



Truth in Taxation Report ISD 477, Princeton Minnesota December 16, 2025

Presenter:
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Director of Business Services

Connections

Citizenship

Collaborative
Leadership

Excellence

Integrity

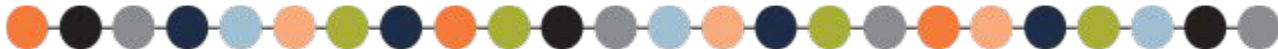
Respect

Learning

Innovation

Truth in Taxation Law

Minnesota's Truth in Taxation Law requires that cities, counties and school districts follow certain steps before adopting a tax levy for the following year. One important part of that law requires a mailed notice to each property owner in the county, which describes the tax levies proposed by the city, county and school district and what percent increase (decrease) a levy would mean in dollars.



Requirements of Truth in Taxation Meeting

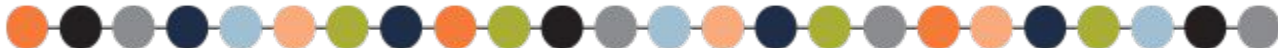
Public Meeting must include:

- ❖ Current year budget
- ❖ Proposed property tax levy
- ❖ Public must be given time to comment



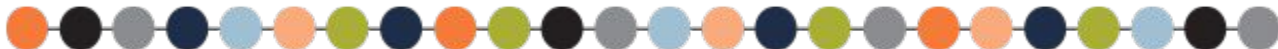
Who & What Impacts State Levies

- ❖ State Legislature & Governor's Administration
 - Establishes overall tax policy.
 - Sole authority to create school levies.
 - Controls School levy parameters. (Formulas)
- ❖ School Board's
 - Ask voters to approve operating referendums.
 - Ask voters to approve bond referendums.

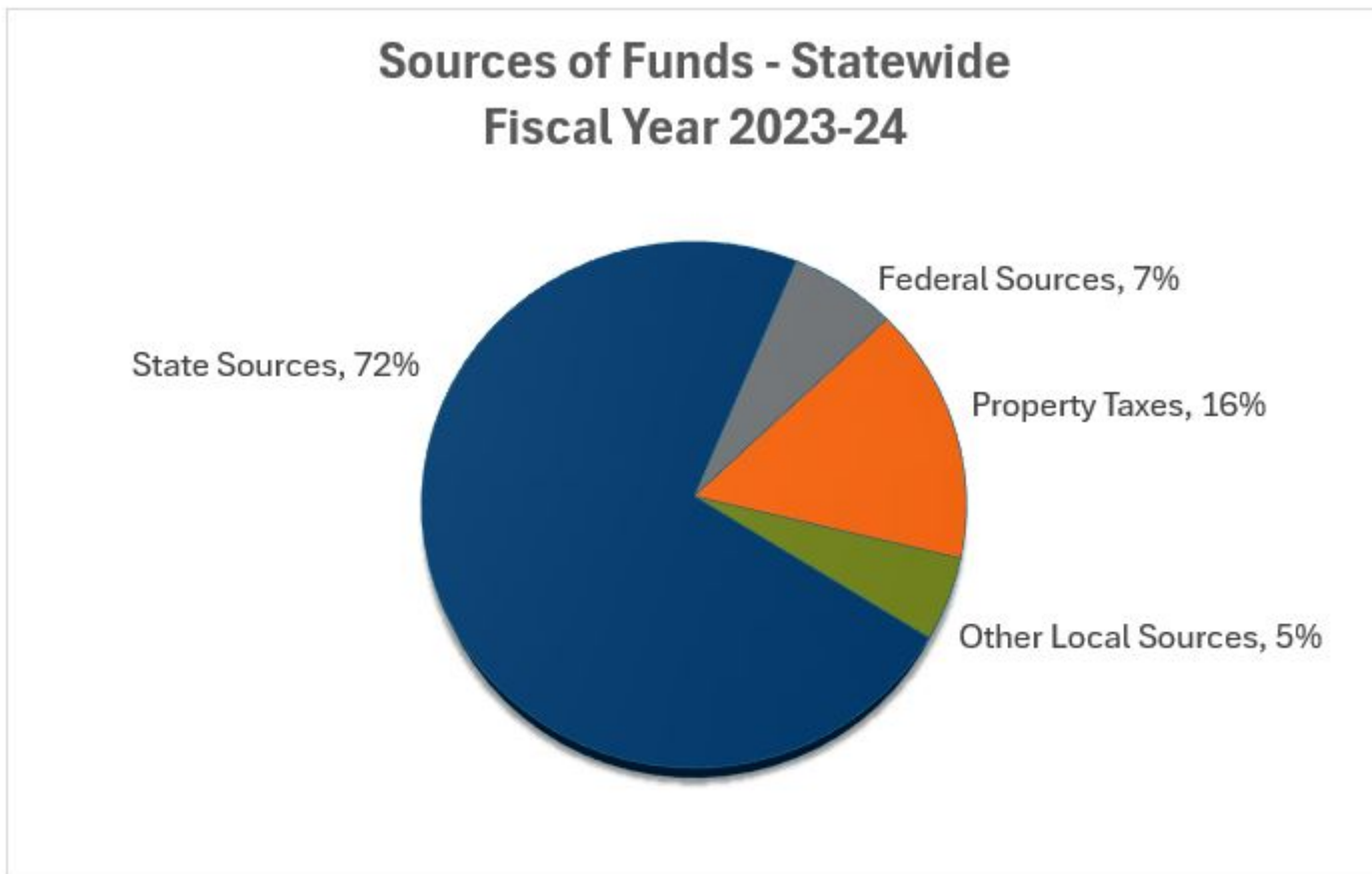


How is my Property Tax Determined

- ❖ County Assessor determines market value for each parcel of property.
- ❖ MN Legislature sets formulas for Tax Capacity.
 - This determines how the tax burden is split on different types of property (residential, commercial, ag, etc.).
- ❖ County Auditor calculates the tax capacity for each parcel.
- ❖ County Auditor divides the total levy by total tax capacity of the District to determine tax rate needed.
- ❖ Tax rate is multiplied by each property's tax capacity.



Sources of General Funds Across the State

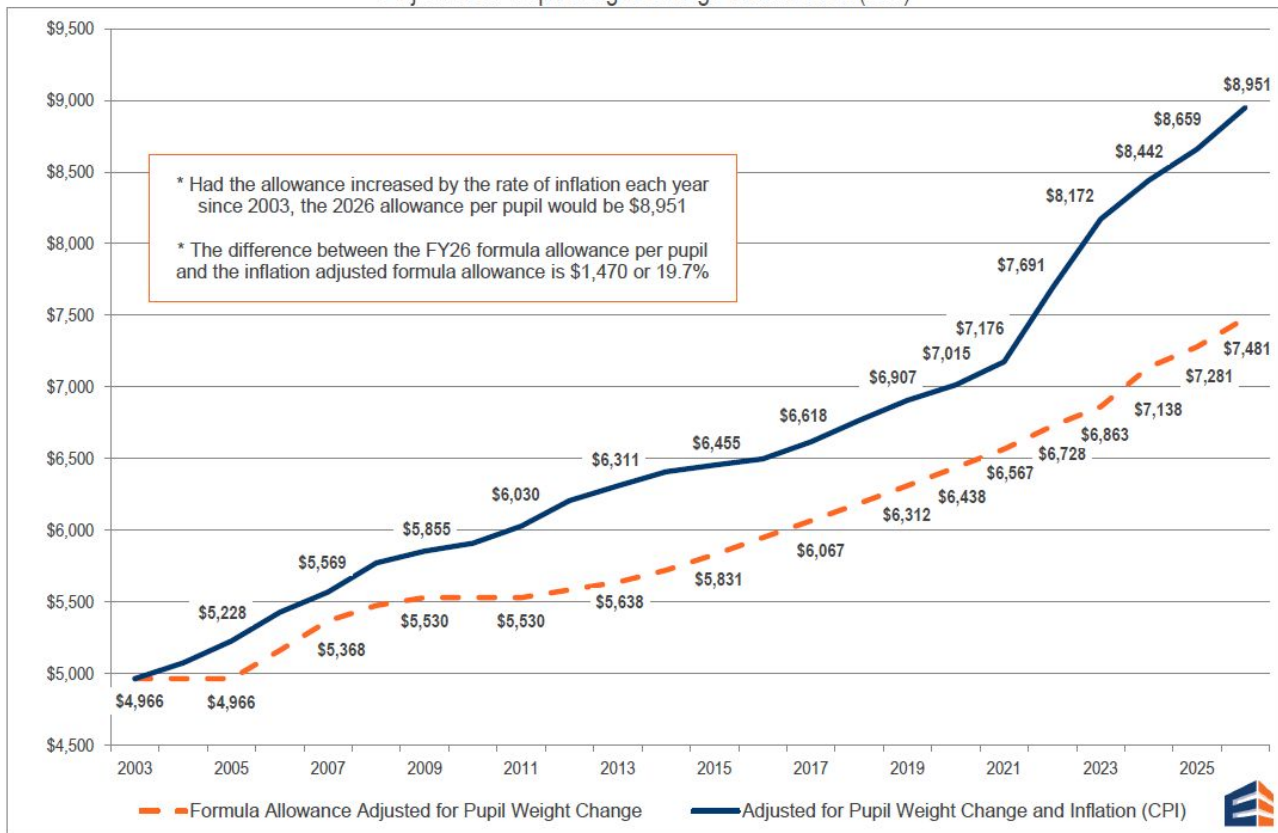


Source: MDE 2024 Consolidated Financial Report

Funding will Trail Inflation by \$1,470 per Pupil in FY 26

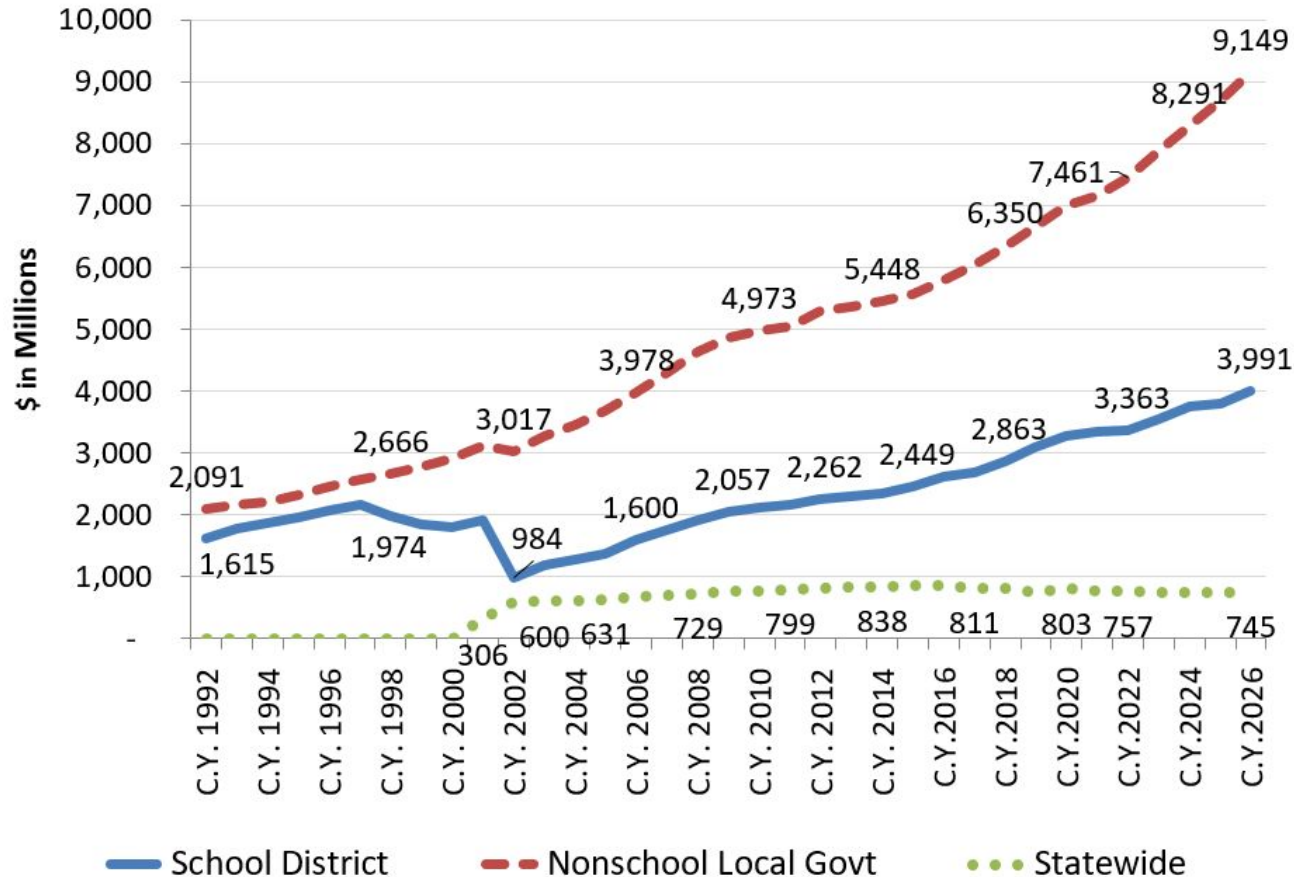
General Education Formula Allowance, 2003-2026

Adjusted for Pupil Weight Change and Inflation (CPI)



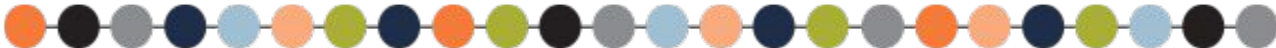
Source: MDE December 2024 CPI Inflation Estimates and Minnesota Laws 2023

Property tax Levies: School vs Non School



School District Funds

- ❖ General Fund
- ❖ Food Service Fund
- ❖ Community Education Fund
- ❖ Building Fund
- ❖ Debt Service Fund



Budget 2025-2026

	2026 ORIGINAL	2026 ORIGINAL	
	ESTIMATED REVENUES	ESTIMATED EXPENDITURES	ESTIMATED VARIANCE
GENERAL FUND (01)	\$ 46,417,471	\$ 48,677,372	\$ (2,259,901)
FOOD SERVICE (02)	\$ 2,793,000	\$ 2,869,239	\$ (76,239)
COMMUNITY ED (04)	\$ 2,459,913	\$ 2,194,885	\$ 265,028
BUILDING FUND (06)	\$ 80,000	\$ 2,245,500	\$ (2,165,500)
DEBT SERVICE (07)	\$ 5,433,690	\$ 5,300,467	\$ 133,223
TOTAL ALL FUNDS	\$ 57,184,074	\$ 61,287,463	

Updated August 2025

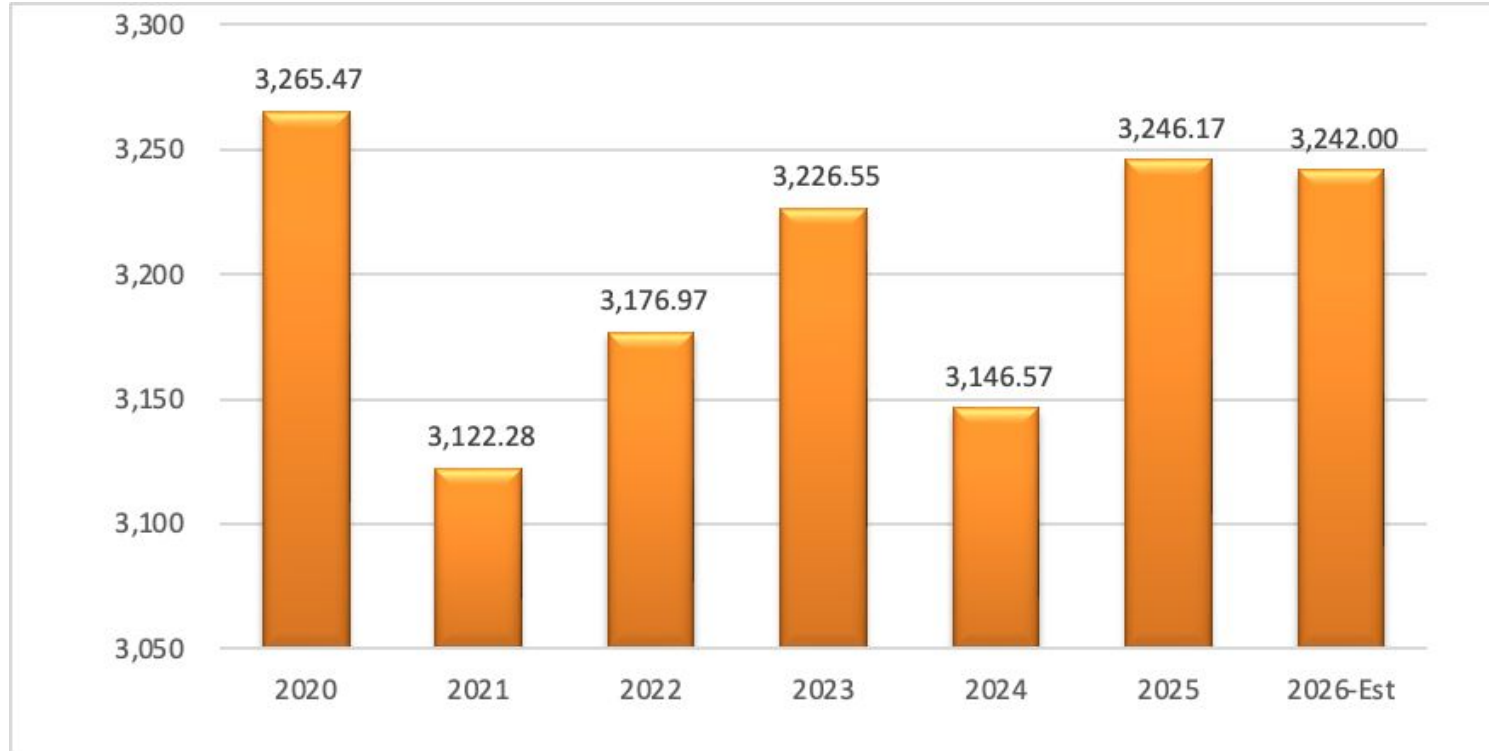


General Fund Revenues

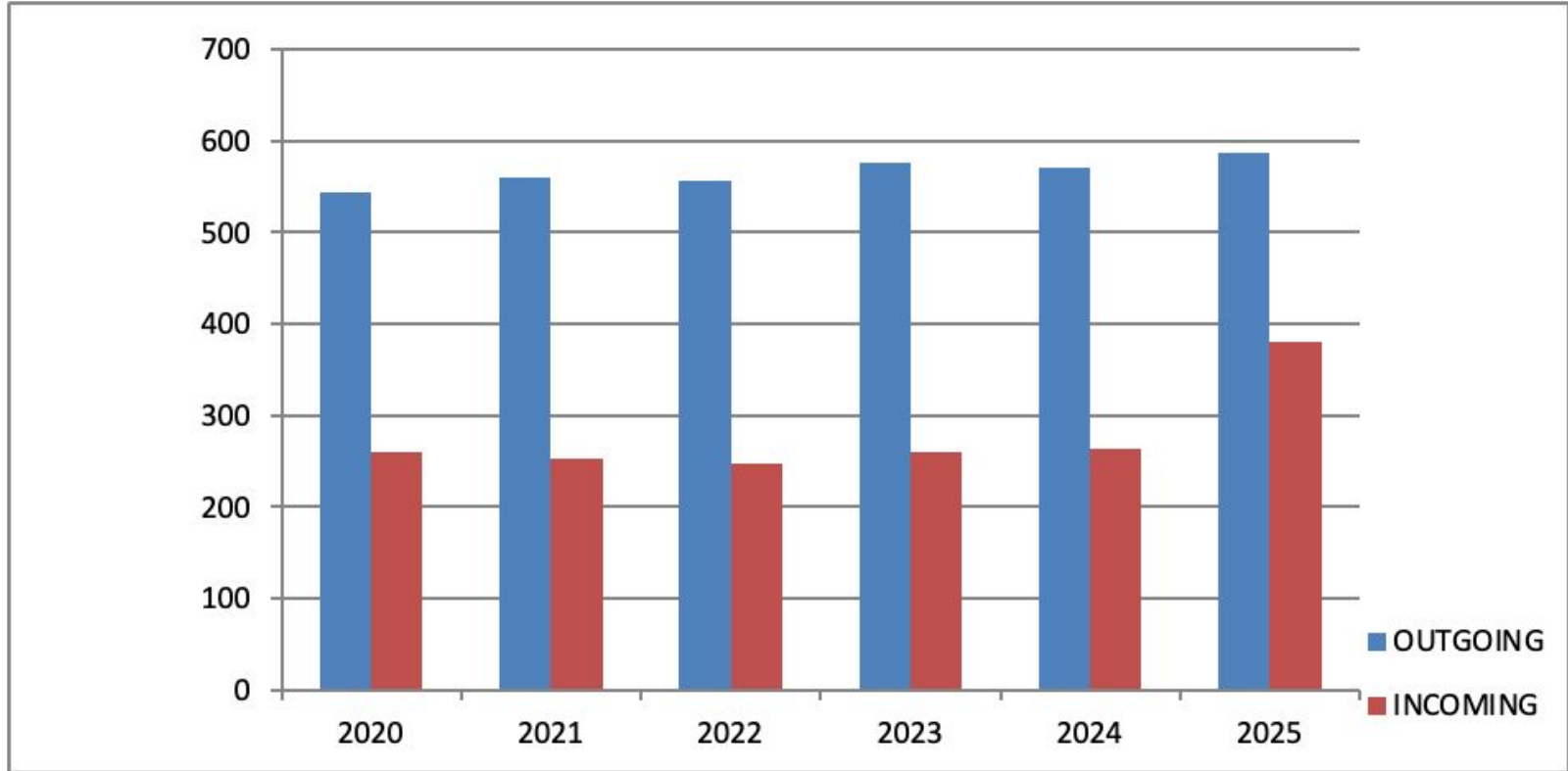
- ❖ Based on Student Enrollment
- ❖ Local Operating Levies
- ❖ Special Education
- ❖ Federal Grants
- ❖ State Programs
- ❖ Participant Fees



End of Year Adjusted Average Daily Membership PK-12

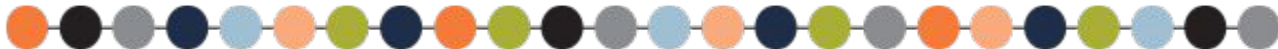


Open Enrollment



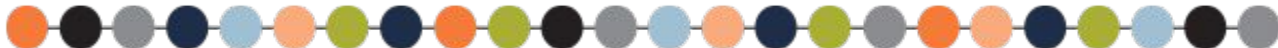
Food Service

- ❖ Based on Federal Grant of free/reduced lunch
- ❖ Based on student participation
- ❖ State Aid-All students eat free starting 2023-2024
- ❖ The District does not levy dollars for this fund.



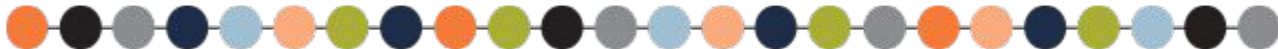
Community Education

- ❖ Based on adult population in the District.
- ❖ Early Childhood is based on the number of children under 5 years of age.
- ❖ Participation fees
- ❖ Grants



Other District Funds

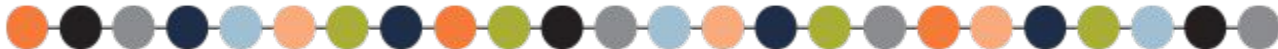
- ❖ Building Fund
 - Long Term Facilities Bond
 - Abatement Bond
 - Ventilation Bond
- ❖ Debt Service Fund
 - District Bond Payments



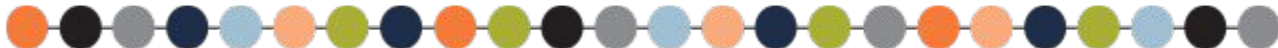
School District Levy

→ 2025 Payable 2026

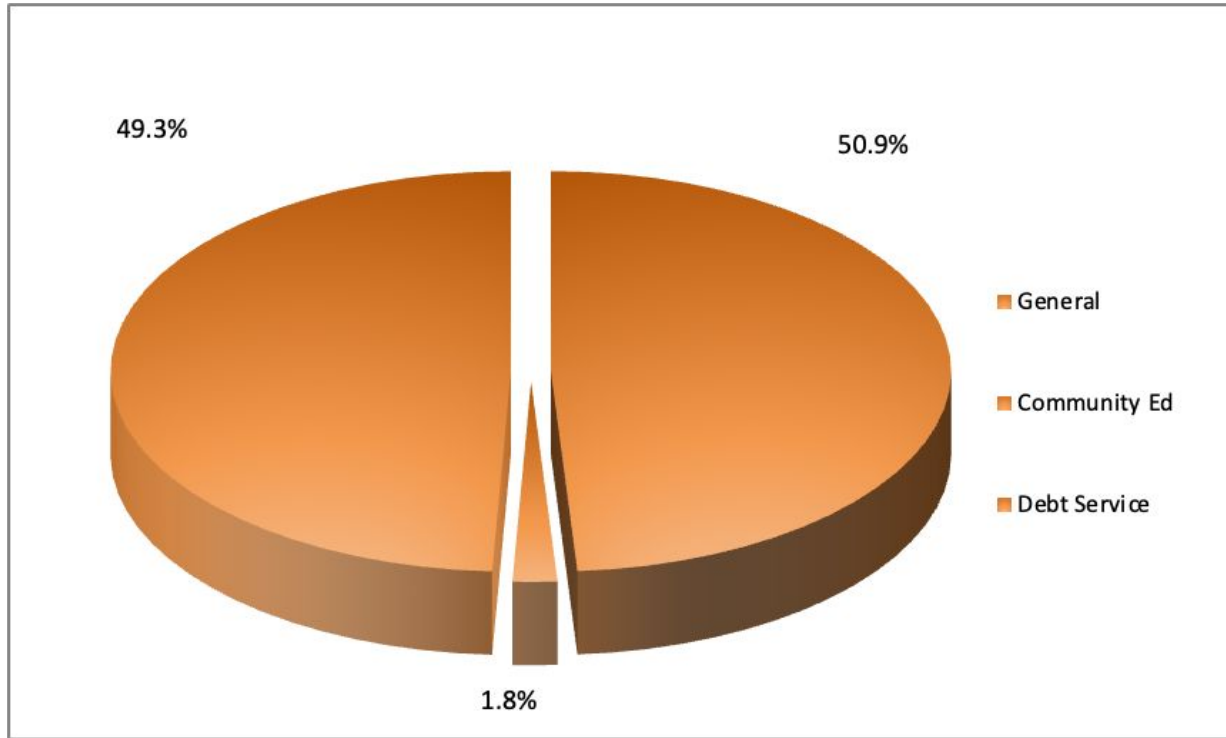
→ 2026-2027 School Year



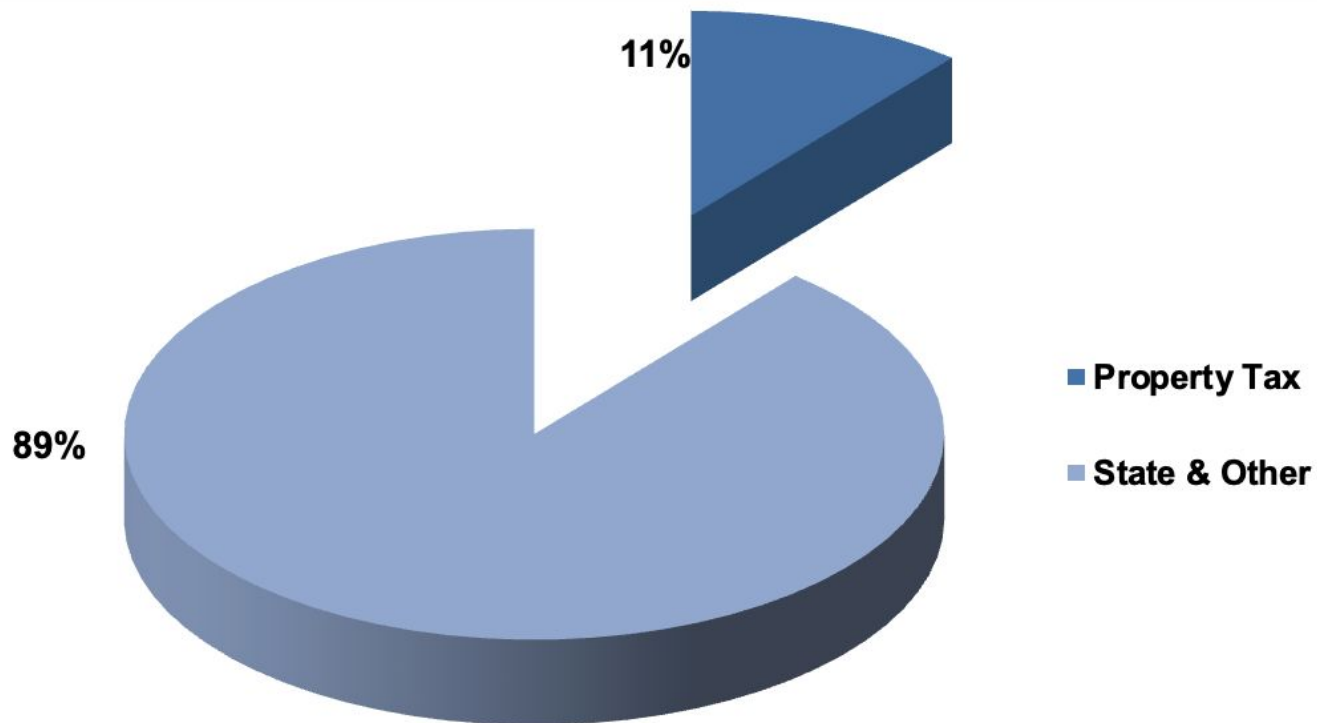
Please see separate sheet
regarding the detail of the
2025 pay 2026 levy.



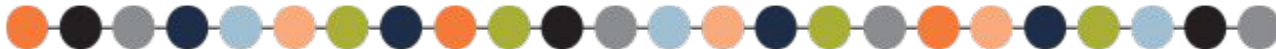
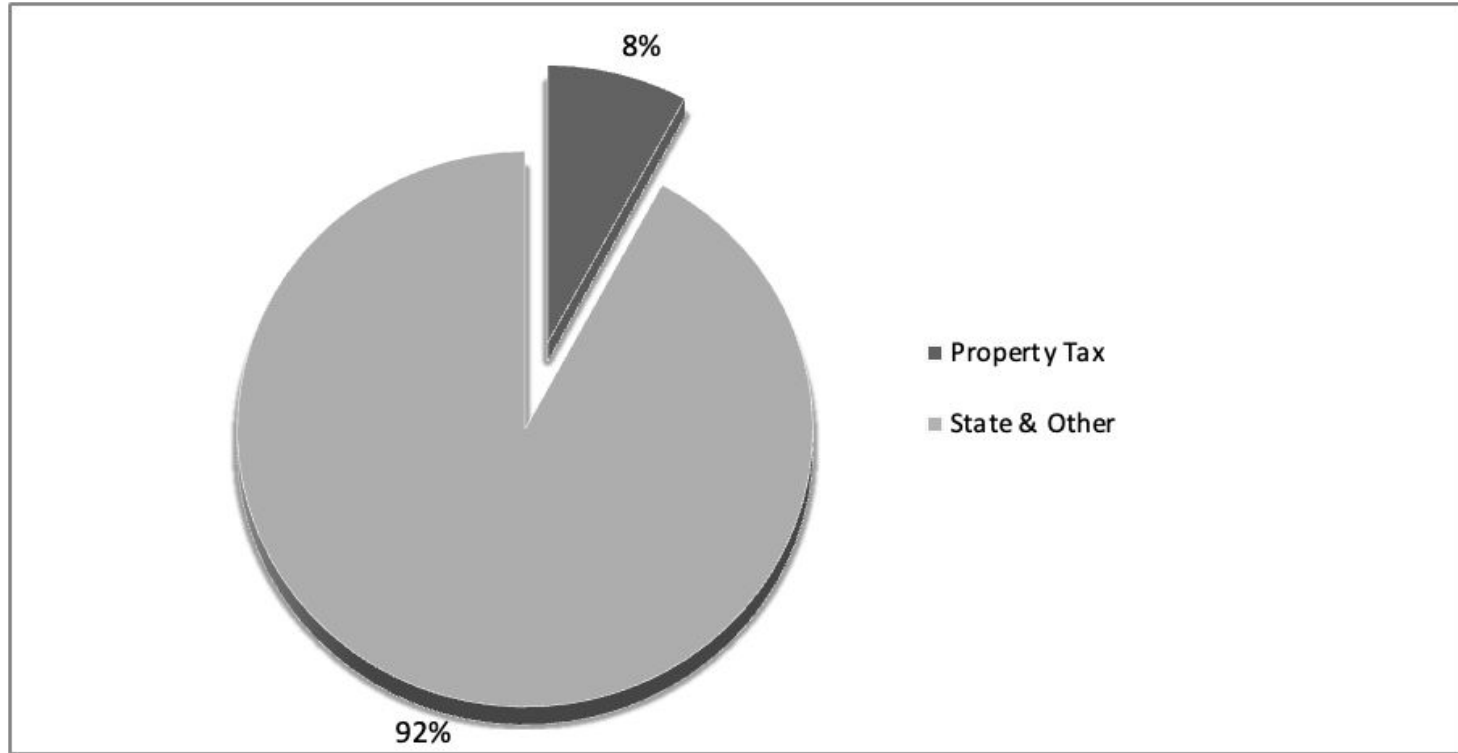
How Your School Taxes are Spent



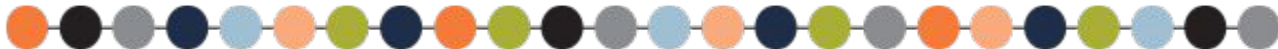
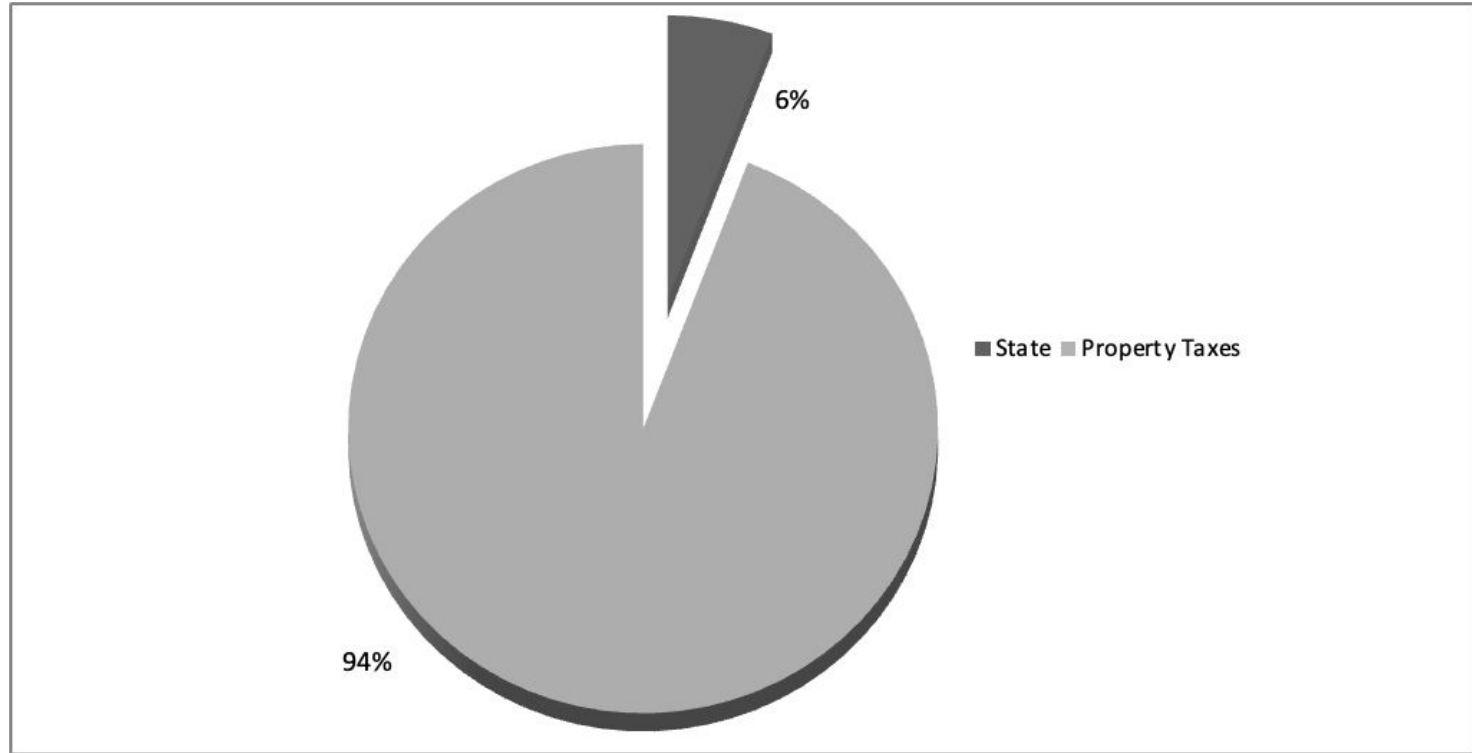
General Fund Property Tax Supported



Community Education Property Tax Supported



Debt Service Property Tax Supported



Proposed Levy Increase

\$981,569.36

or

9.93%





Minnesota Legislative Changes for Pay 2025

In 2023, The Minnesota State Legislature passed laws that affect property taxes for taxes payable in 2025.

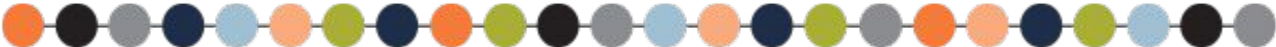
Recap of major changes:

- Provided a tax benefit to homeowners by increasing the homestead exclusion for valuations between \$76,000 and \$517,000; and
- Increased the first-tier limit for Ag Homestead land to \$3.5M from \$2.15M

Tax Base Trend

FIVE YEAR TREND - TAX BASE

	2020	2021	2022	2023	2024
RMV	\$ 1,883,543,453	\$ 2,079,603,638	\$ 2,666,829,952	\$ 2,851,398,471	\$ 2,890,903,321
RMV % CHANGE		10.4%	28.2%	6.9%	1.4%
NTC	\$ 21,029,640	\$ 23,275,360	\$ 30,321,668	\$ 32,675,383	\$ 32,793,015
NTC % CHANGE		10.7%	30.3%	7.8%	0.4%



Impact of Levy for Princeton Residents

SEPTEMBER PROPOSED LEVY		PAYABLE 2023	PAYABLE 2024	PAYABLE 2025	EST PAYABLE 2026	EST \$ CHANGE FROM 2023	EST % CHANGE FROM 2023
RESIDENTIAL							
\$	150,000.00	\$ 422.00	\$ 416.00	\$ 396.00	\$ 406.50	\$ (15.50)	-3.7%
\$	250,000.00	\$ 757.00	\$ 746.00	\$ 728.00	\$ 749.00	\$ (8.00)	-1.1%
\$	300,000.00	\$ 924.00	\$ 911.00	\$ 894.00	\$ 921.00	\$ (3.00)	-0.3%
COMMERCIAL							
\$	100,000.00	\$ 422.00	\$ 416.00	\$ 423.00	\$ 438.00	\$ 16.00	3.8%
\$	250,000.00	\$ 1,161.00	\$ 1,152.00	\$ 1,166.00	\$ 1,212.00	\$ 51.00	4.4%
\$	500,000.00	\$ 2,482.00	\$ 2,462.00	\$ 2,498.00	\$ 2,597.00	\$ 115.00	4.6%



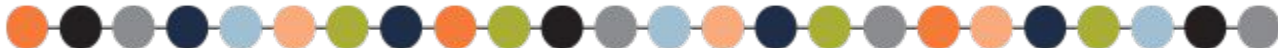
Causes of Property Tax +/-

- ❖ Changes in market values
- ❖ Changes in class rates/history
- ❖ Changes in state legislation
- ❖ Voter approved referendums



Changes in Market Value

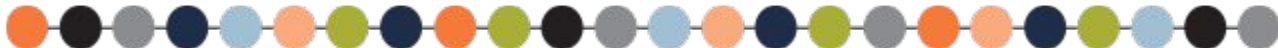
- ❖ Market Values are final
- ❖ Market Values are discussed at:
 - Local Board Review in the spring
 - County Board of Equalization
- ❖ Final Taxable Market Value
 - May reflect a reduction (homestead exclusion)
 - May exclude improvements to property



Don't Forget Property Tax Programs

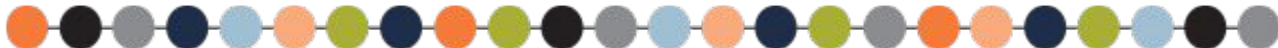
State of MN Tax Refund Programs

- ❖ 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 forms and instructions:
 - Consult your tax professional
 - www.taxes.state.mn.us



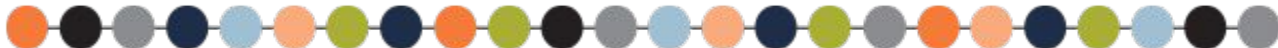
Property Tax Programs

- ❖ MN Property Tax Refund (Circuit Breaker)
 - Has existed since the 1970's.
 - Available to all owners of homestead property.
 - Annual income limits apply.
 - Refund is a sliding scale of property taxes & income
 - Maximum refund is \$2,657.
 - Especially helpful to those with lower incomes.
 - Fill out state tax form M-1PR.



Property Tax Programs

- ❖ Special Property Tax Refund
 - Available for all homestead properties.
 - Gross tax increase of 12% and \$100 over prior year.
 - The increase wasn't because of improvements made to the property.
 - Fill out state tax for M-1PR.



Property Tax Programs

- ❖ Senior Citizen Property Tax Deferral
 - Allows age 65 and older with incomes of \$96,000 or less to defer a portion of their property taxes
 - Limits maximum amount paid to 3% of household income.
 - Additional taxes are deferred, not forgiven.
 - Deferred property taxes plus accrued interest must be paid when home is sold or homeowner(s) die.



ISD 477 Resolution

Whereas,Pursuant to Minnesota Statutes the School Board of Princeton Public School District 477, Princeton, Minnesota, is authorized to make the following proposed tax limitation levies for general purposes:

Preliminary Proposed Amounts	
General Fund	\$5,317,038.94
Community Ed	\$195,243.00
Debt Service	\$5,350,829.54
Total Levy	\$10,863,111.48

Now Therefore, be it resolved by the School Board of Princeton Public School District No. 477, Minnesota, that the levy to be levied in 2025 to be collected in 2026 is set at \$10,863,111.48 allowed by law. The Princeton School Board is authorized to certify the following tax limitation levy to the County Auditors of Mille Lacs, Isanti, Sherburne, and Benton Counties.

