

Truth in Taxation Hearing

Monday, December 15, 2025 5:00 PM

School Board Conference Room, 310 W. Madison Avenue, Mahanomen, MN 56557

1. **Attendees**

2. **Agenda**

3. **Notes**

4. **Next Steps**

5. **Next Meeting**

6. **Annual Truth in Taxation Public Hearing**



Mahnomen Public Schools, ISD 432

Public Hearing for Taxes Payable in 2026

DECEMBER 15, 2025

PRESENTED BY:

Dr. Andrea Simon,

Superintendent

Minnesota State Law Requirements

A Public Meeting...

- Between November 25th & December 30th
- Must allow for public comments
- May adopt final levy at same meeting

...and Presentation of:

- Current year budget
- Proposed property tax levy

Hearing Agenda



Background
Information on
School Funding



District's Budget



District's Proposed
Tax Levy for Taxes
Payable in 2026



Public Comments

MN Legislature Must Set Funding for Minnesota Public Schools

Minnesota Constitution ARTICLE XIII

MISCELLANEOUS SUBJECTS

Section 1

“UNIFORM SYSTEM OF PUBLIC SCHOOLS. The stability of a republican form of government depending mainly upon the intelligence of the people, it is the duty of the legislature to establish a general and uniform system of public schools. The *legislature shall make such provisions by taxation or otherwise* as will secure a thorough and efficient system of public schools throughout the state.”

As a Result, Funding is Highly Regulated

State Sets:

- Formulas which determine revenue; most revenue based on specified amounts per pupil
- Tax policy for local schools
- Maximum authorized property tax levy
 - Districts can levy less, but not more than amount authorized by state, unless approved by voters in November

State also authorizes school board to submit referendums for operating & capital needs to voters for approval

Budget Information

Because approval of school district budget lags certification of tax levy by six months, state requires *only current year budget information be presented at this hearing.*

School district budgets are divided into separate funds, based on purposes of revenue, as required by law.

Our District's Funds:

- General
- Food Service
- Community Education
- Debt Service



Mahnomen Public School

2025-26

UPDATED BUDGET

Fund:	Revenue	Expenditure
General	\$13,194,000	\$13,101,097
Food Service	\$504,850	\$586,358
Community Education	\$120,600	\$208,325
Debt Service	\$783,500	\$847,500
Total	\$14,602,950	\$14,743,280
*Construction (committed funds)	\$4,000,000	\$4,000,000

Change in Tax Levy does not Determine Change in Budget

- Tax levy is based on many state-determined formulas plus voter approved referendums
- Some increases in tax levies are revenue neutral, offset by reductions in state aid
- Expenditure budget is limited by state-set revenue formulas, voter-approved levies & fund balance
- An increase in school taxes does not always correlate to an equal increase in budget

Difference in Levy Cycles

- School District:

- Budget year begins July 1st
- 2026 taxes provide revenue for 2026-27 fiscal year
- Budget adopted in June 2026

- City/County:

- Budget year begins January 1st
- 2026 taxes provide revenue for 2026 calendar year budget

Sample of parcel specific notice mailed to every property owner between November 10th – 25th

Property Tax Background:

- Every owner of taxable property pays property taxes to various “taxing jurisdictions” (county, city/township, school district, special districts) in which property is located
- Each taxing jurisdiction sets own tax levy, often based on limits in state law
- County sends bills, collects taxes from property owners & distributes funds back to other taxing jurisdictions



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	\$	\$33,0500
	Taxable Market Value	\$125,000	\$116,950
	Class	Res NHmstd	Res Hmstd
PROPOSED TAX			
2	Property taxes before credits		\$1,562.46
	School building bond credit		\$ 12.00
	Agricultural market value credit		
	Other credits		
	Property taxes after credits		\$1,550.46
PROPERTY TAX STATEMENT			
3	Coming in 2025		
The time to provide feedback on PROPOSED LEVIES is NOW 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 Voter Approved Levies Other Levies	December 9, 7:00 PM Spruceville High School Cafeteria	\$289.35 \$340.11	\$296.68 \$374.60
Metro Special Taxing Districts		\$57.76	\$58.70
Spruceville Metropolitan Council www.spruce.metrocouncil.org (555) 555-5555 Spruceville, MN 55055	December 11, 7:30 PM Spruce Park Centre 500 Pine St.		
Other Special Taxing Districts Tax Increment Tax	No public meeting No public meeting	\$12.80 \$10.15	\$13.02 \$11.22
Total excluding any special assessments		\$1,422.02	\$1,550.46 9.0%

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.

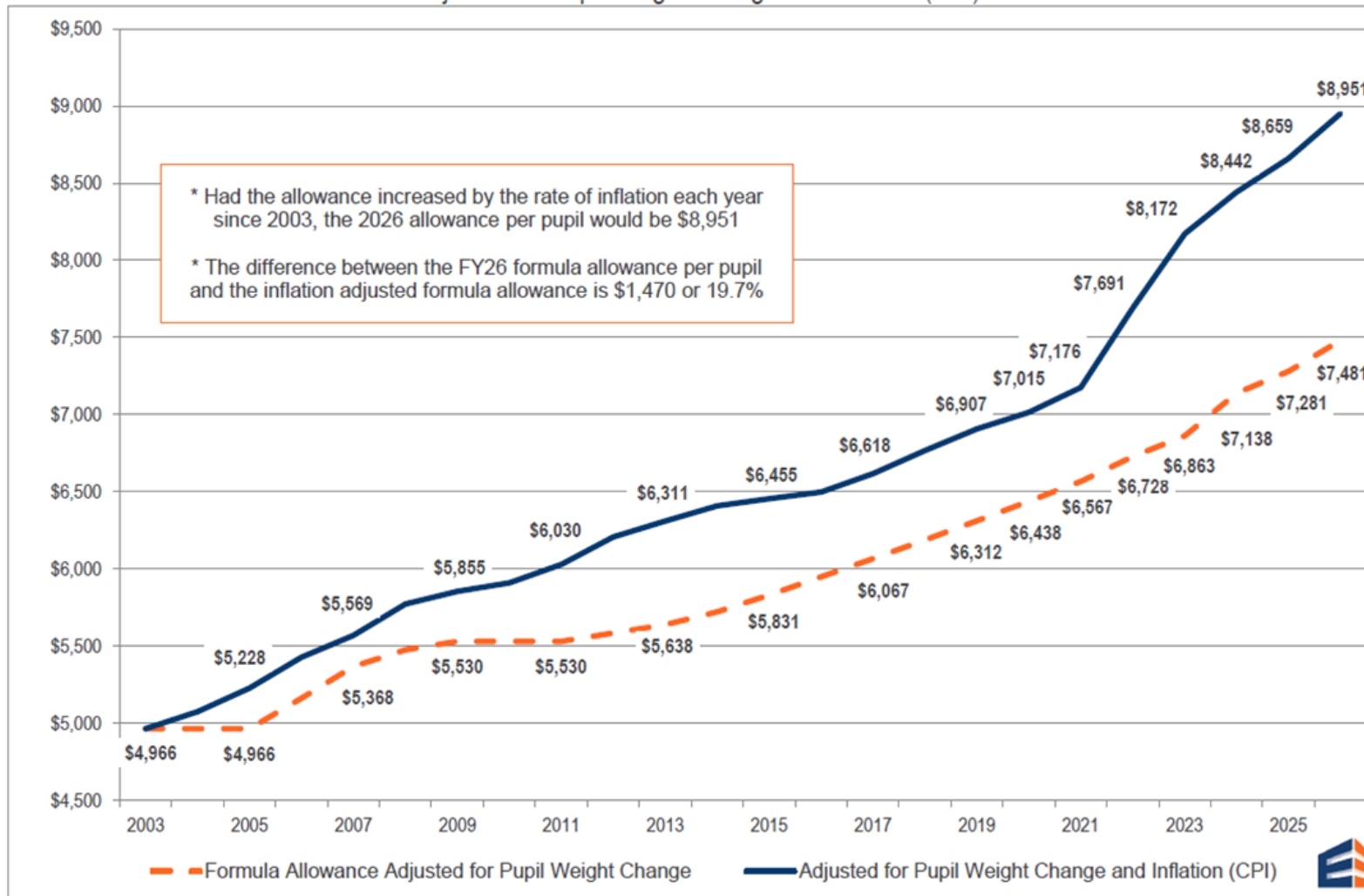
School District Property Taxes

- Each school district has limited authority to levy taxes
- MDE calculates levy amounts for various categories, set by:
 - State law
 - Voter approval

General Education Formula Allowance, 2003-2026

Adjusted for Pupil Weight Change and Inflation (CPI)

**Funding will trail
by \$1,470
per pupil in FY26**



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





Overview of District's Proposed Tax Levy

- Proposed Payable 2026 tax levy is \$1,137,173.76
- Last year was \$1,005,934.52 which is an increase of \$131,239.24 (13.05% increase)
- Several of these levies are heavily equalized with state aid.
- We have proposed adding the Safe Schools levy this year to help with safety-related costs.

Comparison of 24 Pay 25 Levy with 25 Pay 26 Levy Limitation

Fund	24 Pay 25 Limitation	25 Pay 26 Limitation	Increase	Percent Change
General	287,330.78	396,174.20	108,843.42	37.88
Community Service	32,507.93	34,648.88	2,140.95	6.59
Debt Service	686,095.81	706,350.68	20,254.87	2.95

Changes by Category

Subtotals by Category	24 Pay 25 Limitation	24 Pay 25 Certified	25 Pay 26 Limitation
5002 General - RMV Other	165,170.82	165,170.82	152,277.42
5004 General - NTC Other	122,159.96	122,159.96	243,896.78
5009 Community Service - NTC Other	32,507.93	32,507.93	34,648.88
5014 General Debt - NTC Other	686,095.81	686,095.81	706,350.68
Subtotal by Fund			
5005 General Fund	287,330.78	287,330.78	396,174.20
5009 Community Service Fund	32,507.93	32,507.93	34,648.88
5015 General Debt Service Fund	686,095.81	686,095.81	706,350.68
Subtotal by Tax Base			
Referendum Market Value	165,170.82	165,170.82	152,277.42
Net Tax Capacity	840,763.70	840,763.70	984,896.34

District Levy Summary

Subtotals By Levy Category

Title	Limit	Proposed	Certified
GENERAL - RMV VOTER	0.00	0.00	0.00
GENERAL - RMV OTHER	152,277.42	152,277.42	152,277.42
GENERAL - NTC VOTER	0.00	0.00	0.00
GENERAL - NTC OTHER	243,896.78	243,896.78	243,896.78
COMMUNITY SERVICE - NTC OTHER	34,648.88	34,648.88	34,648.88
GENERAL DEBT - NTC VOTER	0.00	0.00	0.00
GENERAL DEBT - NTC OTHER	706,350.68	706,350.68	706,350.68
OPEB DEBT - NTC VOTER	0.00	0.00	0.00
OPEB DEBT - NTC OTHER	0.00	0.00	0.00

Subtotals By Fund

Title	Limit	Proposed	Certified
GENERAL FUND	396,174.20	396,174.20	396,174.20
COMMUNITY SERVICES FUND	34,648.88	34,648.88	34,648.88
GENERAL DEBT SERVICE FUND	706,350.68	706,350.68	706,350.68
OPEB/PENSION DEBT SERVICE FUND	0.00	0.00	0.00

Subtotals By Tax Base

Title	Limit	Proposed	Certified
REFERENDUM MARKET VALUE	152,277.42	152,277.42	152,277.42
NET TAX CAPACITY	984,896.34	984,896.34	984,896.34

Subtotals By Truth In Taxation Category

Title	Limit	Proposed	Certified
VOTER APPROVED	0.00	0.00	0.00
OTHER	1,137,173.76	1,137,173.76	1,137,173.76

Total Levy

Title	Limit	Proposed	Certified
TOTAL LEVY	1,137,173.76	1,137,173.76	1,137,173.76

Factors Impacting Individual Taxpayers' School Taxes

Many factors can cause a tax bill for an individual property to increase or decrease from year to year

- Changes in value of individual property
- Changes in total value of all property within District
- Increases or decreases in levy amounts caused by changes in state funding formulas, local needs & costs, voter-approved referendums & other factors

Impact of Property Valuations

Two properties in the district

- Both houses are valued at \$100,000

Total levy of \$500

- Each property will pay \$250 of levy

\$100,000



\$100,000



Impact of Property Valuations

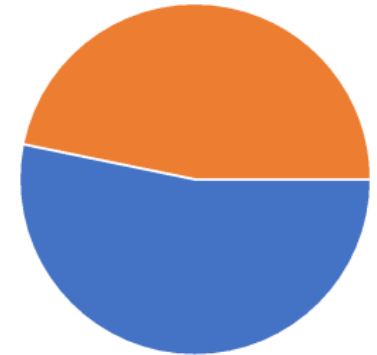
Two properties in the district

- Orange house value increases by 10%
- Blue house value increases by 25%

Total levy of \$500

- School District will still generate the same amount of levy even though values increased
- Orange house pays less
- Blue house pays more

\$110,000



\$125,000



Next Steps



Board accepts public
comments on
proposed levy

Board certifies 2026
property tax levy



PUBLIC COMMENTS