

School Board Meeting:

August 28, 2023

Subject:

Levy Process and Timelines

Presenter:

**Ryan L. Tangen, Director
Finance and Operations**

SUGGESTED SCHOOL BOARD ACTION: None at this time - informational only.

DESCRIPTION: The annual property tax levy process for 2023 Payable 2024 property taxes will follow the same cycle as in prior years. The process consists of three required board actions; adoption of a proposed property tax levy by September 30, 2023, holding a Truth in Taxation meeting between November 24, 2023, and December 28, 2023, and adoption of the final levy by December 28, 2023.

The proposed levy will be presented for adoption at the September 25, 2023, School Board meeting. At that meeting, the date, time, and location of the Truth and Taxation meeting will also be established. Following board approval of the proposed property tax levy and details for the Truth in Taxation meeting, both county auditors will be provided the information for the Truth in Taxation notices mailed in November. The Truth in Taxation notices are mailed to all property owners and provide the estimated property taxes payable in 2024 based on the preliminary property tax levy adopted by the board. The notice also includes the date, time, and location of the Truth in Taxation meeting. Starting in 2022, property tax Truth in Taxation notices include required supplementary information about the school district's budget and outstanding debt.

The final property tax levy needs to be approved before December 28, 2023, but not before conducting the Truth in Taxation meeting. Conducting the Truth in Taxation meeting and adoption of the final property tax levy can be part of the same School Board meeting. Both have been scheduled for the Regular School Board meeting on December 11, 2023.

The property tax levy can be affected by many factors. Some of the items we are seeing right now as having the biggest impact on the levy this year are as follows:

1. Property tax values have continued to increase within the District. Increasing property values and an anticipated reduction in enrollment will result in less equalization aid to offset levies.
2. 2023 Legislative action increased equalization aid for certain levy types.
3. Long-Term Facilities Maintenance Revenue Aid will shift back to the General Fund from Debt Service fund to cover the final payment on the Alternate Facilities Bond.

Home construction continues at a steady pace combined with commercial construction in the district will likely lead to an increase in district property values for taxes payable

in 2024. The impact of the market value changes will be quantified when the first run of the levy certification document becomes available on September 7, 2023.

As always, we will strive to balance tax impact for taxpayers while still trying to maximize our revenue to provide the best educational programs and facilities for our students, staff and the public.

Adoption of the proposed property tax levy on September 25, 2023, will not be a fixed number but rather adopted as "maximum". This allows the Minnesota Department of Education time to make any final property tax levy corrections needed after the board approves the proposed property tax levy. The final levy adopted on December 11, 2023, will be a fixed number.