

**School Board Meeting:**

**August 23, 2021**

**Subject:**

Levy Process and Timelines

**Presenter:**

**Ryan Tangen, Director  
Finance and Operations**

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

**DESCRIPTION:** The annual property tax levy process for the 2021 Payable 2022 follows the same cycle as in prior years. The process requires adoption of the proposed levy by September 30, 2021, hosting of a Truth in Taxation meeting and adoption of the final levy by December 30, 2021.

The proposed levy will be presented for adoption at the September 27, 2021 School Board meeting. At that meeting the date, time and location of the Truth and Taxation meeting will also be confirmed. Following approval of the proposed levy, we will notify both county auditors of the proposed levy and the date, time and location of our Truth in Taxation hearing ahead of the deadline. The county auditors will include this information in the notice of proposed property taxes sent to property owners in November.

The final levy needs to be approved before December 30, 2021 but cannot be acted upon until completion of the Truth in Taxation meeting. The Truth in Taxation meeting and final levy adoption can be part of the same School Board meeting. Both have been scheduled for the Regular School Board meeting on December 13, 2021.

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

1. In past years, an under levy for the debt service fund has been utilized. The under levy is an option again this year but could be impacted by an opportunity for refunding an existing debt issue.
2. There will be a net increase in the lease levy category resulting from the expiration of the Phoenix Addition lease and the addition of the High School Tennis Court lease.
3. Property tax values have continued to increase within the District. This is anticipated to result in an overall increase in the equalized levy categories due to an increase in property values for 2020 which results in less state aid and a higher local share of property taxes.

The ongoing home construction and steady level of commercial construction in the district will likely lead to an increase in district property values for taxes payable in 2022. The impact of the market value changes will be quantified when the first run of the levy certification document becomes available the week of September 6, 2021.

As always, we will look to manage the tax impact to our taxpayers yet still try to maximize our revenue to provide the best educational programs and facilities for our students, staff, and public.

We will ask you to approve the “maximum” levy on September 27, 2021, as has been the past practice. This allows the Minnesota Department of Education time to make any final levy corrections needed after the board approves the levy.

**ATTACHMENT(S):**

None