Truth in Taxation Meeting

Monday, December 9, 2024 6:00 PM
Deer River High School Media Center, 101 1st Avenue, Deer River, MN 56636

1. **Call to Order**
2. **Annual Truth in Taxation Report**
3. **Public Comment Regarding Truth in Taxation Report**
4. **Adjournment**

PUBLIC HEARING

2024-25 Budget & Proposed 2025 Property Taxes

DEER RIVER SCHOOLS

HOPE · HAPPINESS · SUCCESS

BAGOSENDAM · MINWAANIGOZI · GASHKITOON

December 9, 2024

Why have a Truth in Taxation Meeting?

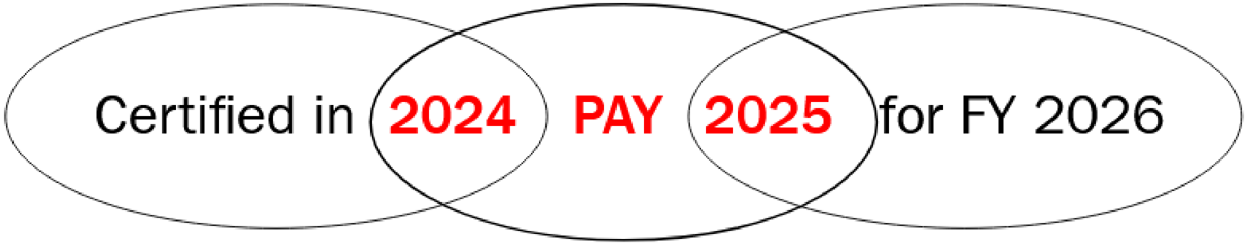
- **Truth in Taxation Law, passed in 1989**
- **Two major requirements:**

1. **Tax Statements**
   Counties must send out proposed property tax statements in November based on preliminary tax levies set by all taxing jurisdictions (counties, cities, townships, school districts, etc.)
2. **Public Hearing**
   Most taxing jurisdictions must hold a public hearing prior to certifying the final levy and discuss:
   - ***Payable 2025 levy***
   - ***Fiscal year 2025 budget***
   - ***Public comments***

This is the school district's annual required hearing

The Levy Cycle

School Districts start the levy process 6 months before the calendar year the taxes are collected in and one year before the Fiscal Year the taxes are recorded in.



Levy process starts in July 2024 (Summer Levy) School Board certifies final levy in December 2024

Property owners pay taxes in May 2025 and October 2025 based on the levy certified in December 2024

Taxes paid by property owners in calendar year 2025 are used by the district for FY26 (School year 25-26)

2024 Payable 2025
Levy Limitation and Certification

LVYLIM03170125 M I N N E S O T A D E P A R T M E N T O F E D U C A T I O N ED-00111-46
DISTRICT NO. 0317 TYPE 01 L E V Y L I M I T A T I O N A N D C E R T I F I C A T I O N
DISTRICT NAME DEER RIVER PUBLIC SCHOOL 2 0 2 4 P A Y A B L E 2 0 2 5 PAGE 31 OF 39
ECSU REGION 03 Itasca County DATE OF RUN: 12/06/24

LINE # LIMITATION COMPONENTS	2023 PAY 2024 LIMITATION	2023 PAY 2024 CERTIFIED LEVY	2024 PAY 2025 LIMITATION	2024 PAY 2025 PROPOSED LEVY	2024 PAY 2025 CERTIFIED LEVY	NOTES
SUBTOTALS BY LEVY CATEGORY						
(5001) GENERAL-RMV VOTER						
(5002) GENERAL-RMV OTHER	783,809.80	783,809.80	760,156.50	760,156.50		
(5003) GENERAL-NTC VOTER						
(5004) GENERAL-NTC OTHER	8,108.27	8,108.29				
(5009) COMMUNITY SERV-NTC OTHER						
(5013) GENL DEBT-NTC VOTER	992,418.54	992,418.54	1,330,763.30	1,330,763.30		*1
(5014) GENL DEBT-NTC OTHER	802,513.99	802,513.99	496,870.01	496,870.01		*1
(5020) OPEB DEBT-NTC VOTER						
(5021) OPEB DEBT-NTC OTHER						
SUBTOTALS BY FUND						
(5005) GENERAL FUND	791,918.09	791,918.09	760,156.50	760,156.50		
(5009) COMMUNITY SERVICES FUND						
(5015) GENERAL DEBT SERVICE FUND	1,794,932.53	1,794,932.53	1,827,633.31	1,827,633.31		
(5022) OPEB/PENSION DEBT SERVICE FUND						
SUBTOTALS BY TAX BASE						
REFERENDUM MARKET VALUE	783,809.80	783,809.80	760,156.50	760,156.50		
NET TAX CAPACITY	1,803,040.82	1,803,040.82	1,827,633.31	1,827,633.31		
SUBTOTALS BY TRUTH IN TAXATION CATEGORY						
VOTER APPROVED	992,418.54	992,418.54	1,330,763.30	1,330,763.30		
OTHER	1,594,432.08	1,594,432.08	1,257,026.51	1,257,026.51		
TOTAL LEVY						
TOTAL LEVY	2,586,850.62	2,586,850.62	2,587,789.81	2,587,789.81		
ALLOWABLE INCREASE						
ALLOWABLE INCREASE AMOUNT						
MAXIMUM ALLOWABLE CERTIFIED LEVY				2,587,789.81		

FOOTNOTES:
*1 SCHOOL BUILDING BOND AGRICULTURAL CREDIT WILL BE CALCULATED USING THE GENERAL DEBT SERVICE LEVY CATEGORIES

NOTE TO SCHOOL DISTRICTS: MUST CERTIFY PROPOSED AND FINAL LEVIES VIA THE WEB-BASED LEVY CERTIFICATION SYSTEM AVAILABLE ON THE MDE WEBSITE, HTTP://EDUCATION.STATE.MN.US.

Know Your Valuation

- ❑ Property classification and market value
- ❑ Sent Spring 2024; cannot change value
- ❑ Watch for statement in SPRING and where to appeal

Spruce County
Jane Smith, Auditor-Treasurer
345 12th Street East, Box 78
Spruceville, MN 55555-5555
(555) 345-6789
www.co.spruce.mn.us

PROPOSED TAXES 2025

THIS IS NOT A BILL. DO NOT PAY.

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

Step 1 — VALUES AND CLASSIFICATION

Taxes Payable Year	2024	2025
Estimated Market Value	$125,000	$150,000
Homestead Exclusion	$	$33,050
Taxable Market Value	$125,000	$116,950
Class	Res NHmstd	Res Hmstd

Step 2 — PROPOSED TAX

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

Step 3 — PROPERTY TAX STATEMENT
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	December 9, 7:00 PM Spruceville High School Cafeteria			
Voter Approved Levies		$289.35	$296.68	
Other Levies		$340.11	$374.60	
Total excluding any special assessments		**$1,341.31**	**$1,467.52**	**9.4%**

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.

Property Tax Bases

- There are 2 general categories that determine how the county auditor calculates the property taxes owed by each parcel of property.
- Net Tax Capacity (NTC)
- Referendum Market Value (RMV)

Net Tax Capacity (NTC)

Formula takes into consideration the classification of the property such as Residential, Commercial/Industrial, Agricultural, Seasonal Recreational, etc,

The taxable market value is multiplied by a class rate to determine the property's Net Tax Capacity

KEY TAKE-AWAY: A commercial property will pay more NTC-type taxes than an equally valued residential property.

Referendum Market Value (RMV)

A few categories of the school tax levy use Referendum Market Value (RMV) to determine how much each property parcel pays

There are certain parcels that are EXCLUDED from paying for RMV based school levies

- The remainder of Agricultural Property after the House, Garage, & 1 Acre (Farmland)
- Noncommercial Seasonal Residential Recreational (Cabins)

KEY TAKE-AWAY: RMV-type taxes tax all types of property of the same value the same BUT some properties are exempt.

RESIDENTIAL

$400,000 Estimated Market Value

$389,450 Taxable Market Value

$3,894.50 Net Tax Capacity

$400,000 Referendum Market Value

COMMERCIAL

$400,000 Estimated Market Value

$400,000 Taxable Market Value

$7,250.00 Net Tax Capacity

$400,000 Referendum Market Value

SEASONAL RECREATION

$400,000 Estimated Market Value

$400,000 Taxable Market Value

$4,000.00 Net Tax Capacity

$0 Referendum Market Value

AGRICULTURAL

$400,000 Estimated Market Value

$400,000 Taxable Market Value

$2,000.00 Net Tax Capacity

$0 Referendum Market Value

Your School District Tax Levy

Possible reasons for changes to your parcel:

- Change in value or classification to your property
- Change in enrollment numbers
- Change in valuation of property in district
  Equalization aid depends on district property wealth per pupil
- Local decisions and requirements
- Adjustment for prior years (estimate to actual)
- Legislative changes (Local Optional Revenue)

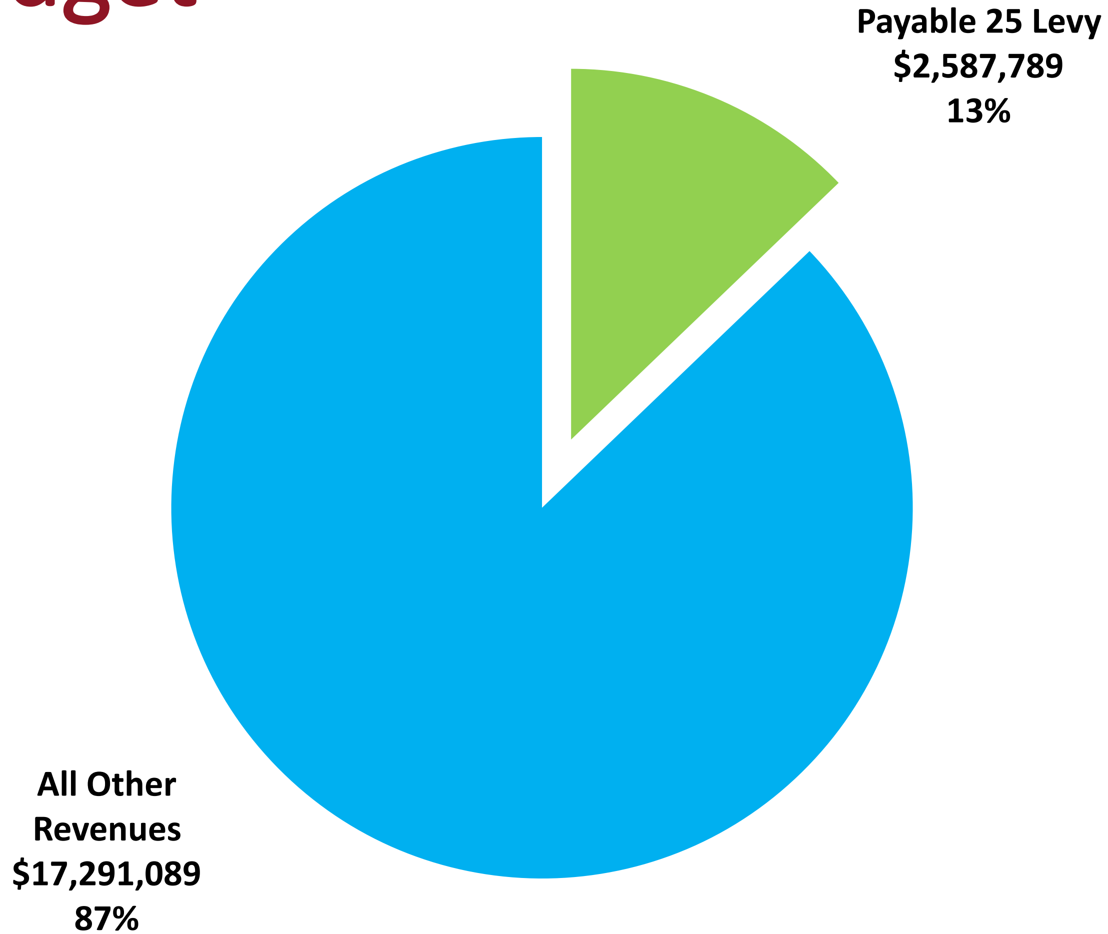
Important Considerations

- The increase in the levy does not correlate to the same increase or decrease in an individual taxpayer's property taxes
- Property valuation and property tax type will impact the calculation of their property taxes
- The increase in the levy does not correlate to the same increase of decrease in the district's total revenue

24-5 School Year Budget

Fund	Revenues	Expenses	Projected Surplus (Deficit)
General	16,696,140	16,657,640	38,500
Food Service	827,500	812,325	15,175
Community Education	260,622	258,944	1,678
Building Construction Fund	100,000	4,477,783	(4,377,783)
Debt Redemption Fund	1,888,117	1,877,974	10,143
Trust Fund	2,500	2,500	-
OPEB Revocable Trust	104,000	59,250	44,750
Total All Funds	**$19,878,879**	**$24,146,416**	**$ (4,267,537)**

Payable 2025 Final Levy as a Component of Revenue Budget



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More Information

State of Minnesota for Property Tax Relief

1-800-652-9094

County Auditor

Itasca County Courthouse

123 NE 4th Street

Grand Rapids, MN 55744

Auditor's Office Phone: 218-327-2859
Treasurer's Office Phone: 218-327-2860

QUESTIONS?

Thank you for attending this hearing.