

PUBLIC HEARING

2025-26 Budget & Proposed 2026 Property Taxes



NRHEG Public Schools
December 15, 2025 6:00 pm
Secondary School Media

- 
- **Truth in Taxation Law, passed in 1989**
 - **Two major requirements:**

1. Tax Statements

Counties must send out proposed property tax statements in November based on preliminary tax levies set by all taxing jurisdictions (counties, cities, townships, school districts, etc.)

2. Public Hearing

Most taxing jurisdictions must hold a public hearing prior to certifying the final levy and discuss:

- Payable 2026 levy
- Fiscal year 2026 budget
- Public comments

**This is the school district's
annual required hearing**



Who sets the School Levy?

Components of a District Tax Levy are either:

- **Set By State Formula By Legislature**
 - General Education Formula, Operating Capital, Career & Technical, Reemployment, etc.
- **Voter Approved as Authorized by the State**
 - Operating Referendum or Building Bonds

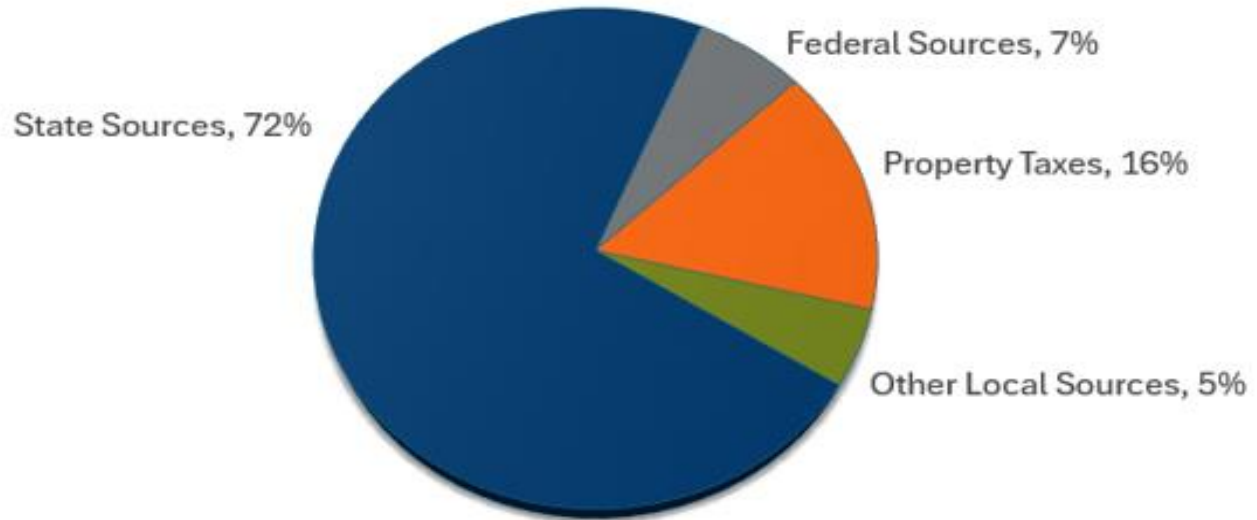
How is my property tax determined?

- County Assessor determines market value for each parcel of property.
- MN Legislature sets formulas for Tax Capacity. These formulas determine how the tax burden is split on different types of property (residential, commercial, ag, etc.).
- County Auditor calculates the tax capacity for each parcel based on the above.
- County Auditor divides the total levy by total tax capacity of the District to determine tax rate needed. Tax rate is multiplied by each property's tax capacity*.

*Certain levies are spread based on Market Value rather than tax capacity.

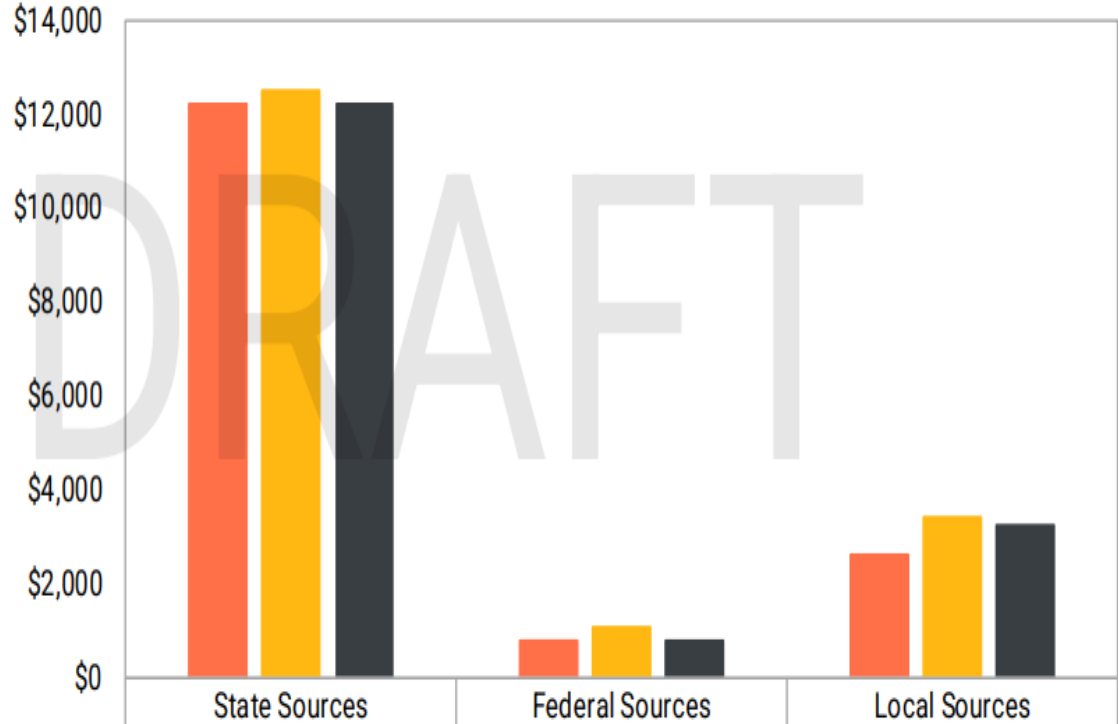
Sources of General Funds Across the State

**Sources of Funds - Statewide
Fiscal Year 2023-24**

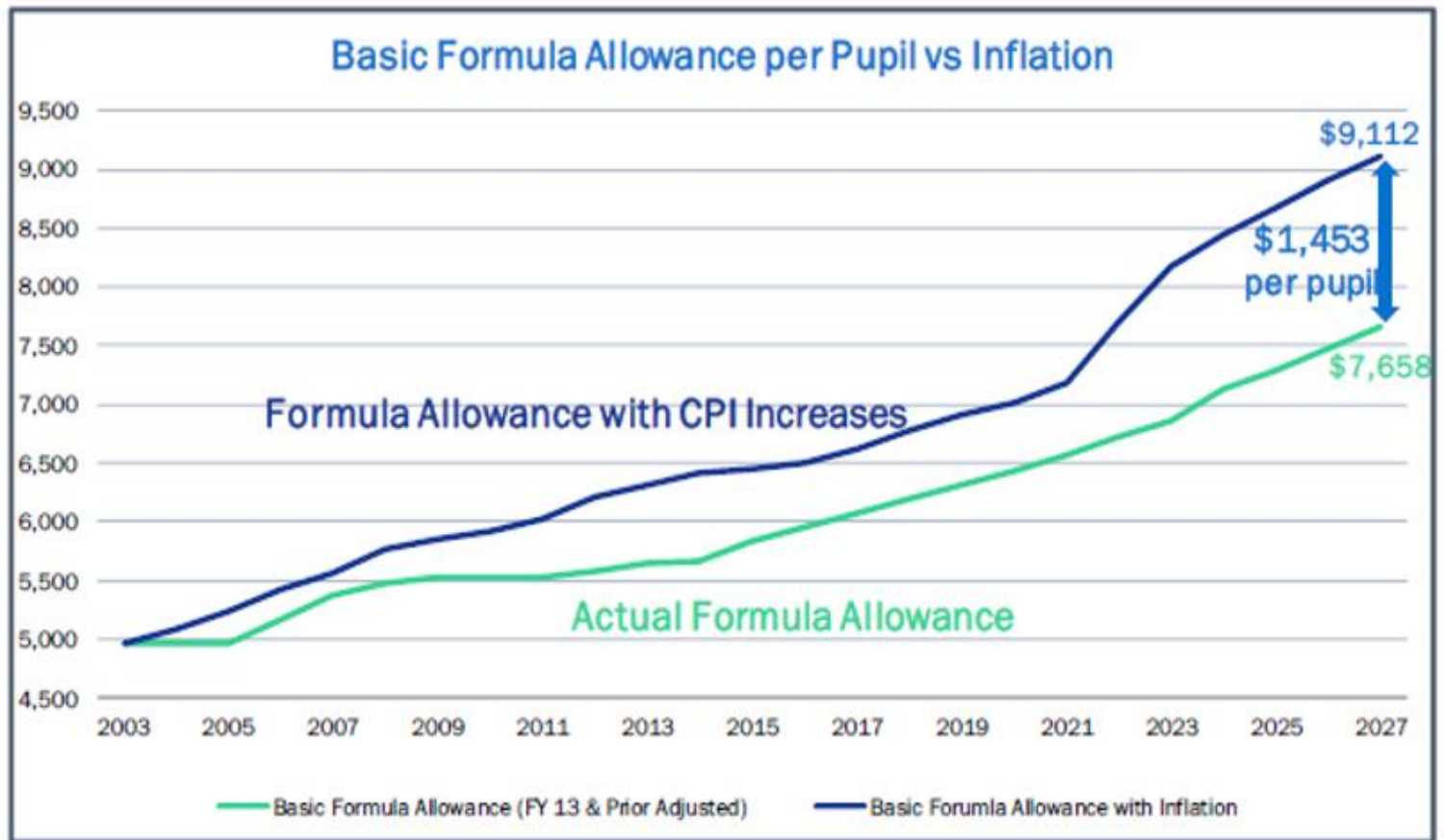


Source: MDE 2024 Consolidated Financial Report

General Fund Revenues per ADM



	State Sources	Federal Sources	Local Sources
2025 NRHEG School District	\$12,218	\$762	\$2,619
2024 Statewide Average*	\$12,521	\$1,092	\$3,400
2024 Region 09*	\$12,216	\$808	\$3,221



¹ Inflation is based on consumer price index

² Basic formula allowance includes changes made by legislature in 2023 and is adjusted for FY 2014 and earlier due to pupil weight changes

³ FY 25-26 & FY 26-27 are based on estimated inflation forecasts updated in July 2025 by the State of Minnesota

FY 2026 Budget



25-26 School Year Budget

<u>Fund</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Net</u>
General *	\$10,451,699	\$10,869,435	-\$417,736
Food Service	\$858,800	\$829,412	\$29,388
Community Education *	\$521,929	\$513,593	\$8,336
Debt Service *	\$1,367,331	\$1,285,828	\$81,503
Scholarship Trust	\$3,000	\$2,000	-\$1,000
Student Activity	<u>\$57,500</u>	<u>\$57,500</u>	<u>\$0</u>
Totals	\$13,260,259	\$13,557,768	-\$297,509

FY 2026 Property Tax Levy





Your School District Tax Levy

Possible reasons for changes to your parcel:

- Change in value or classification to your property
- Change in enrollment numbers
- Change in valuation of property in district
Equalization aid depends on district property wealth per pupil
- Local decisions and requirements
- Adjustment for prior years (estimate to actual)
- Legislative changes (Local Optional Revenue)

Proposed Tax Levy for Taxes Payable in 2026

Timeline for Taxpayers

Summer	September	November 4	November 25 – December 30	2026
Information provided to the State for preliminary levy calculations	Preliminary levy certification by school board. Typically certify to the “max.”	Hold elections; elections for bonds or levies can cause the final levy to be higher than the preliminary levy set in September	School District holds Truth in Taxation meeting and certify final property tax levy for taxes payable in 2026	Property taxes collected by counties and distributed to the school district

Property Classifications and Value



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 2025

THIS IS NOT A BILL. DO NOT PAY.

VALUES AND CLASSIFICATION			
Step			
1	Taxes Payable Year	2024	2025
	Estimated Market Value	\$125,000	\$150,000
	Homestead Exclusion	\$	\$33,050
	Taxable Market Value	\$125,000	\$116,950
	Class	Res NHmstd	Res Hmstd
PROPOSED TAX			
Step			
2	Property taxes before credits	\$1,479.52	
	School building bond credit	\$	12.00
	Agricultural market value credit		
	Other credits		
	Property taxes after credits		\$1,467.52
Step	PROPERTY TAX STATEMENT		
3	Coming in 2025		
The time to provide feedback on PROPOSED LEVIES is NOW			
It is too late to appeal your value without going to Tax Court.			

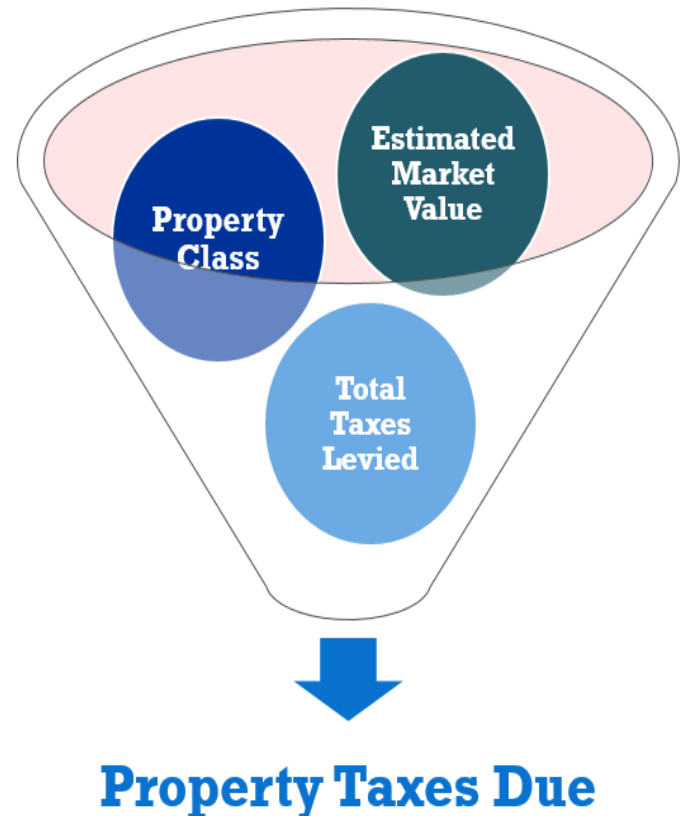
Proposed Property Taxes and Meetings by Jurisdiction for Your Property

Contact Information	Meeting Information	Actual 2024	Proposed 2025
State General Property 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 5, 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 2, 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 9, 7:00 PM Spruceville High School Cafeteria		
Voter Approved Levies		\$289.35	\$296.68
Other Levies		\$340.11	\$374.60
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 2025 may be higher than the proposed amount shown on this notice.			
Total excluding any special assessments		\$1,341.31	\$1,467.52
			9.4%

Calculating Property Taxes

3 Key Variables

1. **Estimated Market Value**
established for each parcel
by Assessor
2. **Property Classification**
rates established by state
legislature
3. **Tax levy** established by
taxing jurisdictions (School,
City, County and others)





Our District for Taxes Payable in 2026

Net Tax Capacity Levy Amount: \$1,737,655

- Most all property types pay on this amount

Referendum Market Value Levy Amount: \$674,728

- ***EXCLUDES*** Ag Land and Seasonal Rec properties

Total Pay 2026 Levy Amount: \$2,412,383

School District: N.R.H.E.G.
Assessment Year 2024 (Taxes Payable 2025)

	Market Value	Referendum Market Value	Net Tax Capacity*
	Percent of Total		
Residential Homestead	17.3%	59.1%	17.8%
Other Residential	2.3%	8.3%	2.7%
Commercial / Industrial	5.3%	20.4%	11.9%
Non Qualifying Agricultural	3.5%	12.1%	3.8%
Qualifying Agriculture	70.1%	0.0%	62.1%
Seasonal Recreational	1.5%	0.1%	1.7%
		- Operating Referendum - Local Optional Revenue - Equity & Transition 28% of Total Levy	All other school taxes including building bonds and Capital Project Levy 72% of Total Levy

*Totals include TIF and Fiscal Disparities adjustments

School District: N.R.H.E.G.

Assessment Year 2024 (Taxes Payable 2025) by Property Type

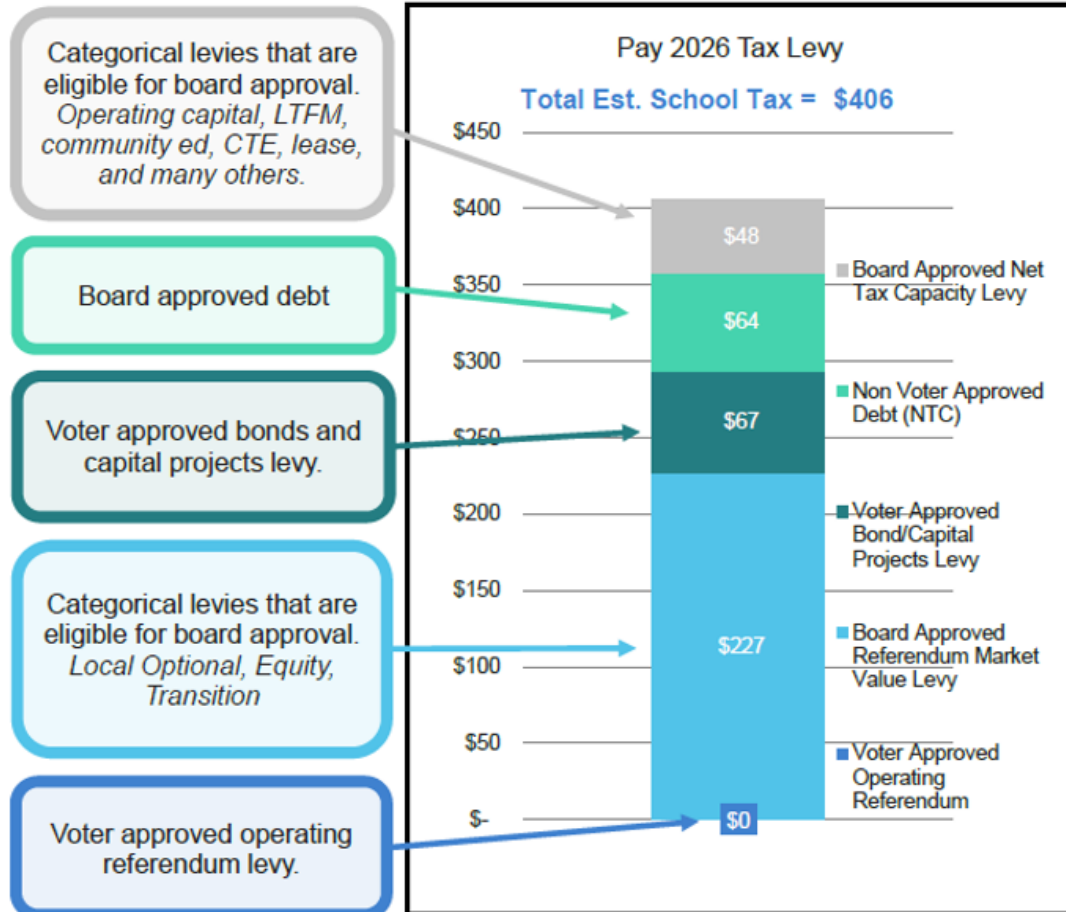
Levy Category	Operating Referendum	Capital Project Levy	Bonds
	Percent of Total		
Property Tax Levy			
Residential Homestead	59.1%	17.8%	17.8%
Other Residential	8.3%	2.7%	2.7%
Commercial / Industrial	20.4%	11.9%	11.9%
Non Qualifying Agricultural	12.1%	3.8%	3.8%
Qualifying Agriculture	0.0%	62.1%	18.6%
Seasonal Recreational	0.1%	1.7%	1.7%
Subtotal - Property Tax Levy	100.0%	100.0%	56.5%
State Aid			
Ag2 School Credit	0.0%	0.0%	43.5%
TOTAL	100.0%	100.0%	100.0%

Est. Pay 2026 Tax for Residential

NRHEG School District

Estimated Pay 2026 Total School Taxes for Residential Homestead

Home Value = \$225,000



NRHEG School District

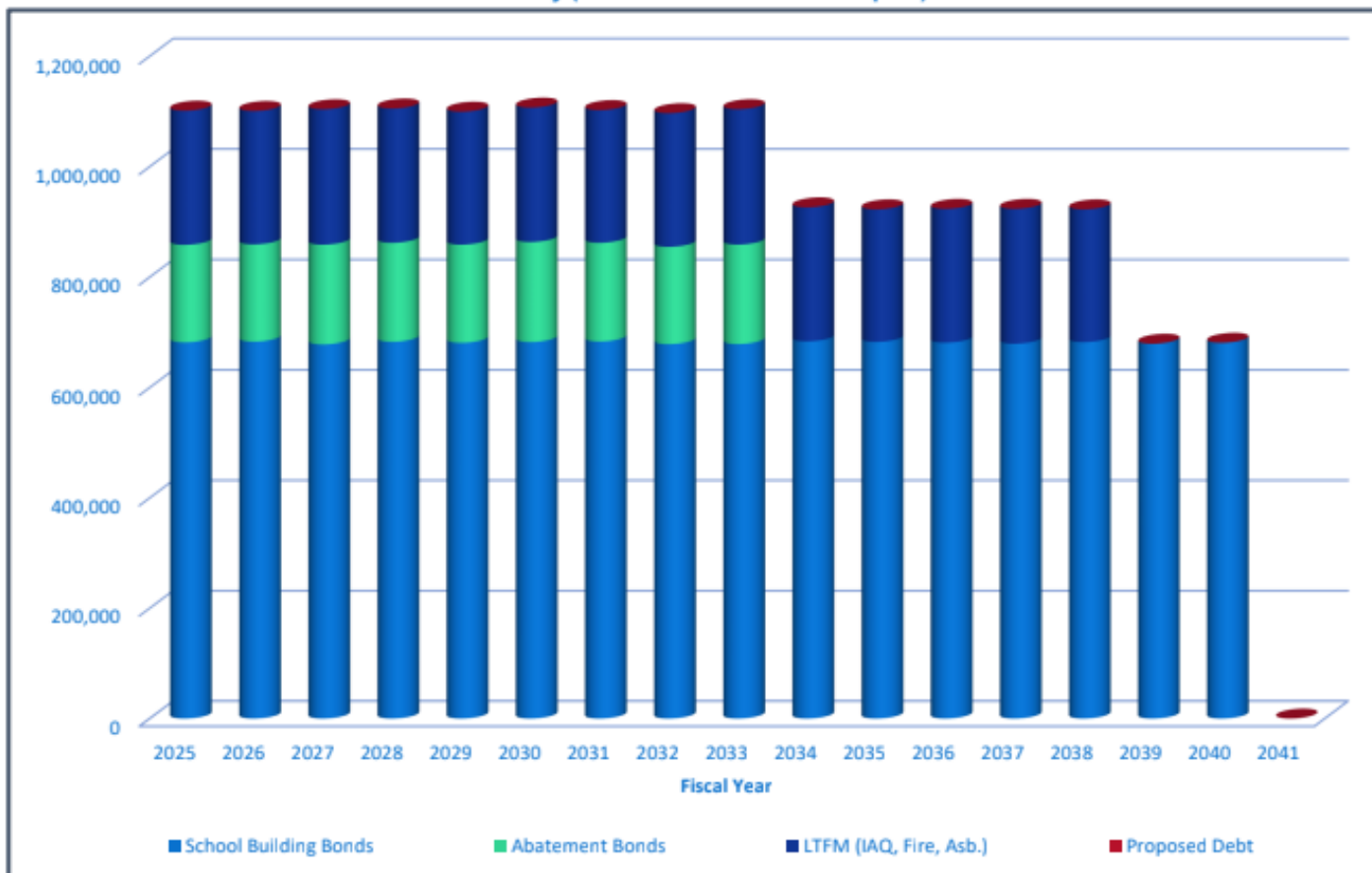
Estimated Tax Impacts - Pay 2026 Levy Total School Taxes

Summary				
	Pay 2025	Est. Pay 2026	% Change	
Referendum Market Value	\$ 601,179,085	\$ 669,085,045	11.30%	
RMV Tax Rate	0.11470%	0.10084%	-12.08%	
Net Tax Capacity	\$ 18,398,794	\$ 19,262,614	4.69%	
NTC Tax Rate	9.66%	9.02%	-6.60%	

Types of Property	Pay 2025 Value	Pay 2026 Est. Value	Pay 2025	Pay 2026	\$ Change	% Change
Residential Homestead (Value Increase 10%)	\$68,200	\$75,000	\$118	\$116	(\$2)	-1.28%
	113,600	125,000	205	207	2	0.98%
	159,100	175,000	305	307	1	0.49%
	204,500	225,000	405	406	1	0.29%
	227,300	250,000	455	456	1	0.20%
	272,700	300,000	555	556	1	0.11%
	363,600	400,000	755	755	(0)	-0.02%
Commercial / Industrial** (Value Increase 10%)	\$90,900	\$100,000	\$236	\$236	\$0	0.08%
	227,300	250,000	627	635	8	1.30%
	454,500	500,000	1,327	1,339	12	0.89%
	909,100	1,000,000	2,726	2,745	18	0.68%
Seasonal Recreational Residential (Cabins) (Value Increase 10%)	\$113,600	\$125,000	\$110	\$113	\$3	2.77%
	204,500	225,000	198	203	5	2.76%
	227,300	250,000	220	226	6	2.72%
	363,600	400,000	351	361	10	2.75%
Agricultural Homestead (Value Increase 4%)	\$9,600	\$10,000	\$2.26	\$2.20	(\$0.06)	-2.74%
	10,600	11,000	2.49	2.41	(0.08)	-3.10%
	11,500	12,000	2.70	2.63	(0.07)	-2.57%
	12,500	13,000	2.94	2.85	(0.09)	-2.89%
Agricultural Non-Homestead (Value Increase 4%)	\$9,600	\$10,000	\$4.51	\$4.39	(\$0.12)	-2.74%
	10,600	11,000	4.98	4.83	(0.15)	-3.10%
	11,500	12,000	5.41	5.27	(0.14)	-2.57%
	12,500	13,000	5.88	5.71	(0.17)	-2.89%

Bond Summary

ISD 2168, N.R.H.E.G.
Bond Summary (All Debt with Direct Tax Impact)



Proposed Pay '26 Levy

Certification for NRHEG

Fund	Pay '26 Levy Limit	Increase (Decrease)	Percent Change
General	\$ 1,013,832.98	\$ (17,228.94)	-1.67 %
Community Ed	\$ 124,304.08	\$ (8,464.09)	-6.38%
General Debt Service	\$ 1,274,245.73	\$ (28,576.07)	-2.19%
Total	\$2,412,382.79	\$ (54,269.10)	-2.20%

Board Resolution

- Whereas, Pursuant to Minnesota Statutes the School Board of NRHEG School District, New Richland, Minnesota, is authorized to make the following proposed tax levies for general purposes:

General	\$ 1,013,832.98
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Community Service	124,304.08
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General Debt Service	<u>1,274,245.73</u>
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Total Proposed School Tax Levy	\$ 2,412,382.79
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Now Therefore, Be it resolved by the School Board of NRHEG School District, New Richland, Minnesota, that the levy to be levied in 2025 to be collected in 2026 is set at **\$2,412,382.79** The clerk of the NRHEG School Board is authorized to certify the proposed levy to the County Auditor of Waseca County, Minnesota.



Public Comments