

South Koochiching - Rainy River School District, ISD No. 363
 Analysis of Tax Impact for Potential Bond Issue

December 7, 2021

Option	LTFM - H&S Bond	Combination LTFM H&S and LTFM DM Bond	Combination of LTFM - H&S Bond & ESSR	Tax Neutral: LTFM - H&S & Fund Balance
Bond Issue Amount	\$3,805,000	\$3,495,000	\$3,495,000	\$2,800,000
Bond Issue Amount - DM Portion	\$0	\$320,000	\$0	\$0
ESSR Funds	\$0	\$0	\$300,000	\$0
Fund Balance (ESSR or District Funds on Hand)	\$0	\$0	\$0	\$975,000
Project Amount	\$3,600,000	\$3,600,000	\$3,600,000	\$0

Type of Property	Estimated Market Value	Estimated Change in Annual Taxes from 2022 to 2023*			
Residential Homestead	\$50,000	\$12	\$8	\$8	\$0
	60,000	14	10	10	0
	70,000	17	12	12	0
	80,000	20	14	14	0
	90,000	24	17	17	0
	100,000	29	20	20	0
	150,000	50	35	35	0
	200,000	72	50	50	0
	250,000	94	65	65	0
	300,000	115	81	81	0
350,000	137	96	96	0	
Commercial/Industrial	\$50,000	\$30	\$21	\$21	\$0
	100,000	60	42	42	0
	250,000	169	118	118	0
	500,000	368	257	257	0
	750,000	568	396	396	0
Agricultural Homestead** (average value per acre of land & buildings)	\$1,000	\$0.01	-\$0.01	-\$0.01	-\$0.05
	1,500	0.01	-0.02	-0.02	-0.08
	2,000	0.01	-0.02	-0.02	-0.10
	2,500	0.02	-0.03	-0.03	-0.13
	3,000	0.02	-0.03	-0.03	-0.16
4,000	0.03	-0.04	-0.04	-0.21	
Agricultural Non-Homestead** (average value per acre of land & buildings)	\$1,000	\$0.01	-\$0.02	-\$0.02	-\$0.10
	1,500	0.02	-0.03	-0.03	-0.16
	2,000	0.03	-0.04	-0.04	-0.21
	2,500	0.04	-0.05	-0.05	-0.26
	3,000	0.04	-0.07	-0.07	-0.31
4,000	0.06	-0.09	-0.09	-0.42	
Seasonal Recreational Residential	\$50,000	\$20	\$14	\$14	\$0
	75,000	30	21	21	0
	100,000	40	28	28	0
	125,000	50	35	35	0
	150,000	60	42	42	0
200,000	80	56	56	0	

* 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.