



**Buffalo
Hanover
Montrose**

BHM SCHOOLS

**Truth in Taxation Presentation
December 13, 2021**

for Taxes Payable in 2022

Truth in Taxation Law

- Requirements

- Counties must send out “proposed property tax statements” between November 11-24, based on preliminary tax levies set by all taxing jurisdictions (counties, cities, townships, school districts, etc.)
- Taxing jurisdictions must present information on proposed levy and current year budget
- Allow for comments from audience at a regularly scheduled meeting

School Levy vs. Budget Cycle

Unlike cities and counties, a *school district does not set its budget* when setting the tax levy

- **Property Tax Levy**

- Final levy set in December
- Property taxes levied on a calendar year basis

- **Budget**

- Final budget approved in June, 6 months later
- School fiscal year is July 1 through June 30
- Mid-year budget revision to be completed in January
- Because approval of the budget lags behind certification of the tax levy by six months, only current year budget information and prior year actual financial results will be presented at this hearing

Budget Information

- All school district budgets are divided into separate funds, based on purposes of revenue, as required by law
- Our district has 8 active funds:
 1. General Fund
 2. Food Service Fund
 3. Community Service Fund
 4. Building Construction Fund
 5. Debt Service Fund
 6. OPEB Debt Service Fund
 7. HRA Trust Fund
 8. OPEB Trust Fund

All Funds Revenue Summary

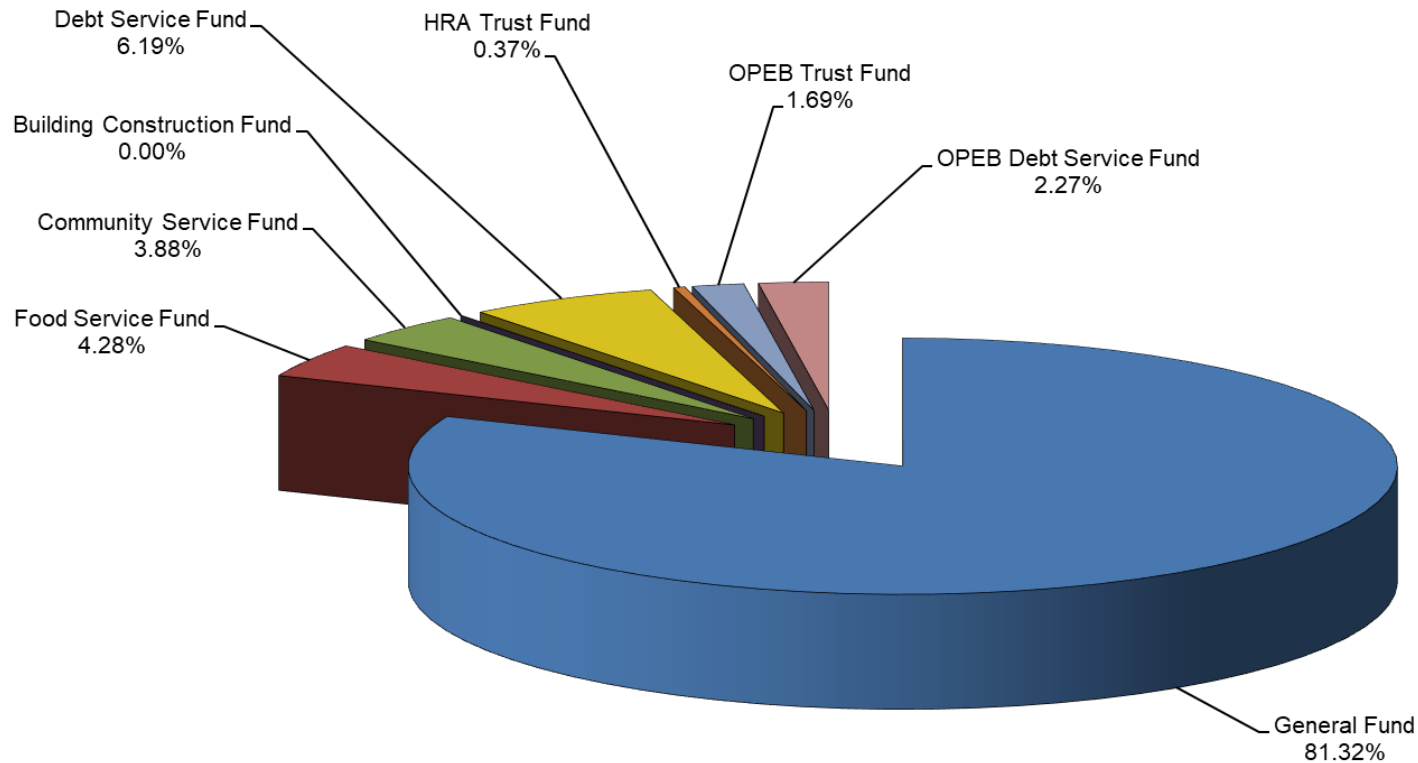
ISD 877 BUFFALO-HANOVER-MONTROSE 2021-2022 BUDGET

ALL FUNDS - REVENUE SUMMARY

	2018-2019 Actual	2019-2020 Actual	2020-2021 Revised Budget	2021-2022 Budget	Amount Change
General Fund	\$67,537,743	\$68,482,098	\$73,929,603	\$71,872,172	(\$2,057,431)
Food Service Fund	\$3,060,614	\$3,431,538	\$3,342,773	\$3,783,259	\$440,486
Community Service Fund	\$3,687,297	\$3,380,385	\$2,962,807	\$3,431,001	\$468,194
Building Construction Fund	\$190,174	\$111,837	\$0	\$0	\$0
Debt Service Fund	\$5,505,781	\$5,528,794	\$5,434,489	\$5,467,309	\$32,820
HRA Trust Fund	\$240,087	\$226,523	\$366,000	\$331,000	(\$35,000)
OPEB Trust Fund	\$1,168,781	\$706,564	\$3,011,246	\$1,493,295	(\$1,517,951)
OPEB Debt Service Fund	\$2,085,059	\$2,046,075	\$2,032,815	\$2,008,262	(\$24,553)
Total	\$83,475,536	\$83,913,814	\$91,079,733	\$88,386,298	(\$2,693,435)

Revenue Percentage by Fund

**2021-2022
Revenues By Fund**



All Funds Expenditure Summary

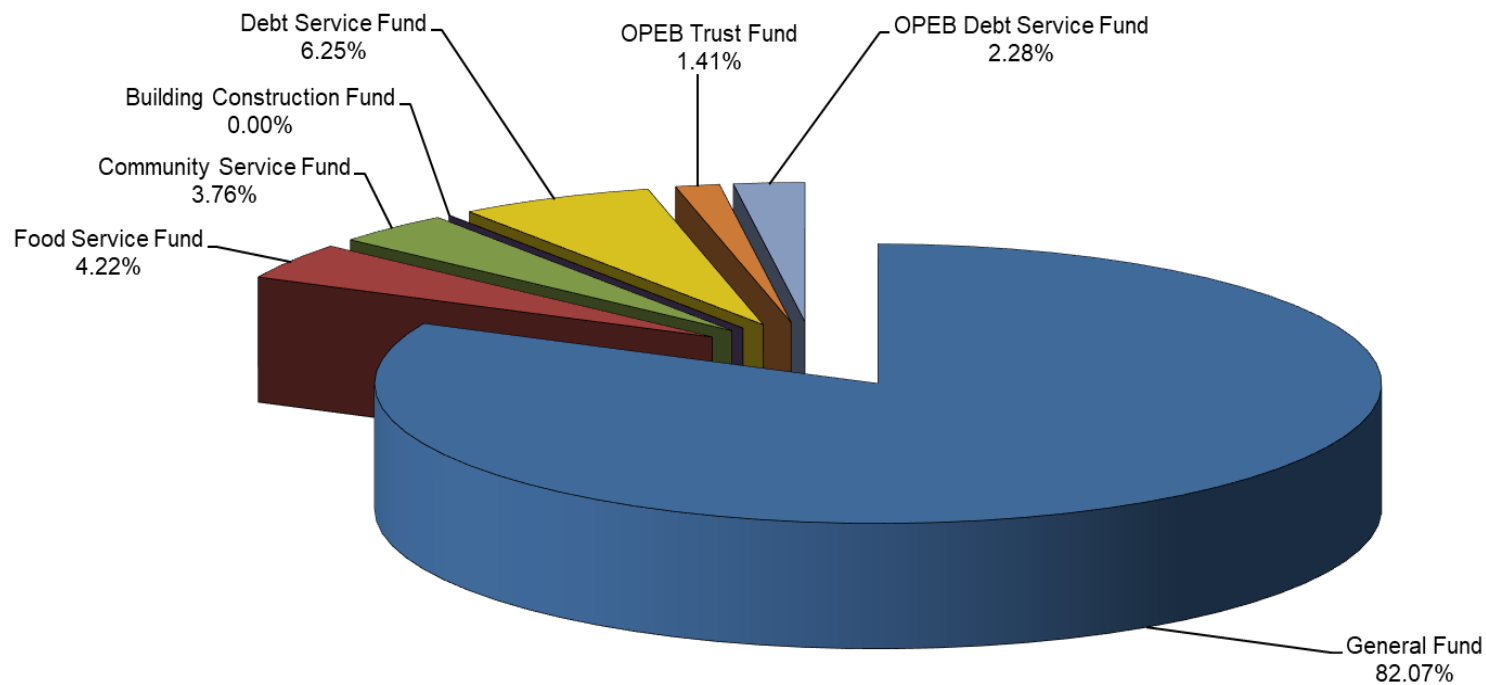
ISD 877 BUFFALO-HANOVER-MONTROSE 2021-2022 BUDGET

ALL FUNDS - EXPENDITURE SUMMARY

	2018-2019 Actual	2019-2020 Actual	2020-2021 Revised Budget	2021-2022 Budget	Amount Change
General Fund	\$68,940,964	\$67,409,716	\$72,489,970	\$72,647,955	\$157,985
Food Service Fund	\$2,910,458	\$3,122,855	\$3,133,929	\$3,738,692	\$604,763
Community Service Fund	\$3,444,578	\$3,472,358	\$3,127,526	\$3,328,527	\$201,001
Building Construction Fund	\$1,281,799	\$878,422	\$144,490	\$0	(\$144,490)
Debt Service Fund	\$11,644,271	\$5,571,123	\$5,549,623	\$5,535,973	(\$13,650)
OPEB Trust Fund	\$1,119,313	\$1,054,139	\$981,338	\$1,252,211	\$270,873
OPEB Debt Service Fund	\$1,971,835	\$1,985,285	\$1,998,685	\$2,016,085	\$17,400
Total	\$91,313,218	\$83,493,898	\$87,425,561	\$88,519,443	\$1,093,882

Expenditure Percentage by Fund

**2021-2022
Expenditures By Fund**



General Fund Budget Information

- **General Fund Revenue Changes for 2021-22**

- \$66 increase to the General Education Aid formula (\$6,633 in total) which represents a 1% increase over the prior year
- Special Education aid increase of 1.5%
- \$750 per pupil operating referendum approved in November 2019
- K-12 enrollment projection of 5,360 based on November 2020 projection
- Kindergarten projection of 366
- Integration and Achievement Revenue
- Use of Federal Pandemic Relief Funds to cover staff costs
- OPEB contributions continue in 2021-22
- Includes Alternative Teacher Development program (QComp/PPD)
- Continued full implementation of the Long-Term Facilities Maintenance Program

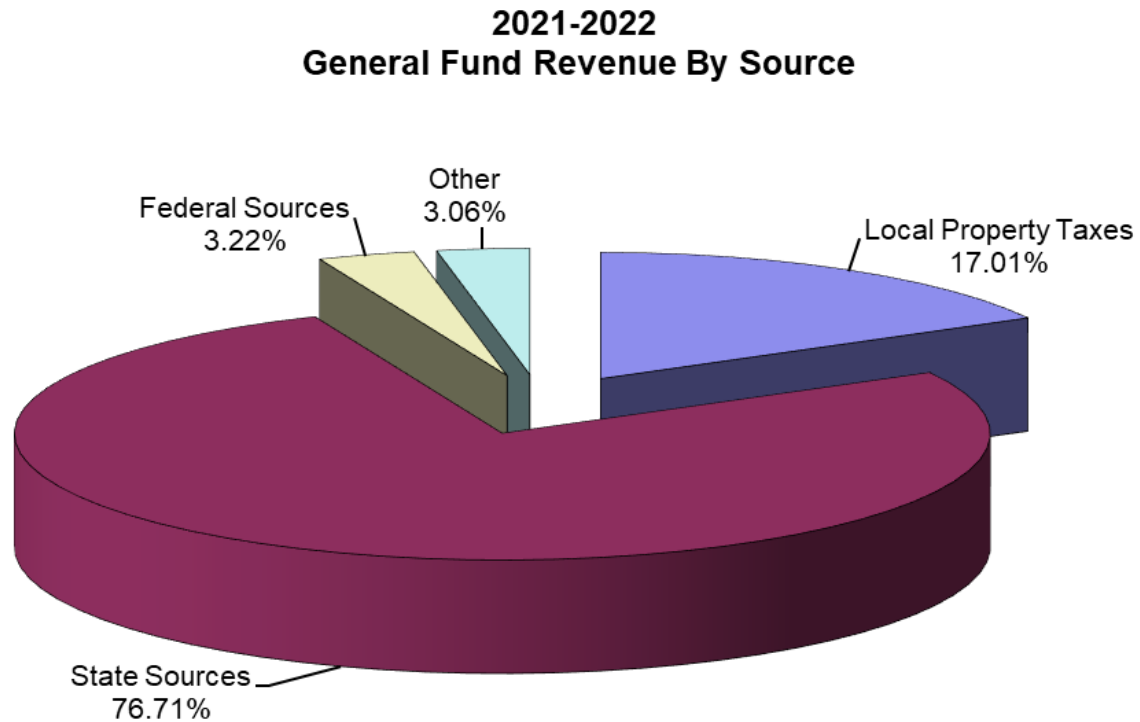
General Fund Revenues by Source

ISD 877 BUFFALO-HANOVER-MONTROSE 2021-2022 BUDGET

GENERAL FUND 01 - REVENUE SUMMARY

	2018-2019 Actual	2019-2020 Actual	2020-2021 Revised Budget	2021-2022 Budget	Amount Change
Local Property Taxes	\$7,016,658	\$7,557,111	\$11,925,955	\$12,223,346	\$297,391
State Sources	\$56,485,819	\$56,801,417	\$56,471,442	\$55,133,493	(\$1,337,949)
Federal Sources	\$1,809,493	\$2,135,167	\$4,335,236	\$2,313,419	(\$2,021,817)
Other	\$2,225,773	\$1,988,403	\$1,196,970	\$2,201,914	\$1,004,944
Bond Proceeds	\$0	\$0	\$0	\$0	\$0
Total	\$67,537,743	\$68,482,098	\$73,929,603	\$71,872,172	(\$2,057,431)

General Fund Revenues by Source



Budget Information

• **General Fund Expenditures for 2021-22**

- Superintendent Contingency at 2.95 FTEs to address staffing issues
- Special Education Contingency at 1.0 FTE to address staffing issues
- Maintains 2014-15 approved staffing ratios less 2020-21 budget reductions
- Continuation of 6.0 FTE for Class Size Reduction-includes marketing budget and social workers
- Continuation of 6.0 FTE addition for Location Equity Revenue funding
- Reduction of 7.5 FTE due to enrollment loss
- Salary and benefit changes based on settlements in place and market conditions for non-settled contracts
- Non-Salary, Non-Benefits Costs are estimated to increase at 0-5%
- Continued cost containment initiatives such as joint purchasing agreements, energy use reduction, paper reduction, insurance contracts, and other operational efficiencies
- QComp (PPD) continues for 2020-21 assuming matching revenues and expenditures
- \$400,000 of fund balance assigned for technology to be spent in 2021-22
- LTFM expenditures to match revenue less \$100,000 set aside for field turf

General Fund Expenditures by Object

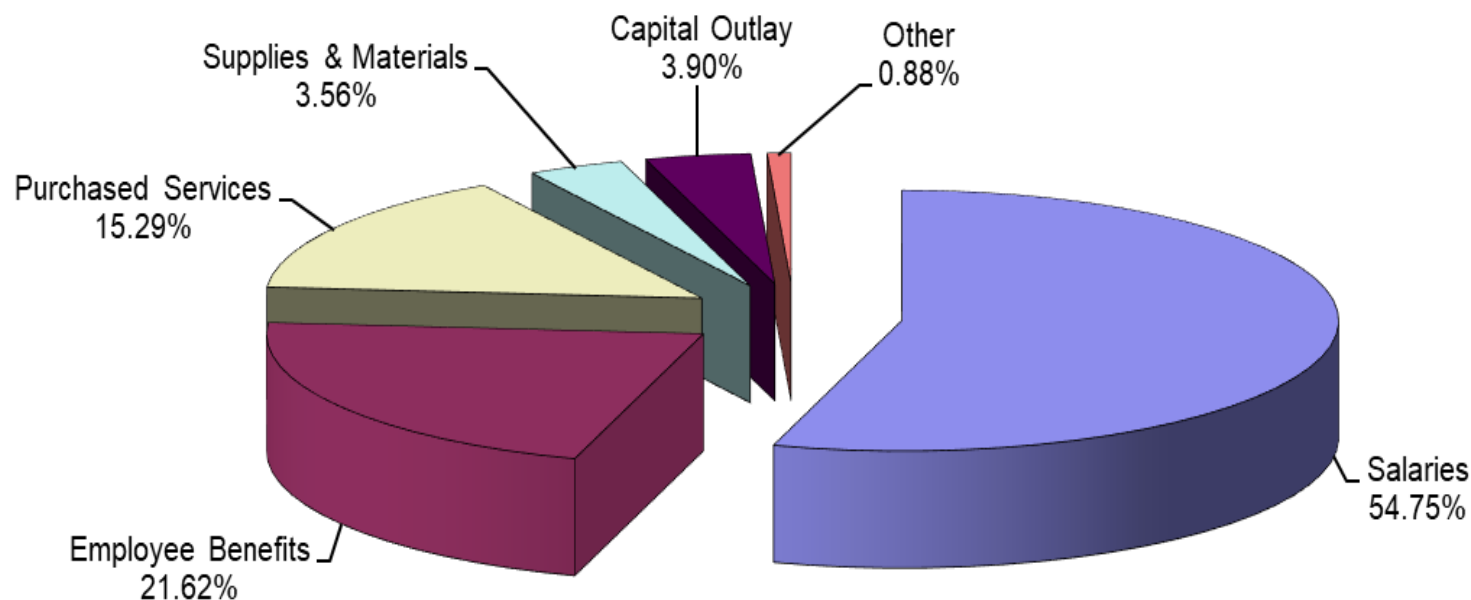
ISD 877 BUFFALO-HANOVER-MONTROSE 2021-2022 BUDGET

GENERAL FUND 01 - EXPENDITURE SUMMARY

	2018-2019 Actual	2019-2020 Actual	2020-2021 Revised Budget	2021-2022 Budget	Amount Change
Salaries	\$37,638,671	\$37,522,395	\$39,098,956	\$39,773,468	\$674,512
Employee Benefits	\$14,326,980	\$14,053,710	\$15,076,868	\$15,704,961	\$628,093
Purchased Services	\$10,272,057	\$9,952,115	\$10,779,295	\$11,110,270	\$330,975
Supplies & Materials	\$3,254,715	\$2,162,818	\$4,446,659	\$2,587,606	(\$1,859,053)
Capital Outlay	\$2,780,454	\$3,138,813	\$2,491,078	\$2,834,662	\$343,584
Other	\$668,087	\$579,865	\$597,114	\$636,988	\$39,874
OPEB Bond	\$0	\$0	\$0	\$0	\$0
Total	\$68,940,964	\$67,409,716	\$72,489,970	\$72,647,955	\$157,985

General Fund Expenditures by Object

2021-2022
General Fund Expenditures By Object



School Revenues and Taxes are Highly Regulated by the State

- **State sets** formulas which determine revenue; most revenue is based on specified amounts per pupil (other local levies)
- **State sets** tax policy for local schools
- **State sets** maximum authorized property tax levy (districts can levy less but not more than amount authorized by state, unless approved by the voters)
- **State authorizes** school board to submit referendums for operating and capital needs to voters for approval

Minnesota School District Property Taxes- Key Steps and Participants in the Process

A. Tax Determination and Preparation

Step 1. The **City or County Assessor**

determines the estimated market value for each parcel of property in the county.



Step 2. The Legislature sets the formulas for tax capacity (e.g. for homestead residential property, tax capacity = 1% of first \$500,000 in value + 1.25% of value over \$500,000.) These formulas determine how much of the tax burden will fall on different types of property.



Step 3. The County Auditor calculates the tax capacity for each parcel of property in the county (based on values from step A.1. and tax capacity formulas from step A.2.), as well as the total tax capacity for each school district.



Step 4. The County Auditor divides the final levy (determined by the school board in step B.3. by the district's total tax capacity (determined in step A.3.) to determine the tax rate needed to raise the proper levy amount. The auditor multiplies this tax rate times each property's tax capacity to determine the school tax for that property.*

B. Levy Determination and Certification

Step 1. The Legislature sets the formulas which determine school district levy limits. These are the maximum amounts of taxes that school districts can levy in every category.



Step 2. The Minnesota Department of Education calculates detailed levy limits for each school district based on the formulas approved by the Legislature in step B.1. These limits tell districts the exact amounts that can be levied in every category.



Step 3. The School Board adopts a proposed levy in September based on the limits set in step B.1. and calculated in step B.2. After a public hearing, the board adopts a final levy in December. The final levy cannot be more than the preliminary levy, except for amounts approved by voters.



*For certain levy categories (referendum, equity, and transition levies), tax rates and levy amounts are based on **referendum market value**, rather than **tax capacity**.

Overview of Proposed Levy Payable in 2022

- Four main factors affect your taxes-(school portion only for this discussion)
 1. Levy total – decrease of \$437,340.26 or 2.17% - **District**
 2. Total value of all property within the school district boundaries - (tax base) - Referendum Market Value and Net Tax Capacity **up** for the district - **County Assessor**
 3. Assessed value of your property (estimated and taxable market value) - **County Assessor**
 4. Market Value Exclusion - **State Legislature**
 - Reduces your taxable market value based on a state-determined formula
 - It is the reason why many statements show a difference between Estimated Market Value and Taxable Market Value

School Levy Total - Truth in Taxation

Buffalo-Hanover-Montrose School District #877				December 13, 2021
Comparison of Final Tax Levy Payable in 2022 to Actual Levy Payable in 2021 by Fund				
Using Final Levy Payable in 2021 as Base Year				
Category	2021 Final Levy	2022 Final Levy	Change from Prior Year	Percent Change
General Fund	\$ 12,166,462.48	\$ 11,294,455.40	\$ (872,007)	-7.17%
Community Education	\$ 597,304.55	\$ 582,215.59	\$ (15,089)	-2.53%
Debt Service	\$ 7,369,783.04	\$ 7,819,538.81	\$ 449,756	6.10%
Total Certified Levy	\$ 20,133,550.06	\$ 19,696,209.80	\$ (437,340)	-2.17%

Buffalo - Hanover - Montrose Schools
General Fund Levy and Aid Summary
12/13/2021

22-23 Pay 2022						
	11/16/2021	Aid/Equalization	Levy			Total
	CY Revenue		CY Levy	PY Adj	Total Levy	Revenue
General Fund						
RMV Levy						
Voter Approved Referendum	4,373,625.00	235,574.90	4,138,050.10	(172,816.33)	3,965,233.77	4,200,808.67
Local Option Revenue	4,222,006.00	863,757.81	3,358,248.19	(115,241.65)	3,243,006.54	4,106,764.35
Equity	738,996.83	42,596.31	696,400.52	(25,965.21)	670,435.31	713,031.62
Transition	66,304.15	3,821.82	62,482.33	(2,232.72)	60,249.61	64,071.43
RMV Adjustments	-				-	
Total General RMV	5,027,306.98	910,175.94	4,117,131.04	(143,439.58)	3,973,691.46	4,883,867.40
NTC Levy						
Operating Capital	1,306,722.52	865,031.83	441,690.69	19,620.54	461,311.23	1,326,343.06
Q-Comp	1,451,684.00	936,134.56	515,549.44	(57,910.21)	457,639.23	1,393,773.79
Achievement & Integration	575,189.91	402,166.35	173,023.56	(3,884.62)	169,138.94	571,305.29
Safe School Levy	209,934.00	-	209,934.00	1,923.84	211,857.84	211,857.84
Safe School Levy - Intermediate	28,924.24	-	28,924.24		28,924.24	
Re-employment	80,000.00	-	80,000.00	(19,335.77)	60,664.23	60,664.23
Career Technical	224,394.58	16,149.22	208,245.36	6,436.34	214,681.70	230,830.92
LTFMR	2,273,279.89	828,253.47	1,445,026.42	(135,344.41)	1,309,682.01	2,137,935.48
Building Lease	444,754.07	-	444,754.07	(16,073.88)	428,680.19	428,680.19
Other Adjustments				12,950.57	12,950.57	12,950.57
Total General NTC	6,594,883.21	3,047,735.43	3,547,147.78	(191,617.60)	3,355,530.18	6,374,341.37
Total General fund Levy	15,995,815.18	4,193,486.27	11,802,328.91	(507,873.51)	11,294,455.40	15,459,017.43
	(1,099,088.86)	(760,368.60)	(338,720.27)	(533,286.80)	(872,007.07)	(1,661,299.90)
	-6.43%	-15.35%	-2.79%	-2098.46%	-7.17%	-9.70%

Explanation of Levy Changes Payable 2022

General Fund	Amount of Change	Reason For Change
Voter Approved Operating levy	\$ (117,052)	Change in Levy % due to valuation increase and decrease in pupil units
RMV Adjustments	\$ (353,712)	Prior year adjustments mainly due to decrease in pupil units
Equity Revenue and Transition Revenue	\$ (48,343)	Change in Levy % due to valuation increase and decrease in pupil units
Local Option Revenue	\$ (163,305)	Change in Levy % due to valuation increase and decrease in pupil units
Operating Capital	\$ 48,804	Change in Levy % due to valuation increase and decrease in pupil units
Long-Term Facilities Maintenance Revenue	\$ (83,032)	Change in Levy % due to valuation increase and decrease in pupil units
Lease Levy	\$ 79,936	Addition of HS Tennis Courts and COOP lease change
Alternative Teacher Compensation (PPD)	\$ (47,356)	Change in Levy % due to valuation increase and decrease in pupil units
Integration	\$ (3,369)	Change in Levy % due to valuation increase and decrease in pupil units
Career Technical	\$ 27,209	Change in Levy % due to valuation increase and decrease in pupil units
General Fund Adjustments	\$ (179,575)	Prior year adjustments mainly due to decrease in pupil units
Other	\$ (32,211)	Change in levy % due to valuation increase or expenditure estimate
Total General Fund Levy	\$ (872,007)	

Explanation of Levy Changes Payable 2022

Community Education	Amount of Change	Reason For Change
CE Adjustments	\$ (27,482)	Prior year adjustments
Other	\$ 12,393	Change in Levy % due to valuation increase and decrease in pupil units
Total Community Education	\$ (15,089)	

Debt Service	Amount of Change	Reason For Change
Voter approved debt service principal, interest & 5% overlevy	\$ 165,011	Planned debt service structure
Debt excess-All Categories	\$ 350,203	Change from prior year request for additional debt excess
Debt Service fund adjustments-all categories	\$ 6,676	Tax abatement adjustments and change in LTFM levy
Debt Service-OPEB/Pension JOBZ Nonexempt	\$ (72,135)	Planned debt service structure for OPEB bond issue
Total Debt Service Levy	\$ 449,756	

Property Value Changes School District Portion

Buffalo-Hanover-Montrose School District #877			December 13, 2021
Estimated Valuations used in Tax Calculations for Final Proposed Pay 2021 Levy			
Combined Values for Hennepin and Wright County			
Category	Pay 2021 Final	Pay 2022 Proposed	Net Change
Referendum Market Value*	\$ 3,658,898,725	\$ 3,851,548,725	\$ 192,650,000
Net % Change in Value			5.27%
Net Tax Capacity*	\$ 42,285,444	\$ 43,776,051	\$ 1,490,607
Net % Change in Value			3.53%
*All values for taxes payable in 2022 are estimates from Hennepin and Wright County			

Property Value Changes

Tax Rate Calculations

Buffalo-Hanover-Montrose School District #877
Analysis of Impact of Proposed 2022 Tax Levy and Rates
Using Final Levy Payable in 2021 as Base Year
Split of Taxes into Voter Approved and Other Local Levies

Tax Rate Calculations Used for Final Tax Rates	2021 Final Levy	2022 Proposed Levy
Voter Approved Levy		
Referendum Market Value Tax Rate	0.11513%	0.10151%
Net Tax Capacity Tax Rate	12.2414%	12.9973%
Other Local Levies		
Referendum Market Value Tax Rate	0.11747%	0.10172%
Net Tax Capacity Tax Rate	14.6293%	13.5291%
Totals		
Total Referendum Market Value Tax Rate	0.23260%	0.20323%
Total Net Tax Capacity Tax Rate	26.8708%	26.5265%

Market Value Exclusion Review

- Specifics
 - Applies to residential homestead property only
 - Eliminates the homestead market value credit
 - Declines to \$0 at property value of \$413,800
 - Reduces the Taxable Market Value of your property on a sliding scale in relationship to \$76,000 of value
 - Excludes 40% of the value up to \$76,000
 - Adds back 9% of the value over \$76,000
- Effects on property values
 - Artificially reduces your taxable market value
 - The exclusion is the difference between your Estimated Market Value for 2021 and your Taxable Market Value for 2021 as shown on your tax statement
 - Artificially reduces the net tax capacity of the school district causing a higher tax rate
- Effects on taxes
 - Shifted state paid credits onto local levies
 - Created a greater net tax capacity tax rate
 - Shifted tax burden among the different property classes

Notice from Wright County

Assessor, Taxpayer Services Departments Discuss Property Tax Discrepancy in Buffalo

A Message from the Wright County Assessor's and Taxpayer Services Departments:

The annual Truth in Taxation notices were mailed out to Wright County property owners Monday, Nov. 15. Due to a technical glitch, property owners in the City of Buffalo received inaccurate tax estimates, a discrepancy that was quickly located and corrected. For property located outside of the City of Buffalo, there was little to no impact on the proposed 2022 property tax amount.

For residents of the City of Buffalo, if you own a residential property with a taxable value of \$200,000, the approximate increase in taxes is \$72. If you own a residential property with a taxable value of \$350,000, the increase will be approximately \$136. Commercial property with a taxable value of \$350,000 would see an increase of approximately \$230. Commercial property with a taxable value of \$800,000 would see an increase of approximately \$570.

If you are looking for an updated estimate to your proposed 2022 property taxes, it can be requested by calling (763) 682-7578. Employees are prepared to provide you with a prompt response to your request.

Impact on Taxpayers School Portion Only

Buffalo-Hanover-Montrose School District #877

December 13, 2021

Analysis of Impact of Proposed 2022 Tax Levy and Rates

Final Tax Statement Estimates Including Operating Referendum

Using Final Levy Payable in 2021 as Base Year

Tax Impact on Various Classes of Property-School Portion Only	2021 Final Levy	2022 Proposed Levy	Difference From Prior Year
Residential Homestead Property			
\$100,000	\$ 425	\$ 394	\$ (28)
\$150,000	\$ 688	\$ 640	\$ (45)
\$200,000	\$ 951	\$ 886	\$ (63)
\$210,530	\$ 1,006	\$ 938	\$ (96)
\$300,000	\$ 1,476	\$ 1,378	\$ (99)
\$400,000	\$ 2,002	\$ 1,871	\$ (134)
Commercial/Industrial Property			
\$75,000	\$ 477	\$ 451	\$ (33)
\$100,000	\$ 636	\$ 601	\$ (44)
\$105,265	\$ 669	\$ 633	\$ (64)
\$250,000	\$ 1,724	\$ 1,635	\$ (122)
Agricultural Homestead Property			
\$400,000.00 Ag Homestead+	\$ 1,220	\$ 1,151	\$ (84)
\$600,000.00 Ag Homestead+	\$ 1,488	\$ 1,416	\$ (107)
\$800,000.00 Ag Homestead+	\$ 1,757	\$ 1,682	\$ (129)
\$1,000,000.00 Ag Homestead+	\$ 2,026	\$ 1,947	\$ (150)

Referendum revenue aid and levy based on an estimated 5,831.50 adjusted pupil units submitted to MDE by the school district

Includes all changes for Q Comp, LTFM, and debt service

Referendum market values are based on an estimated 5.27% average increase for Wright and Hennepin Counties for taxes payable in 2022

Net Tax Capacity values are based on an estimated 3.53% average increase for Wright and Hennepin Counties for taxes payable in 2022

Value of \$200,000.00 was assumed for the house, garage, and 1 acre for Ag Homestead Property

Individual Property Example

Truth In Taxation

	Parcel - City of Buffalo - Correct Values			Parcel - City of Buffalo - TNT Values		
	2021	2022	Net Change	2021	2022	Net Change
Estimated Market Value	\$ 179,400	\$ 181,900	\$ 2,500	\$ 179,400	\$ 181,900	\$ 2,500
EMV % Change			1.4%			1.4%
Taxable Market Value	\$ 158,300	161,000	\$ 2,700	\$ 158,310	161,000	\$ 2,690
TMV % Change			1.7%			1.7%
Market Value Exclusion	\$ 21,100	\$ 20,900	\$ (200)	\$ 21,090	\$ 20,900	\$ (190)
Voter Approved Levies						
RMV Levy	\$ 207	\$ 185	\$ (22)	\$ 207	\$ 181	\$ (25)
NTC Levy	\$ 193	\$ 209	\$ 16	\$ 194	\$ 205	\$ 11
Total Voter Approved Levy	\$ 400	\$ 394	\$ (6)	\$ 400	\$ 387	\$ (14)
Other Local Levies						
RMV Levy	\$ 211	\$ 185	\$ (26)	\$ 211	\$ 182	\$ (29)
NTC Levy	\$ 233	\$ 218	\$ (15)	\$ 232	\$ 214	\$ (18)
Total Other Local Levies	\$ 444	\$ 403	\$ (41)	\$ 442	\$ 395	\$ (47)
Voter Approved Levy	\$ 400	\$ 394	\$ (6)	\$ 400	\$ 387	\$ (14)
Other Local Levies	\$ 444	\$ 403	\$ (41)	\$ 442	\$ 395	\$ (47)
Total Tax Amount Proposed Final Levy	\$ 844	\$ 797	\$ (47)	\$ 843	\$ 782	\$ (61)

- District estimated EMV percentage – 5.40% increase
- District estimated RMV percentage – 5.27% increase
- District estimated NTC percentage – 3.53% increase

Individual Property Example

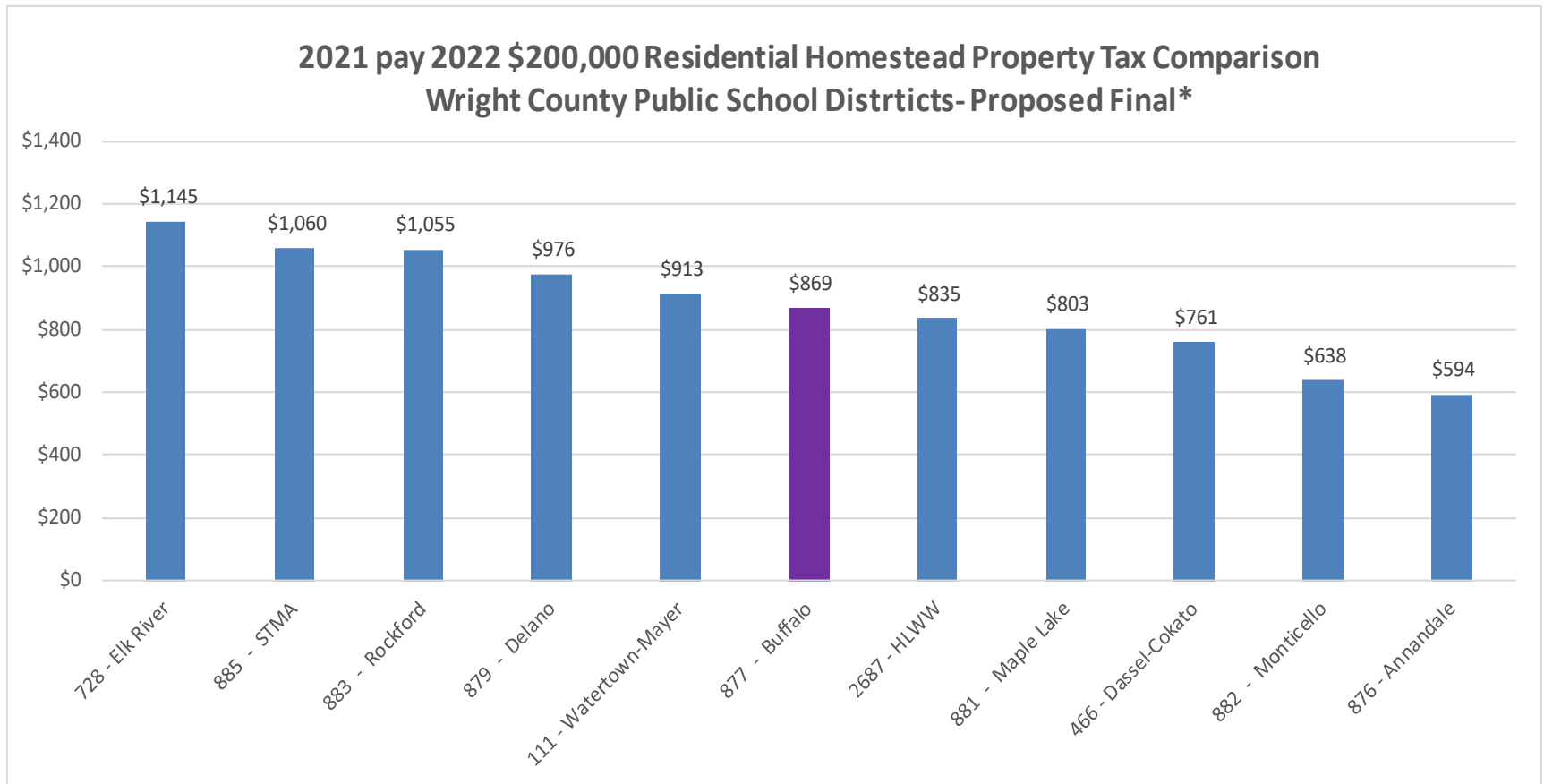
Truth In Taxation

	Hennipen Parcel - TNT Notice was correct			Sample Parcel		
	2021	2022	Net Change	2021	2022	Net Change
Estimated Market Value	\$ 416,000	\$ 430,000	\$ 14,000	\$ 200,000	\$ 210,530	\$ 10,530
EMV % Change			3.4%			5.3%
Taxable Market Value	\$ 416,000	430,000	\$ 14,000	\$ 180,760	192,230	\$ 11,470
TMV % Change			3.4%			6.3%
Market Value Exclusion	\$ -	\$ -	\$ -	\$ 19,240	\$ 18,300	\$ (940)
Voter Approved Levies						
RMV Levy	\$ 479	\$ 436	\$ (43)	\$ 230	\$ 214	\$ (17)
NTC Levy	\$ 508	\$ 559	\$ 51	\$ 221	\$ 250	\$ 29
Total Voter Approved Levy	\$ 987	\$ 995	\$ 8	\$ 452	\$ 464	\$ 12
Other Local Levies						
RMV Levy	\$ 489	\$ 437	\$ (52)	\$ 235	\$ 214	\$ (21)
NTC Levy	\$ 610	\$ 582	\$ (28)	\$ 264	\$ 260	\$ (4)
Total Other Local Levies	\$ 1,099	\$ 1,019	\$ (80)	\$ 499	\$ 474	\$ (25)
Voter Approved Levy	\$ 987	\$ 995	\$ 8	\$ 452	\$ 464	\$ 12
Other Local Levies	\$ 1,099	\$ 1,019	\$ (80)	\$ 499	\$ 474	\$ (25)
Total Tax Amount Proposed Final Levy	\$ 2,086	\$ 2,014	\$ (72)	\$ 951	\$ 938	\$ (13)

- District estimated EMV percentage – 5.40% increase
- District estimated RMV percentage – 5.27% increase
- District estimated NTC percentage – 3.53% increase

Proposed Property Tax Comparison

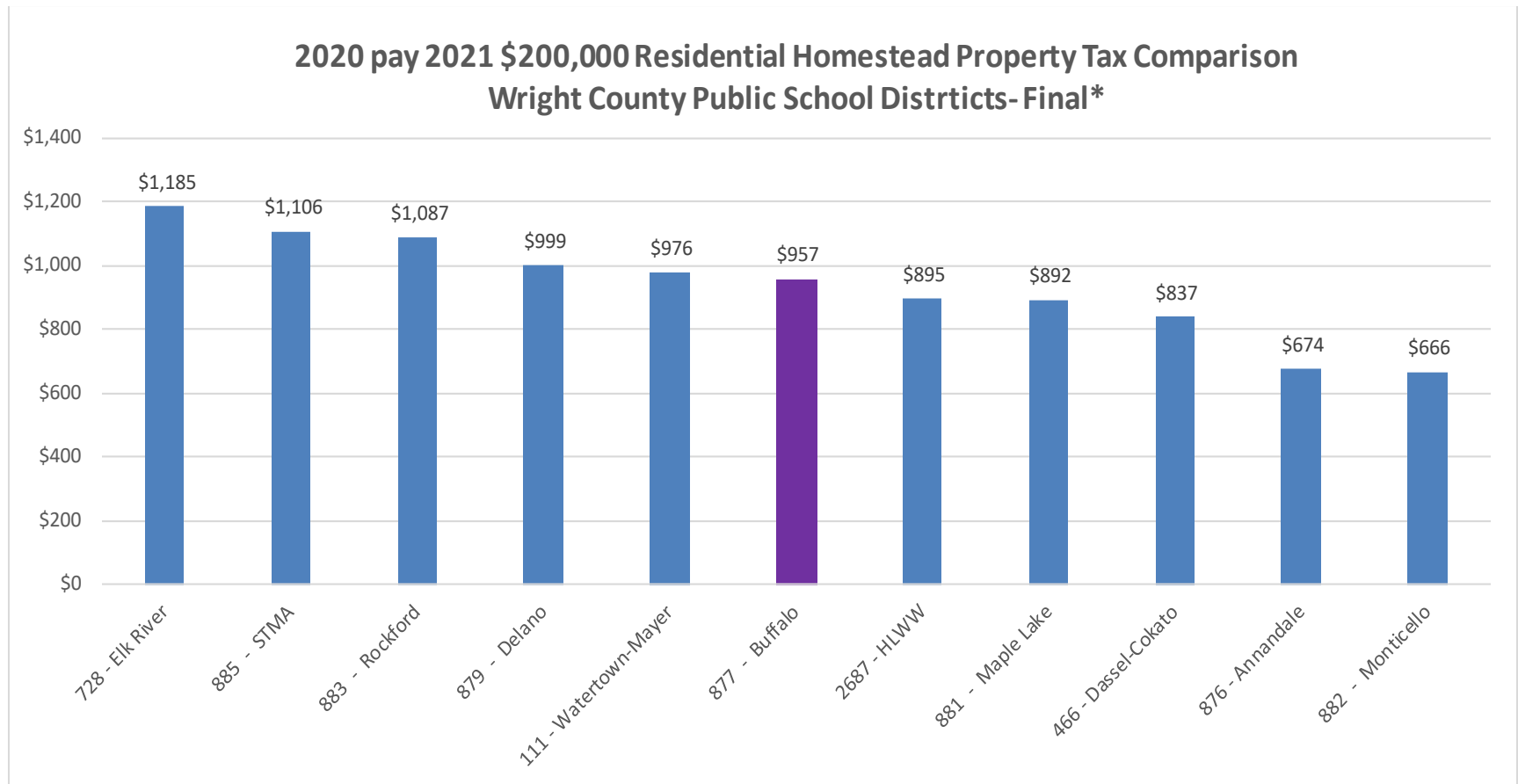
Truth In Taxation



*Source - Wright County, Minnesota Auditor/Treasurer's Office Property Taxes, Values, Levies, and Rates

<https://www.co.wright.mn.us/780/Property-Taxes-Values-Levies-and-Rates>

Proposed Property Tax Comparison - Final Estimates



*Source - Wright County, Minnesota Auditor/Treasurer's Office Property Taxes, Values, Levies, and Rates

<https://www.co.wright.mn.us/780/Property-Taxes-Values-Levies-and-Rates>

State Property Tax Refunds

- State of Minnesota has two tax refund programs and one tax deferral program available for owners of homestead property
- These programs may reduce the net tax burden for local taxpayers, but only if you take time to complete and send in the forms
- For help with the forms and instructions:
 - Consult your tax professional, or
 - Visit the Department of Revenue website at www.revenue.state.mn.us

State Property Tax Refunds Homestead Credit Refund aka Circuit Breaker

- Available to all owners of homestead property
- Annual income must be approximately \$116,180 or less (income limit is higher if you have dependents)
- Refund is a sliding scale, based on total property taxes and income
 - Especially helpful for those with lower incomes
- Maximum refund is \$2,840
- Refund for renters also available
- Fill out state tax form M-1PR

State Property Tax Refunds

Renter's Property Tax Refund aka Circuit Breaker

- Available to renters who paid rent in Minnesota
- Lived in a building where the owner was assessed property tax
- MN Resident having lived in MN for at least 183 days
- Annual income must be approximately \$62,960 or less (income limit is higher if you have dependents)
- Refund is a sliding scale, based on total property taxes and income
 - Especially helpful for those with lower incomes
- Maximum refund is \$2,210
- Fill out state tax form M-1PR

State Property Tax Refunds

Special Property Tax Refund

- Available for all homestead properties with a gross tax increase of more than 12% and \$100 or more over the prior year
- Owned and occupied your home on January 2, 2020 and January 2, 2021 – Property taxes payable 2022
- Refund is 60% of the amount by which the tax increase exceeds the greater of 12% or \$100, up to a maximum of \$1,000
- Increase was not due to improvements you made to the property
- No income limits
- Fill out state tax form M-1PR

Senior Citizen Property Tax Deferral

- Allows people 65 years of age or older with a household income of \$60,000 or less to defer a portion of the property taxes on their home
- Property taxes paid in any year limited to 3% of household income based on prior year income
- Additional taxes are deferred, but not forgiven
- State charges variable interest rate not to exceed 5% on deferred taxes and attaches a lien to the property
- The deferred property taxes plus accrued interest must be paid when the home is sold or the homeowner(s) dies
- Must have lived in, owned your home, and had it homesteaded for the last 15 years
- The property may not have a reverse mortgage, be in a life estate, or have a governmental lien

Next Steps

- Tonight
 - Board will accept public comments and questions on proposed levy
 - Board certifies final amount of tax levy payable in 2022
- Final levy is certified to county auditor by December 28, 2021

Comments and Questions