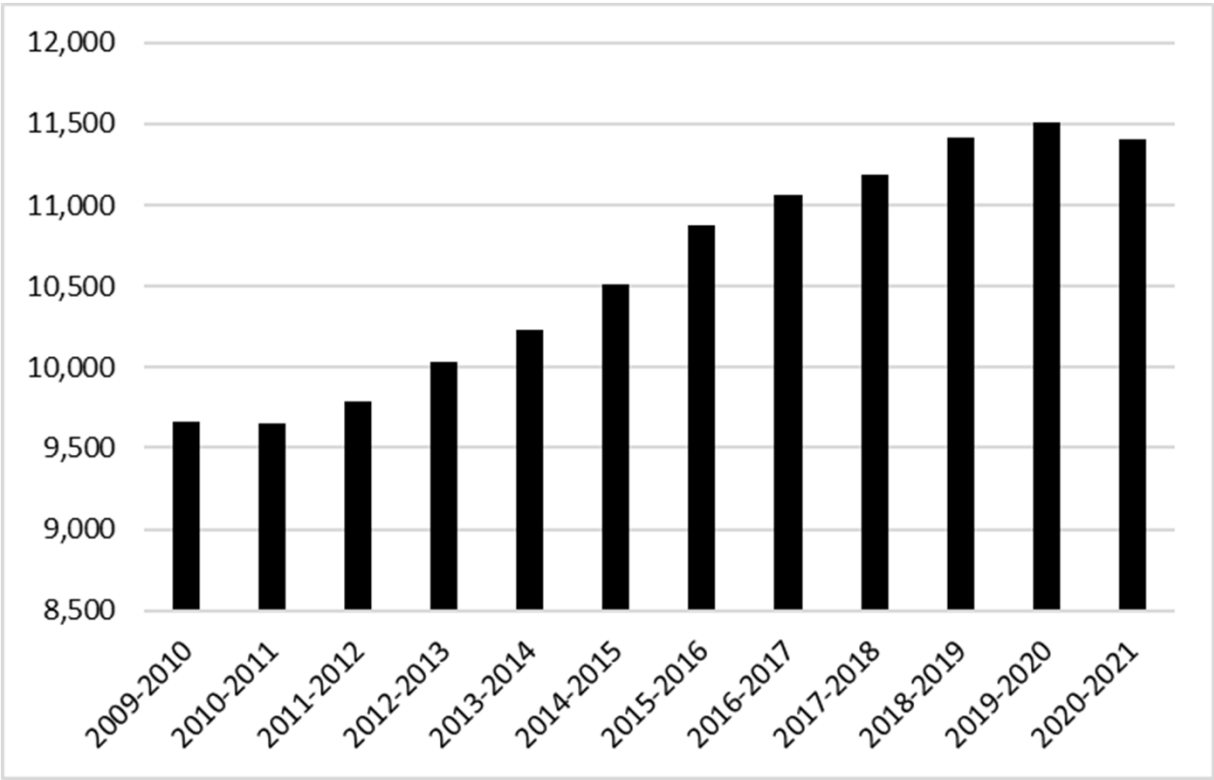
- Changes in value of individual property
- Changes in total value of all property in District
- Increases or decreases in levy amounts caused by changes in state funding formulas, local needs and costs, voter-approved referendums, and other factors



Changes in Market Value



Student Enrollment (October 1st)



Taxes Payable 2021 Summary

- The taxes for 2021 are projected to decrease \$587,411 or approximately 1% less than the prior year.
- The decrease is a combination of many funding formulas.
 - ❖ The General Fund decreased by \$1.5 million. This decrease is related to the delay in the TCAAP site development, which reduces student enrollment projections for future years.
 - ❖ The Debt Service Fund increased by \$900,000 due to a reduction in the debt excess fund balance calculation.



The Final School Tax Levy for 2021

SUMMARY:

Description	Payable 2020	Payable 2021	Dollar Increase	Percentage Increase
General	\$43,861,326.79	\$42,392,593.15	(\$1,468,733.64)	-3.35%
Community Service	\$1,024,253.90	\$1,012,387.10	(\$11,866.80)	-1.16%
Debt Service	\$18,228,386.52	\$19,121,575.83	\$893,189.31	4.90%
Total Proposed Levy	\$63,113,967.21	\$62,526,556.08	(\$587,411.13)	-0.93%



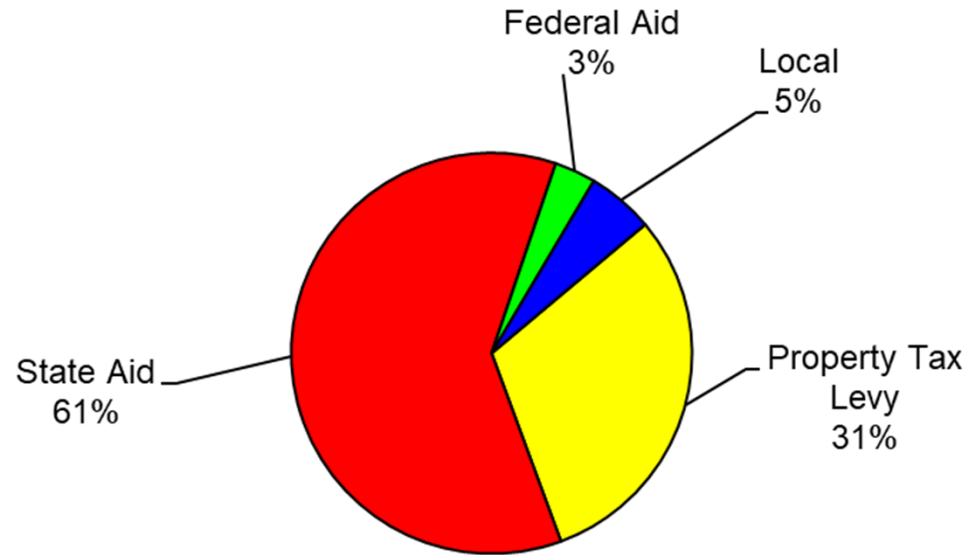
Budget Summary 2020-2021

	<u>REVENUE</u>	<u>EXPENDITURES</u>
General Fund	\$170,692,885	\$168,360,469
Nutrition Service Fund	6,336,885	6,936,885 *
Community Service Fund	6,424,062	6,082,192
Building Construction Fund	1,516,316	48,051,933 *
Debt Service Fund	<u>18,228,386</u>	<u>18,730,115 *</u>
Total All Funds	<u><u>\$203,198,534</u></u>	<u><u>\$248,161,594</u></u>

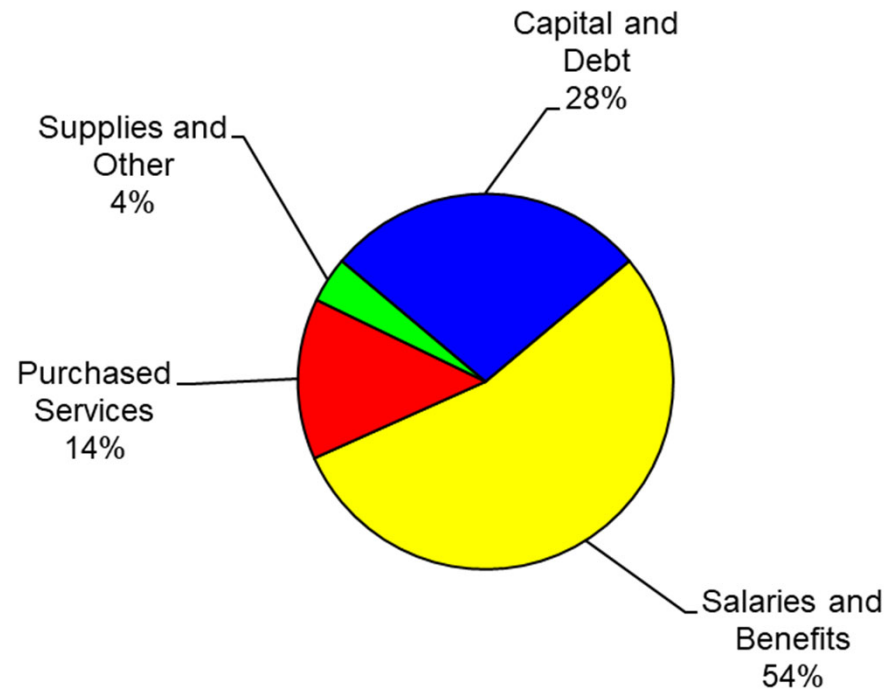
* The Nutrition Service Fund, the Building Construction Fund, and the Debt Service Fund have reserve balances to cover the gap between revenues and expenditures.



APPROVED REVENUE BUDGETS 2020-2021 (\$203,198,534)



APPROVED EXPENDITURE BUDGETS 2020-2021 (\$248,161,594)



MINNESOTA PROPERTY TAX RELIEF

Minnesota Homestead Credit Refund

- Has existed since 1970 and available each year
- Annual income limits apply
- Complete MN State Tax form M-1PR

Minnesota Special Property Tax Refund

- Available each year
- No annual income limits
- Available to properties with gross tax increases greater than 12%
- Complete MN State Tax form M-1PR

More Information is available on the state's web page at
www.revenue.state.mn.us



To Summarize

- Public schools have a process to follow in order to authorize tax levies.
- Tax revenues are an important component of school district budgets.
- An individual's property tax liability is influenced by many factors.
- The taxes collected for the School District in 2021 will decrease by \$587,411 or approximately 1% less than taxes collected in 2020.
- Mounds View Public Schools will certify the final tax levy at the regular December 8th School Board meeting.

Public Comment

