



**ROYALTON**  
PUBLIC SCHOOLS

*Home of the Royals*

RESPECT · HONESTY · INTEGRITY · LEADERSHIP · ACCOUNTABILITY · SERVICE

120 Hawthorn Street, Royalton, MN 56373  
Phone (320) 584-4000  
royaltonpublicschools.org

**ISD 485**  
**Royalton Public School District**

**Truth in Taxation Presentation**  
**December 9, 2024**

# Agenda

- Review of Meeting Requirements
- Presentation of current school year budget
- Presentation of proposed tax levy
- Public comment

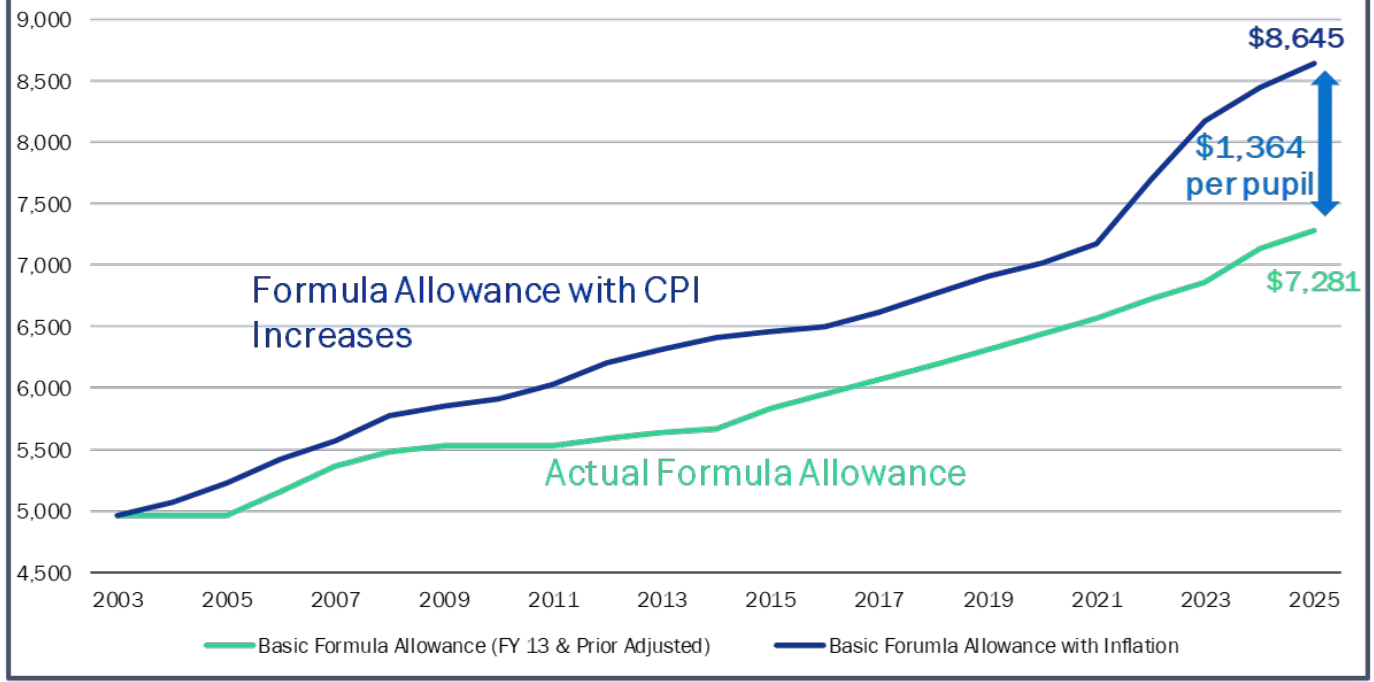
# Truth in Taxation Requirements

- Meeting must be held between November 25 and December 30 at 6pm or later
- May be a part of a regularly scheduled meeting
- Presentation must include discussion on:
  - Fiscal Year 2025 budget
  - Pay 2025 Proposed Tax Levy
- Must allow for public comments

# Minnesota School Funding

Public school districts are funded by the federal government, state government, local fees and local taxpayers through property taxes with the state of Minnesota being the largest source of funding.

## Basic Formula Allowance per Pupil vs Inflation



## State Funding

Basic general formula has not kept up with inflation over the last 20 years

<sup>1</sup> Inflation is based on consumer price index

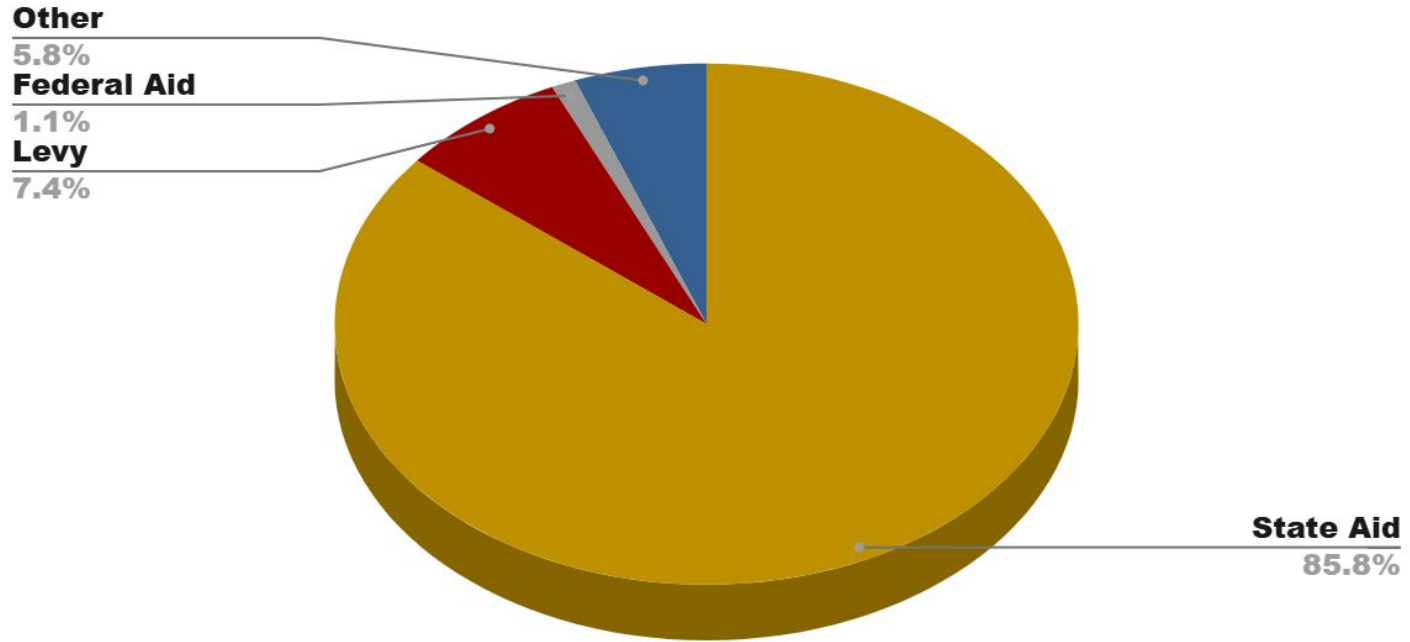
<sup>2</sup> Basic formula allowance includes changes made by legislature in 2023 and is adjusted for FY 2014 and earlier due to pupil weight changes

<sup>3</sup> FY 2024-25 are based on estimated inflation forecasts updated in June 2024 by the State of Minnesota

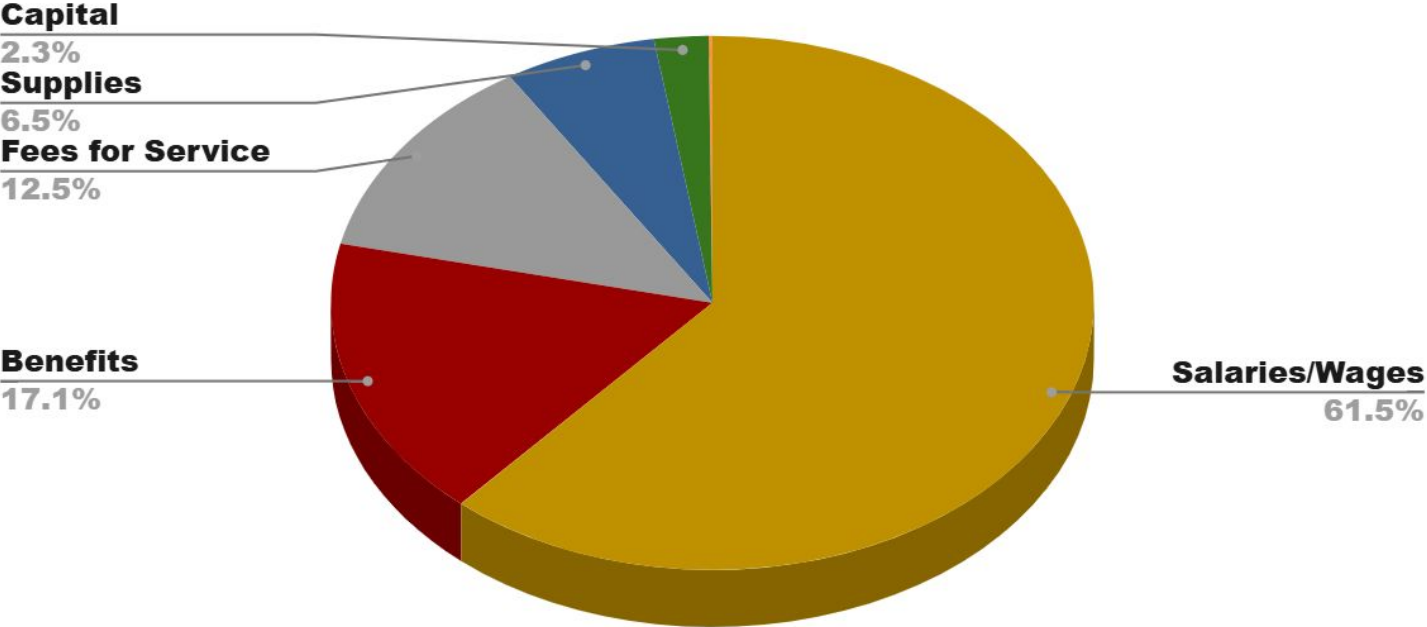
# Budget Overview

<b>2024-25 Original Budget Summary</b>			
	<b><u>Revenues</u></b>	<b><u>Expenditures</u></b>	<b><u>Excess/(Deficit)</u></b>
<b>General Fund</b>	\$ 11,466,895	\$ 11,600,373	\$ (133,478)
<b>Food Service</b>	\$ 757,330	\$ 722,753	\$ 34,577
<b>Community Service</b>	\$ 507,413	\$ 581,470	\$ (74,057)
<b>Debt Service</b>	\$ 2,078,334	\$ 2,021,183	\$ 57,151

# General Fund Revenue by Source



# General Fund Expenditures by Program





# School District Financial Highlights



Bond Rating



Fund Balance

# 2025 Property Tax Levy

# School District Tax Levy Timeline

<b>Summer</b>	<b>September</b>	<b>November 5</b>	<b>November 25 - December 30</b>	<b>2025</b>
<p>Information provided to State for preliminary levy calculations</p>	<p>Preliminary levy certification by school board</p>	<p>Hold elections; elections for bonds or levies can cause the final levy to be higher than the preliminary levy set in September</p>	<p>School District holds Truth in Taxation meeting and certify final property tax levy for taxes payable in 2025</p>	<p>Property taxes collected by counties and distributed to the school district</p>

# Local Property Tax Levy

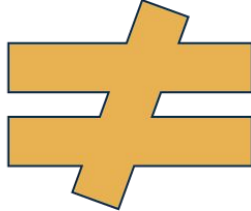


- State limits the local property tax levy by statutorily defined formulas
  - Levy limitation formulas are driven by:
    - Pupil Counts
    - Specific eligible expenditure types
    - Population
    - Voter authorization
    - Districtwide Property Valuations

# Levy Overview

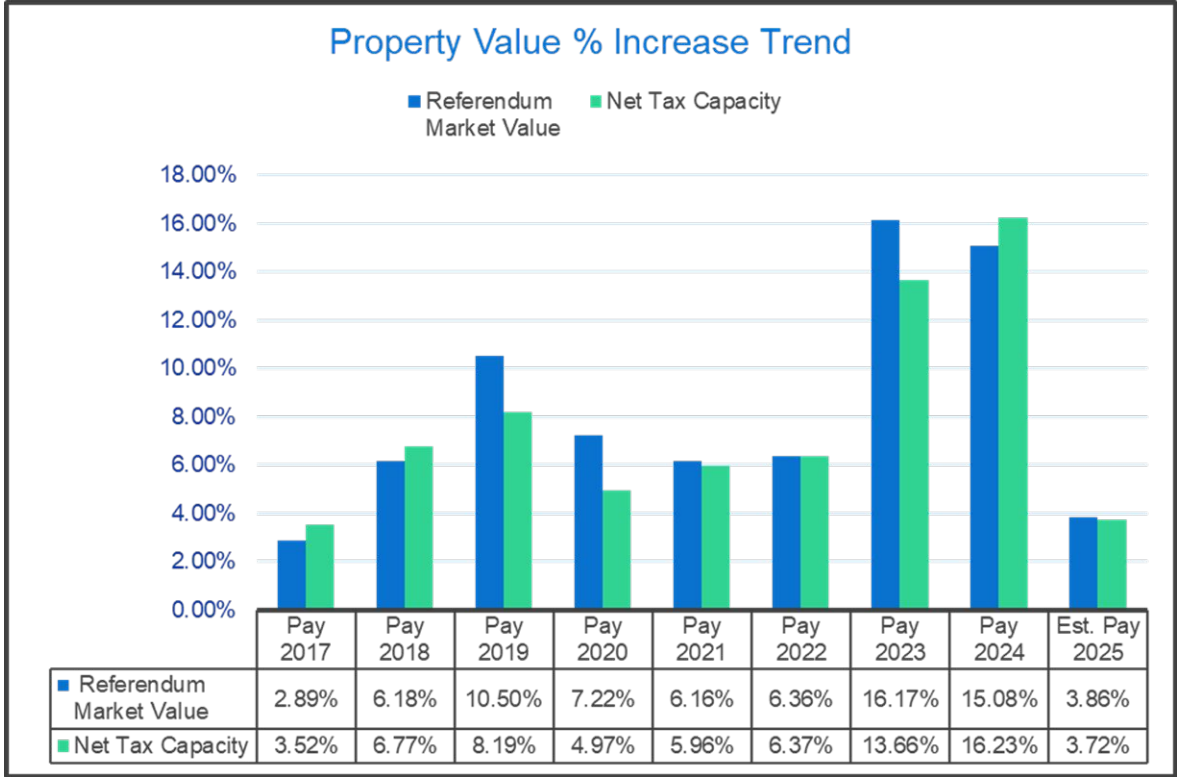
	Final Pay 2024	Proposed Pay 2025	\$ Change	% Change
<b>General Fund (Fund 1)</b>				
Local Optional	447,573	455,744	8,171	1.8%
Equity	137,531	148,716	11,185	8.1%
Transition	16,150	17,456	1,307	8.1%
Operating Capital	59,415	68,814	9,398	15.8%
Safe Schools	38,174	34,646	(3,528)	-9.2%
Career & Technical	41,641	77,068	35,426	85.1%
Annual OPEB	7,617	-	(7,617)	-
Long Term Facilities Maintenance	71,243	63,505	(7,738)	-10.9%
<i>Adjustments and Abatements</i>	11,428	(39,839)	(51,266)	-
<b>General Fund Total Levy</b>	<b>830,773</b>	<b>826,110</b>	<b>(4,663)</b>	<b>-0.6%</b>
<b>Community Service (Fund 4)</b>				
Basic Community Education	23,389	23,742	353	1.5%
Early Childhood Education	12,491	14,391	1,900	15.2%
Home Visiting	220	436	216	98.2%
<i>Adjustments and Abatements</i>	(528)	(76)	451	-
<b>Community Service Fund Total Levy</b>	<b>35,573</b>	<b>38,493</b>	<b>2,920</b>	<b>8.2%</b>
<b>Debt Service Fund (Fund 7)</b>				
Voter Approved Debt Service	1,756,655	1,805,417	48,762	2.8%
Non-Voter Approved Debt Service	64,813	66,392	1,579	2.4%
<i>Adjustments and Abatements</i>	(111,995)	(127,415)	(15,420)	-
<b>Debt Service Fund Total Levy</b>	<b>1,709,473</b>	<b>1,744,394</b>	<b>34,921</b>	<b>2.0%</b>
<b>Total Property Tax Levy All Funds</b>	<b>2,575,818</b>	<b>2,608,997</b>	<b>33,179</b>	<b>1.29%</b>

# Tax Levy and Budget

% Change to Tax Levy  % Change to Budget Revenue

Some levy increases are offset by a reduction in state aid meaning no additional revenue for school district budget

# Valuation History



# Timeline for Taxpayers

## March 2024

Taxpayers received preliminary valuations notice from county for taxes payable the following year

## Spring/Early Summer

Local and county board of appeal and equalization meetings held providing taxpayers opportunity to challenge property valuations.

## November 10 -24

Counties deliver mailed notice of proposed property taxes to each taxpayer.

## November 25 - December 30

School District holds Truth in Taxation meeting and certify final property tax levy for taxes payable in 2025

## March

Taxpayers receive tax statement from counties for taxes payable in 2025



# Proposed Tax Levy for taxes Payable in 2025



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	Taxes Payable Year	2024	2025
1	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			
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
PROPERTY TAX STATEMENT			
3		Coming in 2025	
<b>The time to provide feedback on PROPOSED LEVIES is NOW</b>			
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	
<b>Total excluding any special assessments</b>			<b>\$1,341.31</b>	<b>\$1,467.52    9.4%</b>

*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.*

# March Valuation Notice



**Spruce County**  
Jane Stevens, Assessor  
345 12th Street East, Box 77  
Spruceville, MN 55555-5555  
(555) 345-6780  
www.co.spruce.mn.us

**Property ID Number:** 01.234.56.7890.R1

**Property Description:**  
Lot 5, Block 13 of the Spruceville Estates Addition to the City of Spruceville.

**TAXPAYERS:**  
John and Mary Johnson  
123 Fine Road South  
Spruceville, MN 55555-5555

VALUATION NOTICE

2024

**2023 Values for Taxes Payable In**

Property tax notices are delivered on the following schedule:  
Valuation and Classification Notice

Step 1	Classic Residential Homestead	\$150,000	See Details.
	Homestead Exclusion	\$23,800	Below.
	Taxable Market Value:	\$126,200	

Proposed Taxes Notice Coming November 2023

Step 2  
2024 Proposed Tax:

Step 3  
Property Tax Statement Coming March 2024

Step 4  
2024 Half Taxes: Coming March 2024

Step 5  
2024 Full Taxes: Coming March 2024

**The time to appeal or question your CLASSIFICATION or VALUATION is NOW!**

It will be too late when proposed taxes are sent.

### Your Property's Classification(s) and Values

	Taxes Payable in 2023 (2022 Assessment)	Taxes Payable in 2024 (2023 Assessment)
<i>The assessor has determined your property's classification(s) to be:</i>		
Residential Homestead 1a		\$150,000
<input type="checkbox"/> If this box is checked, your classification has changed from last year's assessment.		
<i>The assessor has estimated your property's market value to be:</i>		
Estimated Market Value (EMV)	\$158,000	\$150,000
<i>Several factors can reduce the amount that is subject to tax:</i>		
Green Acres Value Deferral		
Rural Preserve Value Deferral		
Open Space Deferral		
Platted Vacant Land Deferral		
Exclusion for Veterans With Disabilities		
Mold Damage Exclusion		
Homestead Market Value Exclusion	\$23,000	\$23,800
<b>Taxable Market Value (TMV)</b>	<b>\$135,000</b>	<b>\$126,200</b>
<i>The following values (if any) are reflected in your estimated and taxable market values:</i>		
New Improvement Value		\$0
<i>The classification(s) of your property affect the rate at which your value is taxed.</i>		

**The following meetings are available to discuss or appeal your value and classification:**

Local Board of Appeal and Equalization/Open Book	County Board of Appeal and Equalization Meeting
<p>10 a.m. April 19, 2023 Spruceville Town Hall 123 Main Street, Spruceville</p>	<p>5 p.m. June 10, 2023 Spruce County Courthouse 345 12th Street East, Spruceville</p>

Information on the Appeal process is located on the valuation notice sent in March

### Appealing the Value or Classification of Your Property

**Informal Appeal Options - Contact Your Assessor**

If you have questions or concerns, the assessor can help explain the details of your property's valuation and classification. Contact information for your assessor's office is on the other side of this notice.

Some jurisdictions choose to hold open book meetings to allow property owners to discuss their concerns with the assessor. If this is an option available to you, the meeting time(s) and location(s) will be indicated on the other side of this notice.

**Formal Appeal Options**

If your questions or concerns are not resolved after meeting with your assessor, you have two formal appeal options:

**Option 1 - The Boards of Appeal and Equalization**

You may appear before the Boards of Appeal and Equalization in person, through a letter, or through a representative authorized by you. The meeting times and locations are on the other side of this notice. You must have presented your case to the Local Board of Appeal and Equalization BEFORE appealing to the County Board of Appeal and Equalization.

**Step 1 - Local Board of Appeal and Equalization**

If you believe your value or classification is incorrect, you may bring your case to the Local Board of Appeal and Equalization. Please contact your assessor's office for more information. If your city or township does not have a Local Board of Appeal and Equalization (as indicated on the other side of this notice) you may appeal directly to the County Board of Appeal and Equalization.

**Step 2 - County Board of Appeal and Equalization**

If the Local Board of Appeal and Equalization did not resolve your concerns, you may bring your case to the County Board of Appeal and Equalization. Please contact the county assessor's office to get on the agenda or for more information.

**Option 2 - Minnesota Tax Court**

Depending on the type of appeal, you may take your case to either the Small Claims Division or the Regular Division of Tax Court. You have until April 30 (October 1 for manufactured homes assessed as personal property) of the year in which taxes are payable to file an appeal with the Small Claims Division or the Regular Division of Tax Court for your valuation and classification.

For more information, contact the Minnesota Tax Court:  
Phone: 651-539-3260 or for MN Relay call 1-800-627-3529  
On the web: [www.mn.gov/tcc-court](http://www.mn.gov/tcc-court)

### Definitions

**Exclusion for Veterans With Disabilities** - Veterans with qualifying disabilities may be eligible for a valuation exclusion on their homestead property.

**Estimated Market Value** - This value is what the assessor estimates what your property would likely sell for on the open market.

**Green Acres** - Applies to class 2a agricultural property that is facing increasing values due to pressures not related to the agricultural value of the land. This value is determined by looking at what comparable agricultural land is selling for in areas where there is no development pressure. The taxes on the higher value are deferred until the property is sold, transferred, withdrawn, or no longer qualifies for the program.

**Homestead Market Value Exclusion** - Applies to residential homesteads and to the house, garage, and one acre of land for agricultural homesteads. The exclusion is a maximum of \$30,400 at \$76,000 of market value, and then decreases by nine percent for value over \$76,000. The exclusion phases out for properties valued at \$413,800 or more.

**New Improvements** - This is the assessor's estimate of the value of new or previously unassessed improvements that have been made to your property within the past five years.

**Plat Deferral** - For land that has been recently platted (divided into individual lots) but not yet improved with a structure, the increased market value due to plating is phased in over time. If construction begins, or if the lot is sold before expiration of the phase-in period, the lot will be assessed at full market value in the next assessment.

**Rural Preserve** - Applies to class 2b rural vacant land that is part of a farm homestead or that had previously been enrolled in Green Acres, if it is contiguous to agricultural land enrolled in Green Acres. This value may not exceed the Green Acres value for tilled lands. The taxes on the higher value are deferred so long as the property qualifies.

**Taxable Market Value** - This is the value that your property taxes are actually based on, after all reductions.

For more information on appeals, visit the Department of Revenue website: [www.revenue.state.mn.us](http://www.revenue.state.mn.us).

# Important Changes to Property Tax Law

- Homestead Market Value Exclusion is increasing for taxes payable in 2025
  - This will reduce taxes for residential homestead properties valued up to \$517,200
- Agricultural Homestead Classification Increasing
  - Limited to \$2,150,000 for taxes payable in 2024
  - Limited to \$3,500,000 for taxes payable in 2025
    - This will reduce taxes for landowners with greater than \$2,150,000 in land classified as homestead

# Tax Valuation Types

## Two Types of Tax Valuations

- Net Tax Capacity
  - Most all property types pay on this amount
- Referendum Market Value
  - **EXCLUDES** Ag Land and Seasonal Rec properties

# Dividing the Property Tax Pie

Property values do not rise uniformly across all properties  
The burden of the levy shifts from taxpayers with lower increases to those with higher increases.

Higher increase =  
Larger piece of the property tax pie.



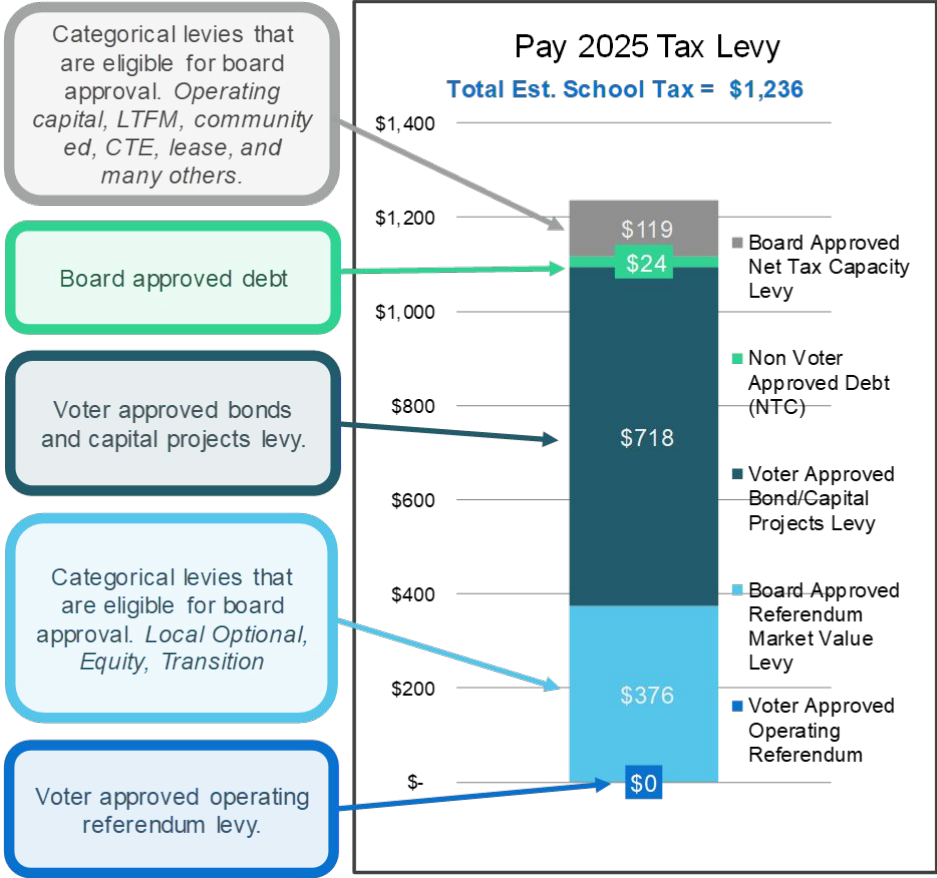
# Dividing the Property Tax Pie

## Our District for Taxes Payable in 2025

- Net Tax Capacity \$2,023,967.66
  - Most all property types pay on this amount
- Referendum Market Value \$585,029.07
  - **EXCLUDES** Ag Land and Seasonal Rec properties

Home Value = \$300,000

# Est. Pay 2025 Tax for Residential



**Property Value Increase**  
0%

Types of Property	Pay 2024 Value	Pay 2025 Est. Value			\$ Change	% Change
			Pay 2024	Pay 2025		
<b>Residential Homestead</b>	\$144,600	\$144,600	\$567	\$522	(\$45)	-7.89%
	192,800	192,800	794	743	(51)	-6.38%
	241,000	241,000	1,022	965	(57)	-5.56%
	289,200	289,200	1,249	1,186	(62)	-5.00%
	337,300	337,300	1,476	1,407	(68)	-4.63%
	433,700	433,700	1,925	1,851	(75)	-3.87%
	530,100	530,100	2,376	2,313	(63)	-2.67%

# Estimated Tax Impacts 0% Increase in Values



Property Value Increase
8%

Types of Property	Pay 2024 Value	Pay 2025 Est. Value	Pay 2024	Pay 2025	\$ Change	% Change
Residential Homestead	\$144,600	\$156,168	\$567	\$575	\$8	1.49%
	192,800	208,224	794	814	20	2.55%
	241,000	260,280	1,022	1,054	32	3.13%
	289,200	312,336	1,249	1,293	44	3.51%
	337,300	364,284	1,476	1,531	56	3.77%
	433,700	468,396	1,925	2,010	85	4.41%
	530,100	572,508	2,376	2,529	152	6.41%

# Estimated Tax Impacts 8% Increase in Values

# Ag2School Impact

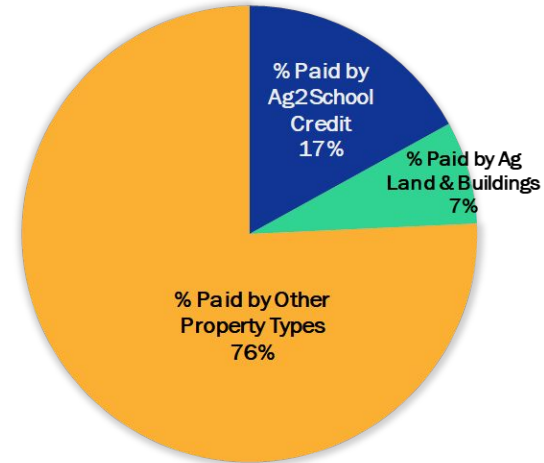
The state will pay for approximately \$296,000 of the \$1,744,394 debt service levy for Pay 2025 via the Ag2School Credit.

## ISD No. 485, Royalton Public School District

### Source of Debt Service Payments

(Assuming 70% Ag2School Credit)

(Based on Valuations for taxes payable in 2024)



#### Notes:

1. The Ag2School credit applies to agricultural land and buildings. The house, garage and first acre of land do not benefit from the Ag2School credit.
2. The Ag2School credit does not increase or decrease the tax impact on all other property types.

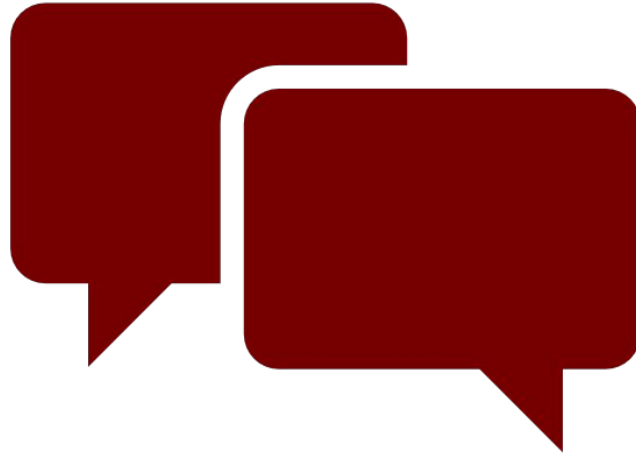
# Other Taxpayer Resources

- Minnesota Homestead Property Tax Refund
- Special Property Tax Refund Program
- Senior Citizen Property Tax Deferral
- Disable Veteran's Homestead Property Tax Exclusion
- Blind or Disabled Special Homestead Classification
- Green Acres and Rural Preserve

# Levy Certification

Recommended Levy  
Certification Amount

2,608,996.73



# Public Comments



**Thank you!**