

PRELIMINARY ESTIMATES - FOR DISCUSSION ONLY

South Koochiching - Rainy River School District, ISD No. 363

Analysis of Tax Impact for Potential Bond Issue

December 2, 2021

Bond Issue Amount	\$3,805,000	\$3,495,000
Bond Issue Amount - DM Portion	\$0	\$320,000
Project Amount	\$3,600,000	\$3,600,000

Type of Property	Estimated Market Value	Estimated Change in Annual Taxes from 2022 to 2023*	
Residential Homestead	\$50,000	\$12	\$8
	60,000	14	10
	70,000	17	12
	80,000	20	14
	90,000	24	17
	100,000	29	20
	150,000	50	35
	200,000	72	50
	250,000	94	65
Commercial/ Industrial	300,000	115	81
	350,000	137	96
	\$50,000	\$30	\$21
	100,000	60	42
	250,000	169	118
Agricultural Homestead** (average value per acre of land & buildings)	500,000	368	257
	750,000	568	396
	\$1,000	\$0.01	-\$0.01
	1,500	0.01	-0.02
	2,000	0.01	-0.02
Agricultural Non-Homestead** (average value per acre of land & buildings)	2,500	0.02	-0.03
	3,000	0.02	-0.03
	4,000	0.03	-0.04
	\$1,000	\$0.01	-\$0.02
	1,500	0.02	-0.03
Seasonal Recreational Residential	2,000	0.03	-0.04
	2,500	0.04	-0.05
	3,000	0.04	-0.07
	4,000	0.06	-0.09
Seasonal Recreational Residential	\$50,000	\$20	\$14
	75,000	30	21
	100,000	40	28
	125,000	50	35
	150,000	60	42
200,000	80	56	

* Estimated tax impact includes principal and interest payments on the new bonds. The amounts in the table are based on school district taxes for bonded debt levies only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the homeowner's Homestead Credit Refund ("Circuit Breaker") program. Owners of homestead property may qualify for a refund, based on their income and total property taxes. This may change the net effect of the proposed bond issue for those property owners.

** For all agricultural property, estimated tax impact for 2022 includes a 60% reduction and for 2023, a 70% reduction due to the School Building Bond Agricultural Credit. Under current law, the School Building Agricultural Credit will remain at that higher level. Average value per acre is the total estimated market value of all land & buildings divided by total acres. If the property includes a home, then the tax impact on the house, garage, and one acre of land will be calculated in addition to the taxes per acre, on the same basis as a residential homestead or non-homestead property. If the same property owner owns more than approximately \$1.9 million of agricultural homestead land and buildings, a portion of the property will be taxed at the higher non-homestead rate.