
MASA Great Start Workshop

Essentials of the property tax levy process and the truth in taxation hearing



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Agenda

- Basis for the property tax levy
- Summer data submissions
- Proposed levy
- Truth in taxation requirements
- Final levy certification
- Suggestions
- Help is available

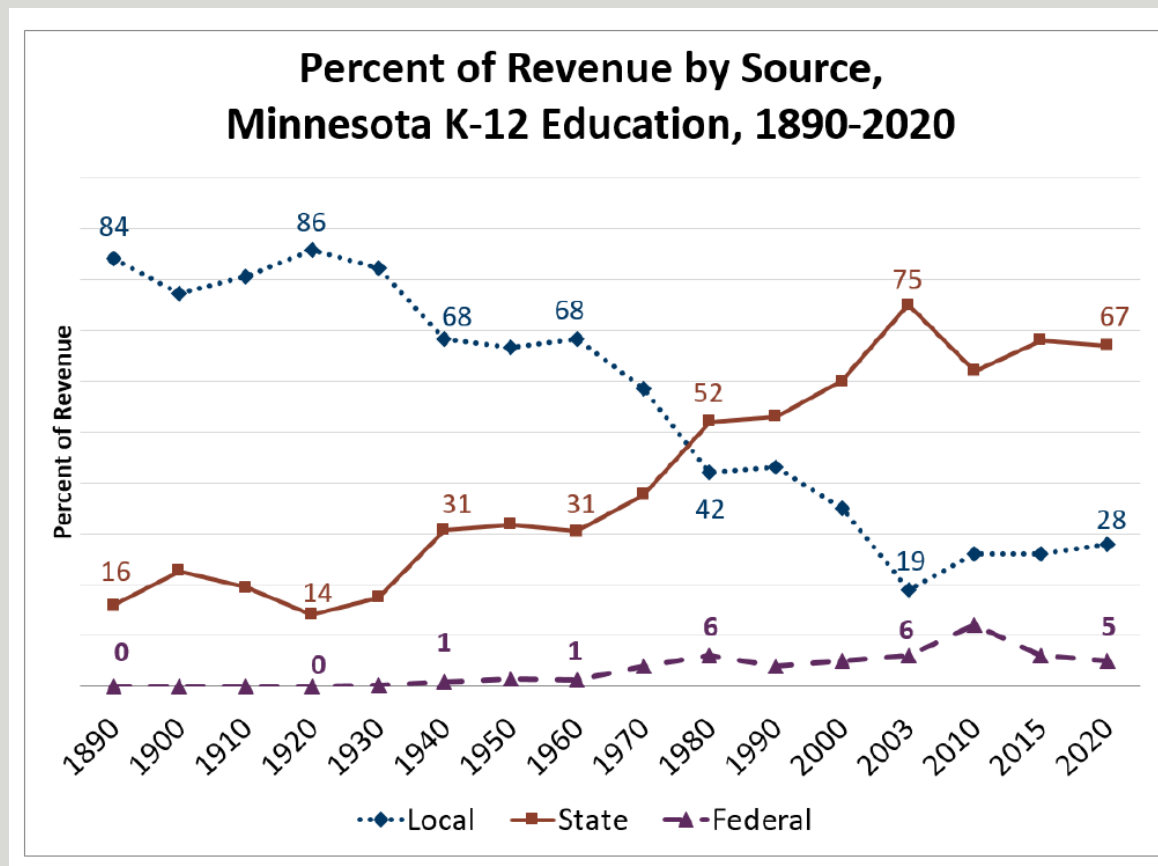
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The District's property tax levy represents the local share of education costs

- Local share of formulas
- School board initiatives/decisions
- Voter-approved levies (operating and bond referendums)



Minnesota school revenue 2019-2020



Source: Minnesota Department of Education

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Districts are dependent on state

- School levies are limited by state law
- Education is a state responsibility
- State is concerned with equity (common and uniform system)



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Levy calendar

- Summer data submissions March 15 – Aug. 28
- Proposed levy Sept. 30*
- Truth in Taxation Notice Nov. 11 – 24
- School board discussion/public input Nov. 25 – Final Certification
- Final certification to county Dec. 28
- Final certification to MDE Jan. 7, 2021

See Detailed Calendar on MDE Website and Verify Dates: <https://goo.gl/AU7whU>



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Summer data submissions

- ADM and LEP projections
- Health and safety
- Re-employment
- Referendum authority
- Bond/interest payments
- Community education programs
- Excess debt calculation
- Health benefits
- Other post-employment benefits



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Summer data submissions (cont.)

- Q Comp
- Non-public transportation
- Training and experience index
- Elementary and secondary sparsity
- Facility lease
- Career and technical
- Disabled access
- Ice arena, etc.

Follow instructions provided by MDE

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Proposed levy



- Due: Sept. 30
- Requires school board approval
- Based on data submissions and MDE data
- Levy at “maximum”
- Initiates truth in taxation process

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Levy limitation form

- Data
- Funding formulas and levy authority
- Prior years' adjustments
- Final authority
- 40 pages of numeric and formulaic bliss



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Definitions

- Market value
- NTC – Net tax capacity
- ANTC – Adjusted net tax capacity.
- Ag modified ANTC for LTFM
- Referendum market value
- Sales ratio
- ADM – Average daily membership
- APU – Adjusted pupil units

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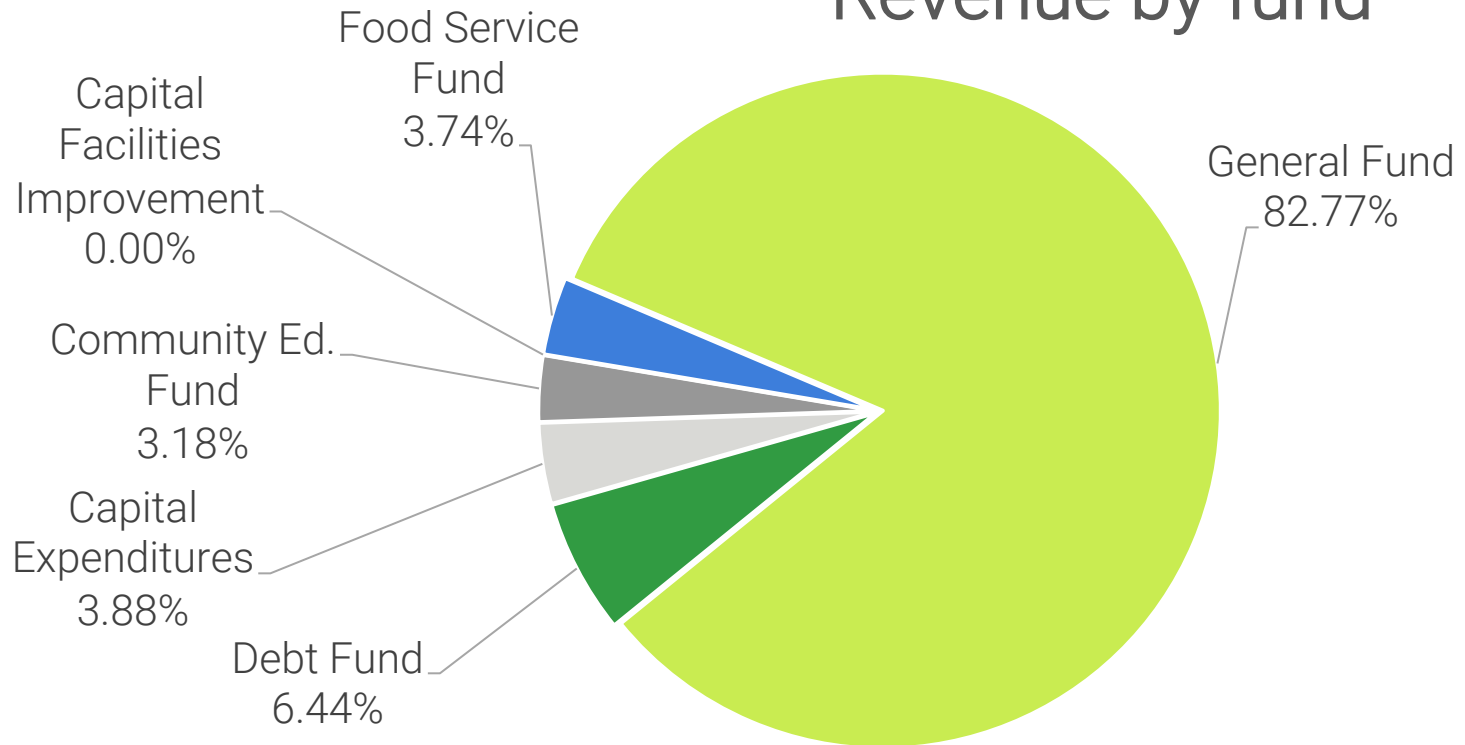
Truth in taxation

- **Parcel specific notices**
 - Prepared and mailed by county
 - Proposed tax compared with prior Year
 - Contact information of taxing entity
 - TNT meeting date and location
- **Public meeting**
 - Current budget
 - Proposed taxes
 - Tax impact (optional)
 - Public comment

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Budget

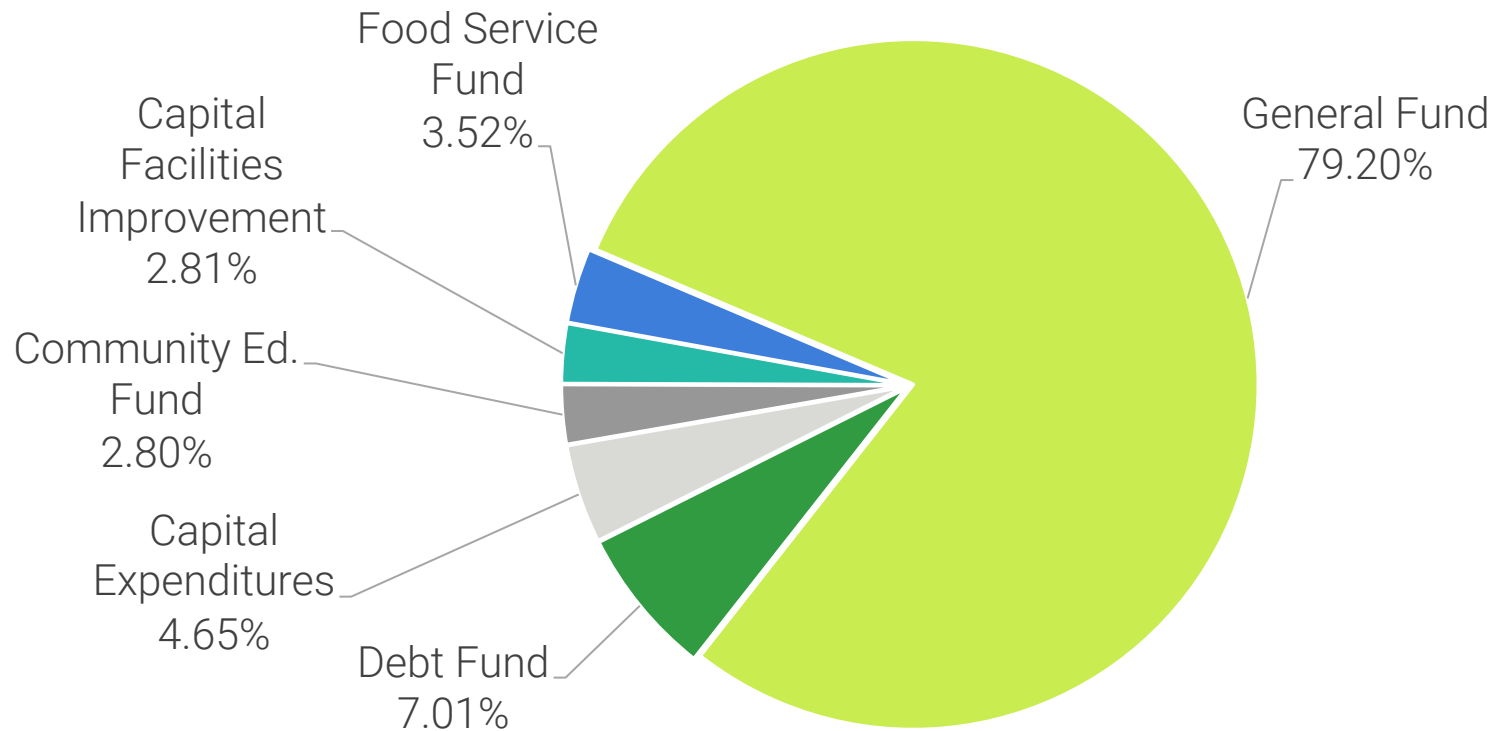
Revenue by fund



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Budget

Expenses by fund



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Tax impact – property types

- Residential
 - Homestead
 - Non-homestead
- Apartments
- Commercial/industrial
- Seasonal recreational
- Agricultural
- Other



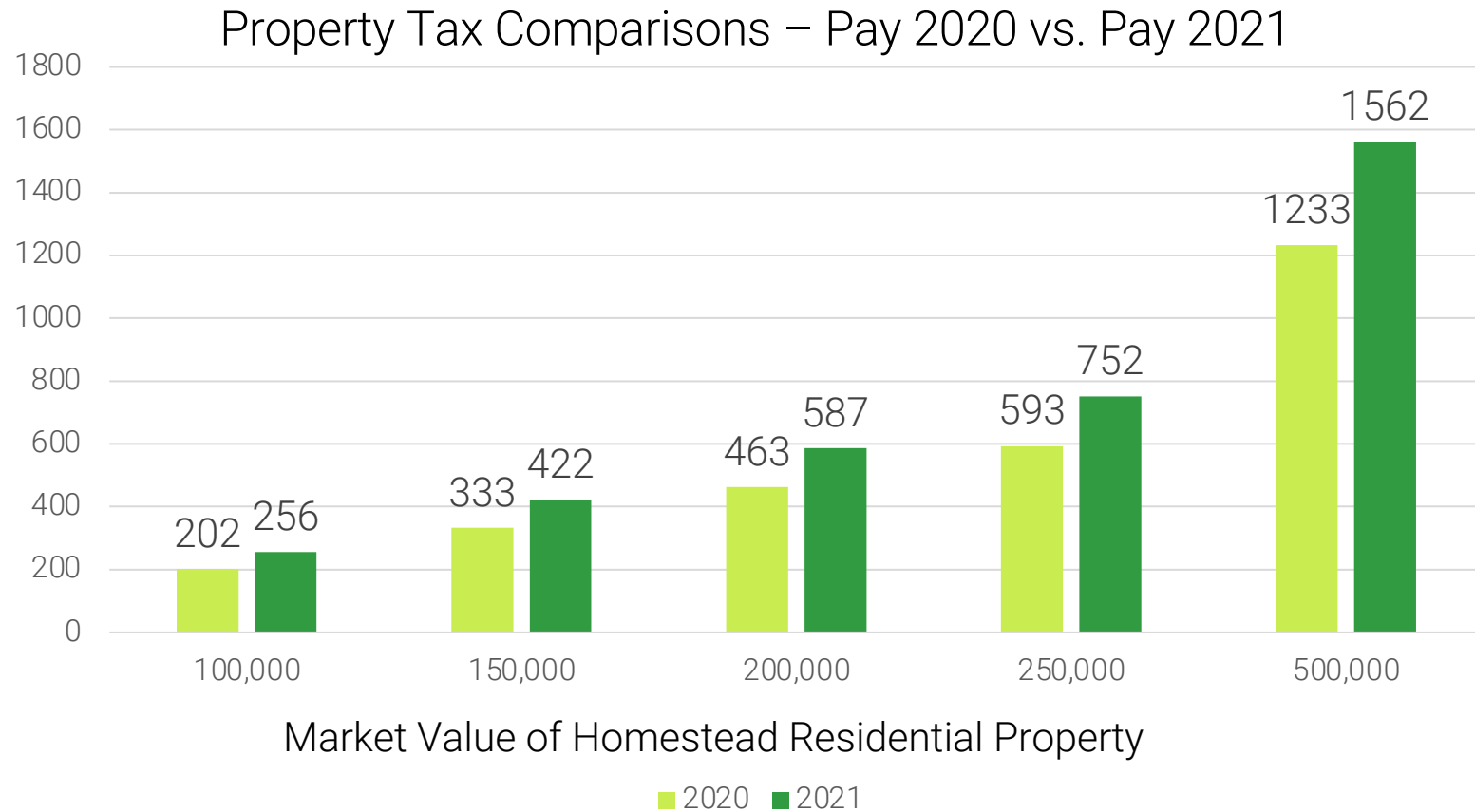
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Tax impact – levy comparison

	Proposed 2020 Pay 2021	Actual 2019 Pay 2020	\$ Change	% Change
General	2,550,598.42	2,632,842.11	(82,243.69)	-3.22%
Community Service	370,456.17	348,830.26	21,622.91	5.84%
Debt Service	5,104,948.61	4,795,600.38	309,648.23	6.07%
Total Levy	8,026,000.20	7,776,972.75	249,027.45	3.10%

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Tax impact – example



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Final certification

- Adopted by school board
- Submit to home county auditor by Dec. 28
- Submit to MDE by Jan. 7





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Suggestions

- Use the MDE website, program finance, levy certification
- Verify all data, whether submitted or state-generated
- Emphasize accurate, realistic projections and estimates
- Review adjustments from prior years
- Compare levy limitation with prior year (historical data)
- Follow the calendar provided by MDE



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Suggestions (cont.)

- Understand the “cost” of an underlevy
- Approve proposed levy at “maximum”
- Be prepared for TNT meeting
- Use TNT presentation as an opportunity to share financial information
- Certify final levy at exact dollar amounts
- All data submitted electronically



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Help is available

- Attend levy workshop (I hope you did)
- MDE
- Your predecessor and/or business manager
- School district auditors
- Financial advisor
- Neighboring school administrators
- Professional organizations

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Questions? Thank you!



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