



Milroy Public School, ISD 635

Public Hearing for Taxes Payable in 2020

DECEMBER 10, 2019

PRESENTED BY:

MATTHEW HAMMER,
MUNICIPAL ADVISOR, EHLERS

AND

JODIE ZESBAUGH,
SENIOR MUNICIPAL ADVISOR,
EHLERS

Minnesota State Law Requires:

A Public Meeting...

- Between November 24th & December 30th
- After 6:00 PM
- May be part of regularly scheduled meeting
- May adopt final levy at same meeting
- Must allow for public comments

...and Presentation of:

- Current year budget
- Prior year actual revenue & expenditures
- Proposed property tax levy including % increase
- Specific purposes & reasons taxes are being increased

Hearing Agenda

- Background Information on School Funding
- District's Budget
- District's Proposed Tax Levy for Taxes Payable in 2020
- 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)

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

Challenge: State Set Basic General Education Formula Lags Inflation

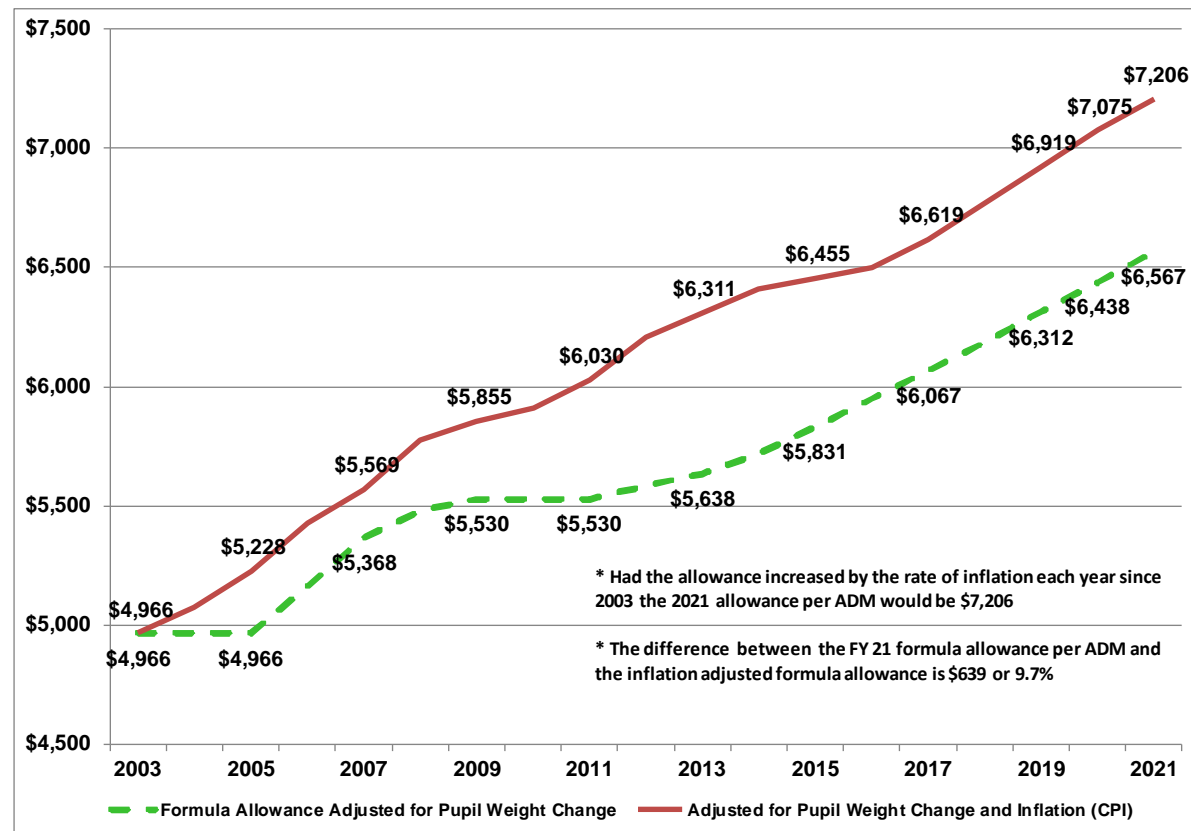
Since 2002-03, state General Education Revenue formula has not kept pace with inflation

For Fiscal Year 2019-20, Legislature approved an increase of 2% or \$126 per year, and for Fiscal Year 2020-21 an increase of 2% or \$129 was approved

Per-pupil allowance for Fiscal Year 2020-21 of \$6,567 would need to increase by another \$639 (9.7%) to have kept pace with inflation since 2002-03

Basic General Education Formula Lags Inflation

General Education Formula Allowance, 2003-2021
Adjusted for Pupil Weight Change and Inflation (CPI)



Source: MDE August 2019 Inflation Estimates

Underfunding of Special Education

MDE reports the FY 2018 cost of providing special education programs was underfunded by \$822 million, or an average of 40% underfunded

Translating into a statewide average funding shortfall of \$5,705 per special education student

Underfunding of special education costs requires a transfer from regular program resources to support an underfunded program mandated by state and federal law

Primary options to bridge special education funding gap are to cut regular program budgets or increase referendum revenue, most districts have done both

Result: Growing Dependence on Referendum Revenue

In 1992-93, 65% of districts had operating referendum revenue averaging \$332 per pupil

For 2020-21, all Minnesota districts have referendum revenue and/or local optional revenue levy authority averaging \$1,475 per pupil

- Referendum revenue including Local Optional Revenue (LOR) provides 13.2% of General Fund operating revenue
- Of this amount, \$751 is a voter approved operating referendum, and \$724 is Local Optional Revenue (LOR)

Change in Tax Levy Does not Determine Change in Budget

1

Tax levy is based on many state-determined formulas plus voter approved referendums

2

Some increases in tax levies are revenue neutral, offset by reductions in state aid

3

Expenditure budget is limited by state-set revenue formulas, voter-approved levies, and fund balance

4

An increase in school taxes does not always correlate to an equal increase in budget

School District Levy Cycle Differs from City/County Levy Cycle

City/County:

- Budget Year same as calendar year
- 2020 taxes provide revenue for 2020 calendar year budget

Schools:

- Budget year begins July 1st and coincides with school year
- 2020 taxes provide revenue for 2020-21 school fiscal year
- Budget will be adopted in June 2020

Budget Information

Because approval of school district budget lags certification of tax levy by six months, state requires only current year budget information and prior year actual financial results be presented at this hearing. The Fiscal 2020-21 budget will be set in June 2020.

All 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 Service
- Trust

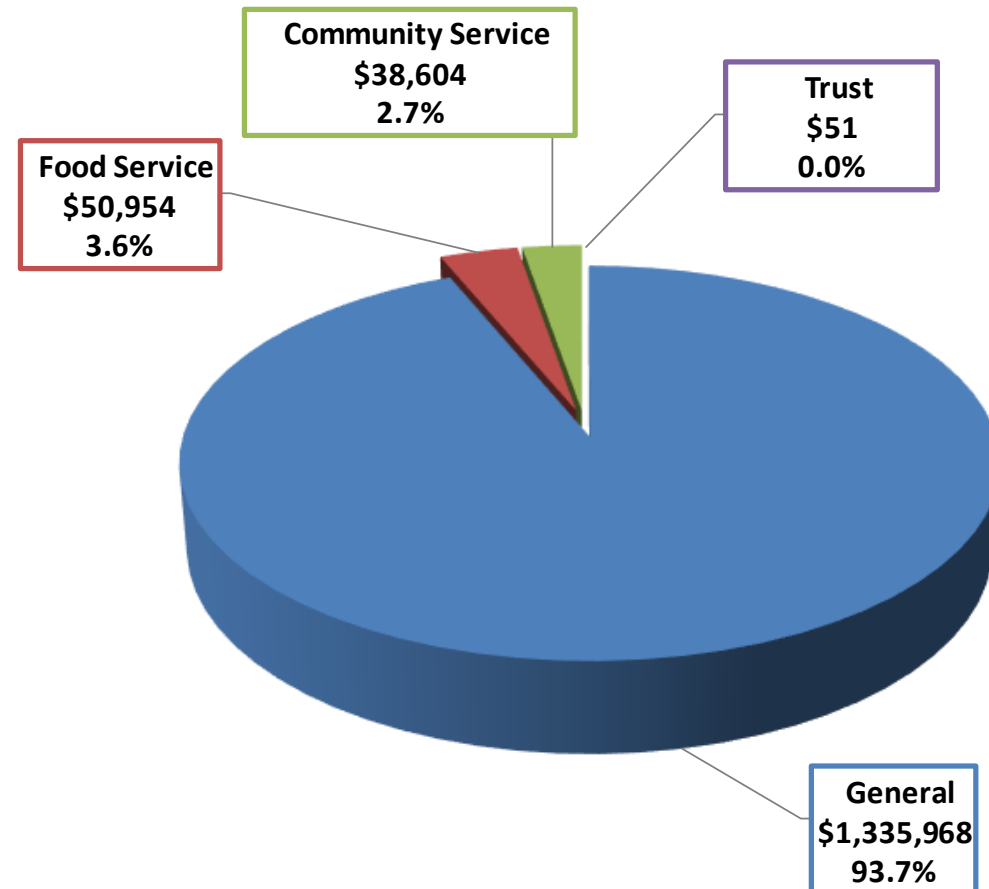
Milroy Independent School District 635
District Revenues and Expenditures
Actual for FY 2019, Budget for FY 2020

FUND	FISCAL 2019 BEGINNING FUND BALANCES	2018-19 ACTUAL REVENUES AND TRANSFERS IN	2018-19 ACTUAL EXPENDITURES & TRANSFERS OUT	JUNE 30, 2019 ACTUAL FUND BALANCES	2019-20 BUDGET REVENUES AND TRANSFERS IN	2019-20 BUDGET EXPENDITURES & TRANSFERS OUT	JUNE 30, 2020 PROJECTED FUND BALANCES
General/Restricted	\$179,496	\$102,136	\$129,742	\$151,890	\$129,476	\$175,672	\$105,694
General/Other	621,160	929,891	1,135,112	415,939	1,206,492	1,027,814	594,617
Food Service	-	48,824	48,824	-	50,954	50,954	-
Community Service	76,734	44,517	26,215	95,036	38,604	29,221	104,419
Trust	21,407	10,086	300	31,193	51	1,000	30,244
Total All Funds	\$898,797	\$1,135,454	\$1,340,193	\$694,058	\$1,425,577	\$1,284,661	\$834,974

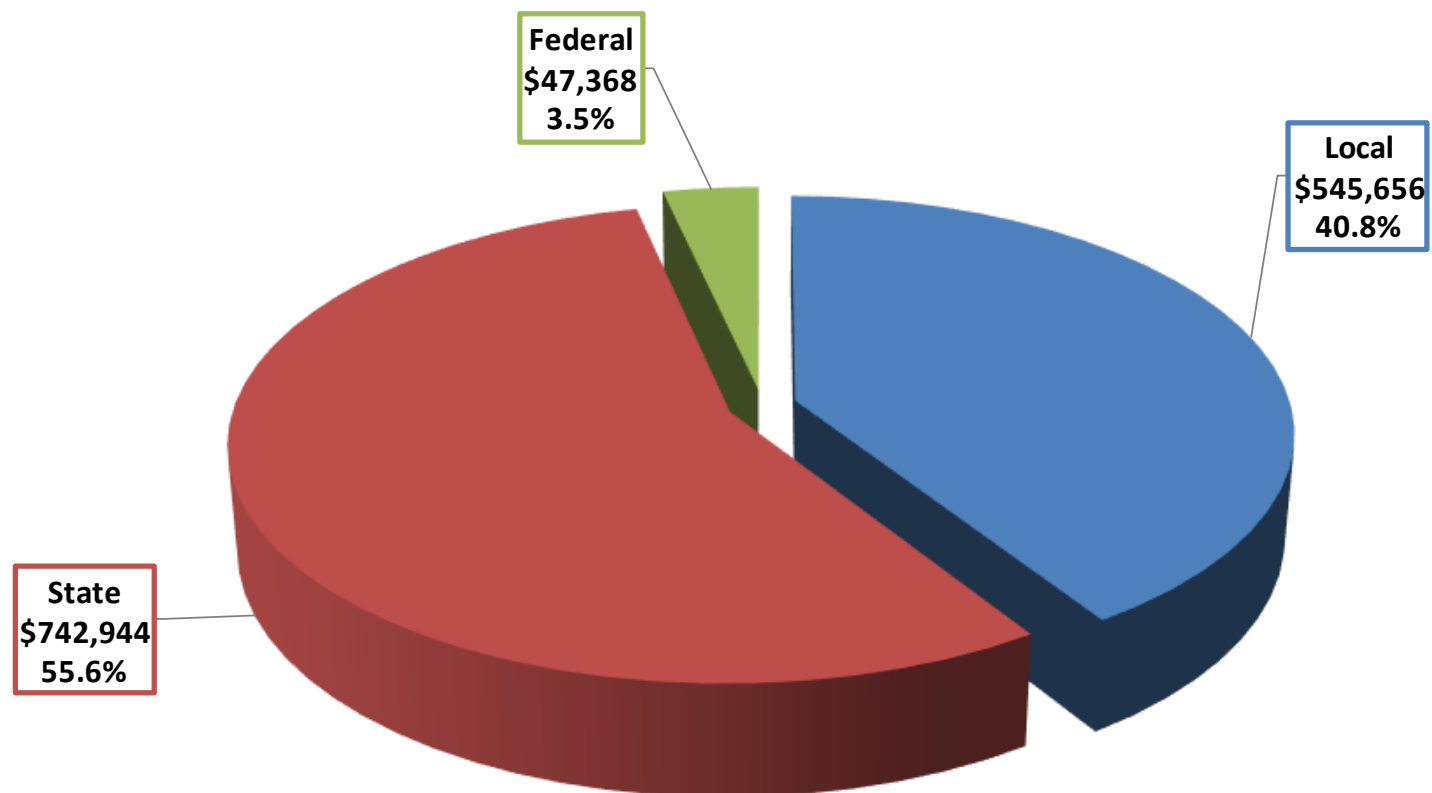
Milroy Independent School District 635

Revenue - All Funds

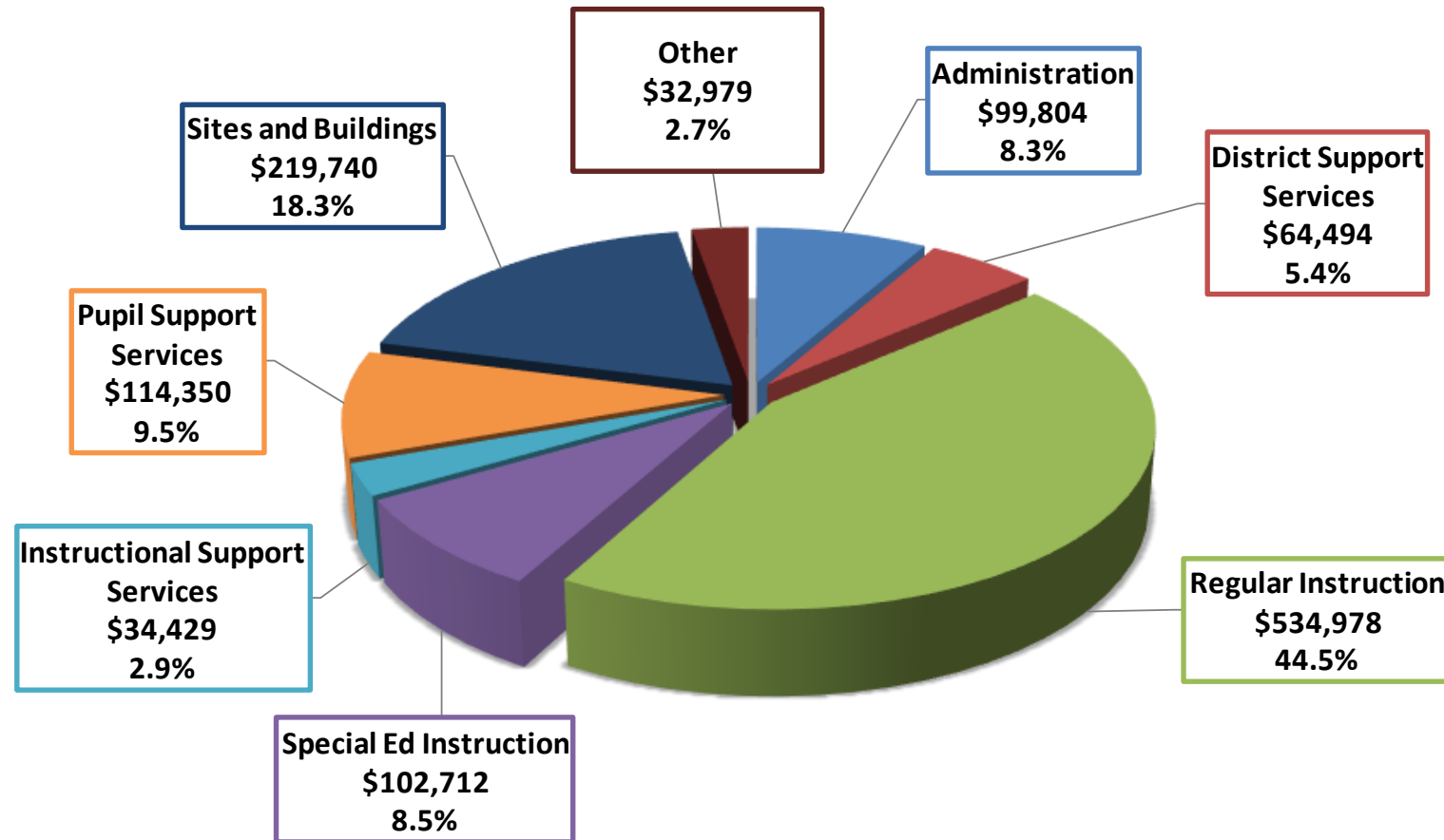
2019-20 Budget \$1,425,577



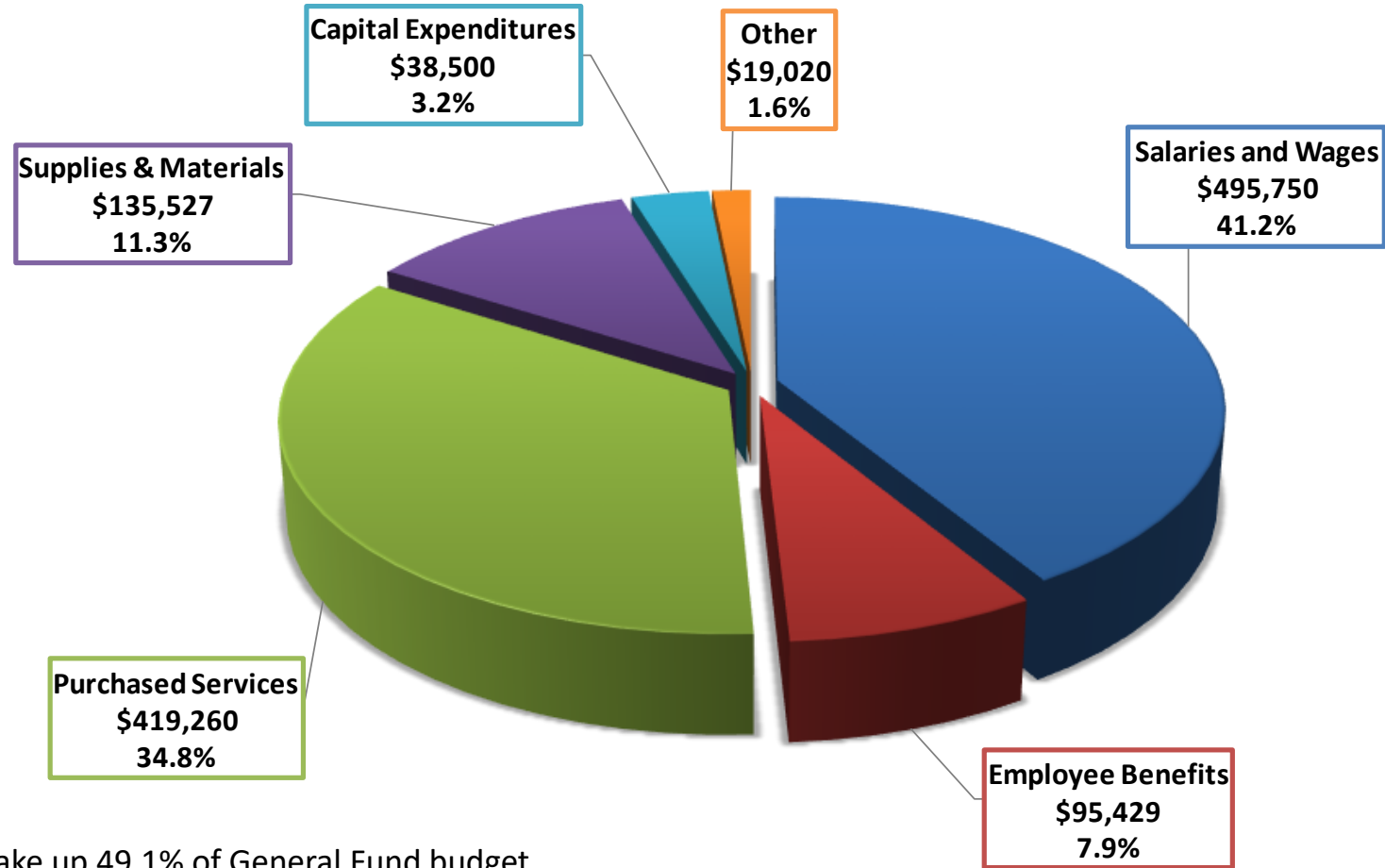
Milroy Independent School District 635
General Fund Revenue
2019-20 Budget \$1,335,968



Milroy Independent School District 635
General Fund Expenditures by Program
2019-20 Budget \$1,203,486



Milroy Independent School District 635
General Fund Expenditures by Object
2019-20 Budget \$1,203,486



Note: Personnel costs make up 49.1% of General Fund budget

Payable 2020 Property Tax Levy

- Determination of levy
- Comparison of 2019 to 2020 levies
- Specific reasons for changes in tax levy
- Impact on taxpayers

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, and distributes funds back to other taxing jurisdictions

Parcel Specific Notice:

This is a sample of the notice mailed to every property owner between November 11-24 with information on the impact of the Proposed 2020 levy on their property.

Contents:

- Proposed property tax compared to last year
- By voter approved and other
- By taxing jurisdiction
- Contains time and place of public meeting



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 2020

THIS IS NOT A BILL. DO NOT PAY.

VALUES AND CLASSIFICATION			
Step			
1	<u>Taxes Payable Year</u>	<u>2019</u>	<u>2020</u>
	Estimated Market Value	\$125,000	\$150,000
	Homestead Exclusion	\$	\$23,800
	Taxable Market Value	\$125,000	\$126,200
	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		<u>\$1,550.46</u>
Step			
3	PROPERTY TAX STATEMENT		
	Coming in 2020		
The time to provide feedback on PROPOSED LEVIES is NOW			

Proposed Property Taxes and Meetings by Jurisdiction for Your Property

Contact Information	Meeting Information	Actual 2019	Proposed 2020
State General 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 3, 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 10, 7:00 PM Spruceville High School Cafeteria	\$289.35 \$340.11	\$296.68 \$374.60
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 2020 may be higher than the proposed amount shown on this notice.			
Metro Special Taxing Districts		\$57.76	\$58.70
Spruceville Metropolitan Council www.spruce.metrocouncil.org (555) 555-5555 Spruceville, MN 55055	December 12, 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%

School District Property Taxes

Each school district may levy taxes in over 40 different categories

“Levy limits” (maximum levy amounts) for each category are set by

- State law
- Voter approval

Minnesota Department of Education (MDE) calculates detailed levy limits for each district

Property Tax Background

School District Property Taxes

- Key steps in process are summarized on next slide
- Any of these steps may affect the taxes on a parcel of property, but district has control over only 1 of the 7 steps

Minnesota School District Property Taxes - Key Steps in the Process

Step 1. The **City or County Assessor** determines the estimated market value for each parcel of property in the county.

Step 2. The **Legislature** sets the formulas for tax capacity. (E.g., for homestead residential property, tax capacity = 1% of first \$500,000 in value + 1.25% of value over \$500,000.) These formulas determine how much of the tax burden will fall on different types of property.

Step 3. The **County Auditor** calculates the tax capacity for each parcel of property in the county (based on values from step 1 and tax capacity formulas from step 2), as well as the total tax capacity for each school district.

Step 7. The **County Auditor** divides the final levy (determined by the school board in step 6) by the district's total tax capacity (determined in step 3) to determine the tax rate needed to raise the proper levy amount. The auditor multiplies this tax rate times each property's tax capacity, to determine the school tax for that property.*

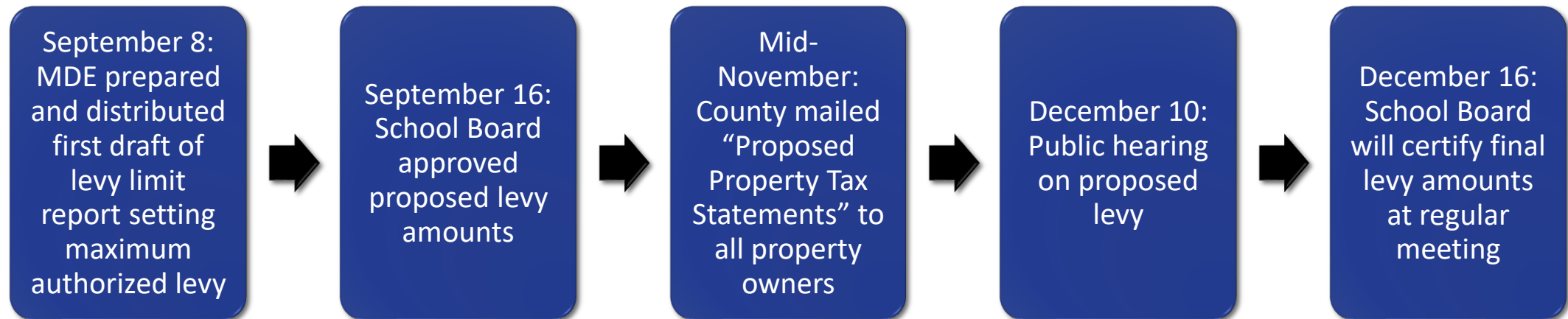
Step 4. The **Legislature** sets the formulas which determine school district levy limits. These are the maximum amounts of taxes that school districts can levy in every category.

Step 5. The **Minnesota Department of Education** calculates detailed levy limits for each school district, based on the formulas approved by the Legislature in step 4. These limits tell districts the exact amounts that can be levied in every category.

Step 6. The **School Board** adopts a proposed levy in September, based on the limits set in step 5. After a public hearing, the board adopts a final levy in December. Final levy cannot be more than the preliminary levy, except for amounts approved by voters.

* For certain levy categories (referendum, equity and transition levies), tax rates and levy amounts are based on **referendum market value**, rather than **tax capacity**.

Schedule of Events in Approval of District's 2019 (Payable 2020) Tax Levy



Overview of Proposed Levy Payable in 2020

Total 2020 proposed property tax levy is a decrease from 2019 of \$121,222 (-21.8%)

State law requires that we explain reasons for major increases in levy

Some decreases in specific levies will also be explained

Milroy Public School District, ISD 635**Comparison of Actual Tax Levy Payable in 2019 to Proposed Levy Payable in 2020**

Fund Levy Category	Actual Levy Payable in 2019	Proposed Levy Payable in 2020	\$ Change	% Change
General				
Voter Approved Referendum	\$283,570	\$288,347	\$4,777	
Local Optional Revenue (LOR)	21,545	33,354	11,808	
Total Referendum and LOR	305,115	321,701	16,585	
Equity	2,541	2,952	411	
Capital Projects - Technology	0	0	0	
Operating Capital	21,194	21,762	568	
Alternate Teacher Compensation	4,389	3,609	(780)	
Safe Schools	3,168	3,247	79	
Long Term Facilities Maintenance	33,440	34,276	836	
Other	1,927	1,900	(28)	
Prior Year Adjustments	163,958	24,733	(139,225)	
Total, General Fund	\$535,731	\$414,179	(\$121,553)	-22.7%
Community Service				
Basic Community Education	\$9,705	\$9,705	\$0	
Early Childhood Family Education	9,680	9,921	241	
Prior Year Adjustments	(18)	70	89	
Total, Community Service Fund	\$19,367	\$19,697	\$330	1.7%
Debt Service				
Voter Approved	\$0	\$0	\$0	
Reduction for Debt Excess	0	0	0	
Total, Debt Service Fund	\$0	\$0	\$0	0.0%
Total Levy, All Funds	\$555,098	\$433,875	(\$121,222)	-21.8%
Subtotal by Truth in Taxation Categories:				
Voter Approved	432,804	293,897	(138,907)	
Other	122,294	139,979	17,684	
Total	\$555,098	\$433,875	(\$121,222)	-21.8%

Explanation of Levy Changes

Categories: Voter Approved Operating Referendum and Local Optional Revenue (LOR) – Not including Taxes Payable 2019 Adjustments

Changes: +\$4,777 and +11,808 (Total + \$16,585)

Use of Funds: General Operating Expenses

Reason for Changes:

- Legislative change subtracted \$300 per pupil from board approved operating referendum authority and added it to LOR formula
- Voter approved operating referendum authority includes an annual inflationary increase
- Revenues are based on estimated enrollment which is projected to increase

Explanation of Levy Changes

Category: General Fund Adjustments

Change: -\$139,225

Use of Funds: General Operating Expenses

Reason for Change:

- Initial levies are based on best estimates of enrollment, values, and expenditures for future years with prior year levy adjustments calculated by state for up to three years
- Positive adjustments in several categories for taxes payable in 2019 were larger than the adjustments for taxes payable in 2020

2013 Law Changes Basis of Referendum

Referendum (Ref.) Final 2015 Conversion Calculation:

1	Ref. Authority (Auth) without (W/O) Inflation Before Conversion	0.00	
2	Ref. Auth With Inflation Before Conversion	1,640.71	
3	2014-15 Resident Marginal Cost per Pupil Unit (RMCPU), Old	131.75	
4	2014-15 Adjusted Pupil Unit (APU), New	54.90	
5	Ref. Auth W/O Inflation After Conversion = $(1*3)/4$		0.00
6	Ref. Auth With Inflation After Conversion = $(2*3)/4$		3,937.41
7	Total Converted Referendum Authority = 5+6		3,937.41
8			
9	Alternative Attendance (Alt Att) Adjustment (Adj) Allowance, Old	(14,653.26)	
10	2014-15 APU, New	54.90	
11	Alternative Attendance Adj Allowance After Conversion = $9/10$	(266.91)	
12	Portion of Alt Att Adj Assigned to Ref Auth W/O Inflation = $(11*5)/7$		0.00
13	Portion of Alt Att Adj Assigned to Ref Auth With Inflation = 11-12		(266.91)
14			
15	Converted Ref Allowance and Alt Att W/O Inflation = 5+12		0.00
16	Converted Ref Allowance and Alt Att With Inflation = 6+13		3,670.50
17			
18	Total Converted Referendum and Alt Att Authority =5+6		3,670.50
19			

Source: Minnesota Department of Education - Referendum Phaseout Report- "Ref phaseout after CY2018 elections CPI Update-web 4.29.19"

Converted Per Pupil Amount – Revenue Neutral FY 2015

Estimated Revenues Old Law								
Taxes Payable	2013	2014	2015**	2016	2017	2018	2019	2020
Revenue Fiscal Year	2013-14	2014-15	2015-16*	2016-17*	2017-18*	2018-19*	2019-20*	2020-21***
Resident Marginal Cost Pupil Unit	126.95	131.75	131.90	133.30	144.00	143.35	127.79	137.47
Referendum Rev Per RMCPU	1,628.98	1,640.71	1,665.32	1,690.30	1,715.65	1,741.38	1,767.50	1,794.01
Referendum Revenue	206,799.01	216,164	219,656	225,317	247,054	249,627	225,869	246,614
Alternative Attendance adj.	(10,854)	(14,653)	(14,846)	(15,105)	(14,895)	(10,047)	(7,625)	(8,638)
Old Law Revenue Total*	\$195,945	\$201,510	\$204,810	\$210,212	\$232,159	\$239,580	\$218,243	\$237,976

Estimated Revenue New Law								
Revenue Fiscal Year	2013-14	2014-15	2015-16*	2016-17*	2017-18*	2018-19*	2019-20*	2020-21***
Adjusted Pupil Units		54.90	53.95	53.15	58.62	86.02	89.00	90.20
Rev Revenue PER APU		3,670.50	3,271.09	3,339.81	3,466.88	3,538.99	3,649.49	3,385.92
New Law Referendum Revenue		201,510	176,475	177,511	203,229	304,424	324,805	305,410
LOR Revenue PER APU			424	424	424	424	424	724
Local Optional Revenue**		-	22,875	22,536	24,855	36,472	37,736	65,305
New Law Revenue Total		\$201,510	\$199,350	\$200,047	\$228,083	\$340,896	\$362,541	\$370,715

Difference Old vs New (+/-)		\$0	-\$5,460	-\$10,166	-\$4,075	\$101,316	\$144,297	\$132,739
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* Estimated using data from General Education Revenue Report

** FY 15-16 first year Local Optional Revenue authority available to all school districts.

*** Estimated using data from the 2019 Payable 2020 Levy Limitation and Certification Report

Explanation of General Fund Adjustment Decrease

Type	Pay 19 FY 20 APU Increase	Pay 18 FY 19 APU Adjustment	Prior Other Adjustments	Taxes Payable 2018 vs. 2019 Total Increase
RMV Levies	\$153,068	\$145,696	-\$28,937	\$269,828
NTC Levies	27,001	9,919	-9,724	27,195
Totals	\$180,069	\$155,615	-\$38,661	\$297,023

Referendum Market Value Levies			
	Intial Levy Taxes Paid 2018	Estimate Taxes Paid 2019	Adjustment Taxes Paid 2019
Enrollment	50	88	38
Levy	\$155,275	\$300,971	\$145,696
Aid	45,947	53,363	7,416
Revenue	\$201,222	\$354,334	\$153,112

Factors Impacting Individual Taxpayers' School Taxes

Many factors can cause 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 in District
- Increases or decreases in levy amounts caused by changes in state funding formulas, local needs and costs, voter-approved referendums, and other factors

Four Year School Levy Comparison

Following are a table and graphs showing examples of changes in school district portion of property taxes from 2017 to 2020

Examples include school district taxes only

All examples are based on no increase in property value over this four year period

Amounts for 2020 are preliminary estimates, based on best available data – final amounts could change slightly

Estimates prepared by Ehlers, District's municipal financial advisors

Milroy School District No. 635**Estimated Changes in School Property Taxes, 2017 to 2020*****Based on No Increases in Property Values***

Type of Property	Estimated Market Value	Actual Taxes Payable in 2017	Actual Taxes Payable in 2018	Actual Taxes Payable in 2019	Estimated Taxes Payable in 2020	Change in Taxes 2017 to 2020	Change in Taxes 2019 to 2020
Residential Homestead	\$50,000	\$184	\$244	\$551	\$387	\$203	-\$164
	100,000	371	491	1,105	777	406	-328
	150,000	560	740	1,663	1,172	612	-491
	200,000	750	989	2,221	1,566	816	-655
	250,000	939	1,238	2,778	1,961	1,022	-817
	300,000	1,128	1,487	3,336	2,355	1,227	-981
	350,000	1,318	1,736	3,894	2,750	1,432	-1,144
	400,000	1,507	1,985	4,451	3,144	1,637	-1,307
	450,000	1,696	2,233	5,008	3,538	1,842	-1,470
	500,000	1,884	2,481	5,565	3,931	2,047	-1,634
Commercial/ Industrial #	\$250,000	\$978	\$1,273	\$2,831	\$2,019	\$1,041	-\$812
	350,000	1,376	1,788	3,971	2,836	1,460	-1,135
	500,000	1,972	2,561	5,682	4,061	2,089	-1,621
	750,000	2,966	3,848	8,534	6,104	3,138	-2,430
	1,000,000	3,960	5,136	11,385	8,146	4,186	-3,239
Agricultural Homestead (average value per acre of land and buildings)	\$4,000	\$0.42	\$0.38	\$0.55	\$0.61	\$0.19	\$0.06
	6,000	0.62	\$0.56	\$0.83	0.92	0.30	0.09
	7,000	0.73	\$0.66	\$0.97	1.08	0.35	0.11
	8,000	0.83	\$0.75	\$1.11	1.23	0.40	0.12
Agricultural Non-homestead (average value per acre of land and buildings)	\$4,000	\$0.83	\$0.75	\$1.11	\$1.23	\$0.40	\$0.12
	6,000	1.25	\$1.13	\$1.66	1.84	0.59	0.18
	7,000	1.46	\$1.31	\$1.94	2.15	0.69	0.21
	8,000	1.66	\$1.50	\$2.21	2.46	0.80	0.25

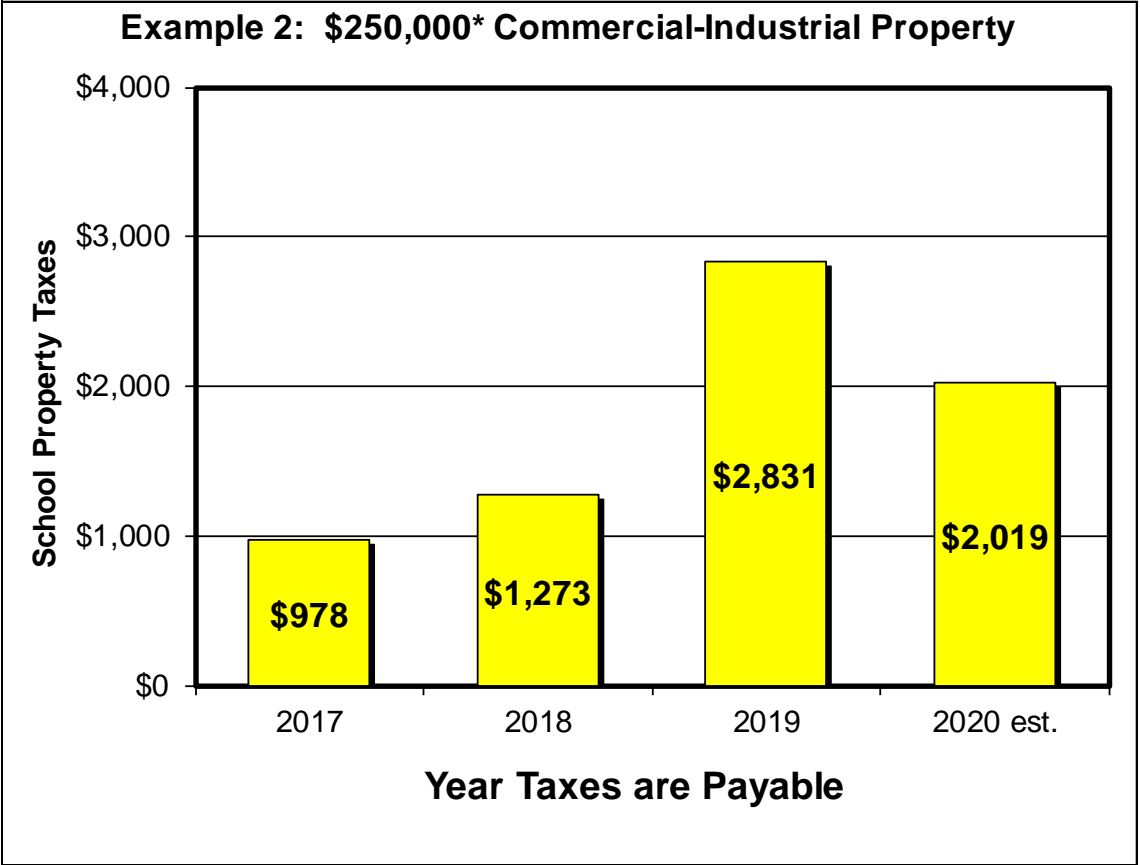
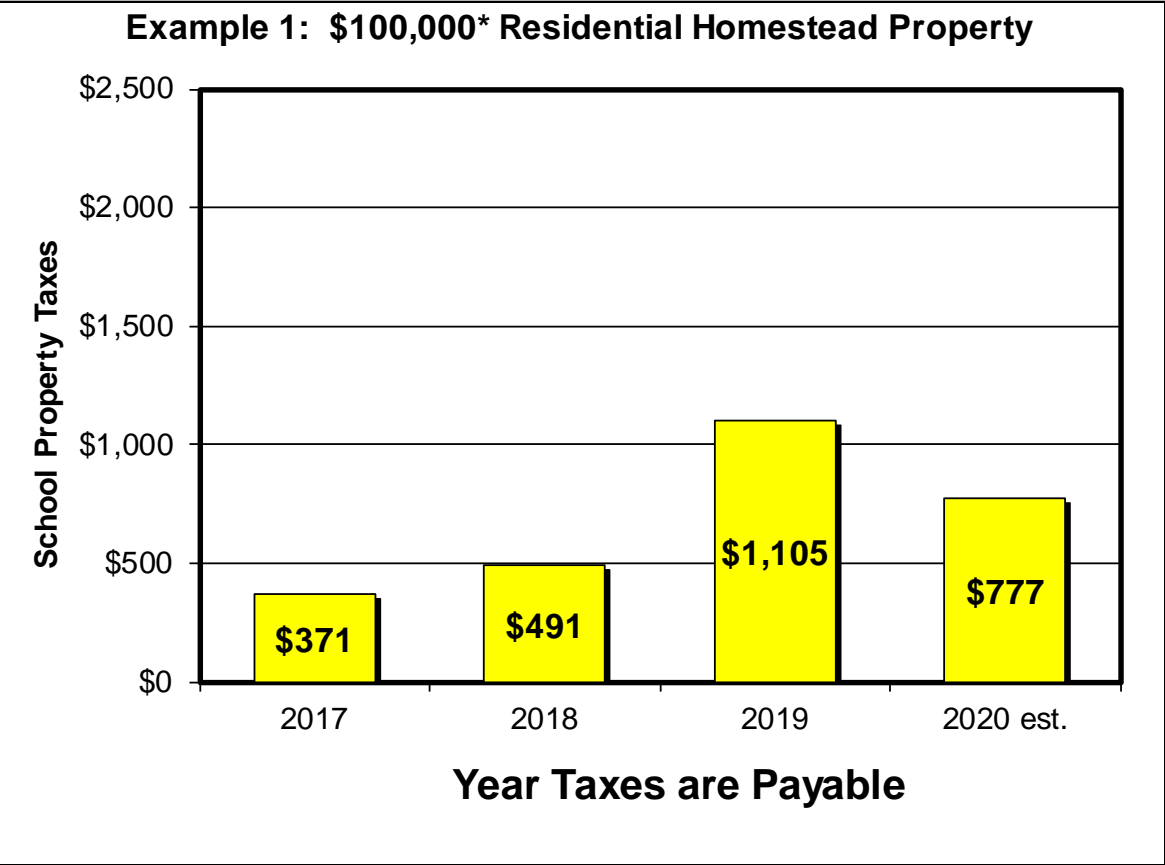
General Notes

1. Amounts in the table are based on school district taxes only, and do not include taxes for the city or township, county, state, or other taxing jurisdictions.
2. Estimates of taxes payable in 2020 are preliminary, based on the best data available.
3. Taxes are based on no changes in estimated market value.
4. For agricultural property, estimates of taxes payable in 2018, 2019 and 2020 include the impact of the School Building Bond Agricultural Credit. Average value per acre is the total estimated market value of all land and buildings, divided by total acres. Homestead examples do not include the value of the house, garage, and one acre, for which tax impact will be the same as on a residential homestead property. This calculation does not include the impact of the Agricultural Homestead Credit, which reduces taxes on each parcel of agricultural homestead property by varying amounts.

Milroy School District No. 635

Estimated Changes in School Property Taxes, 2017 to 2020

Based on No Increases in Property Values

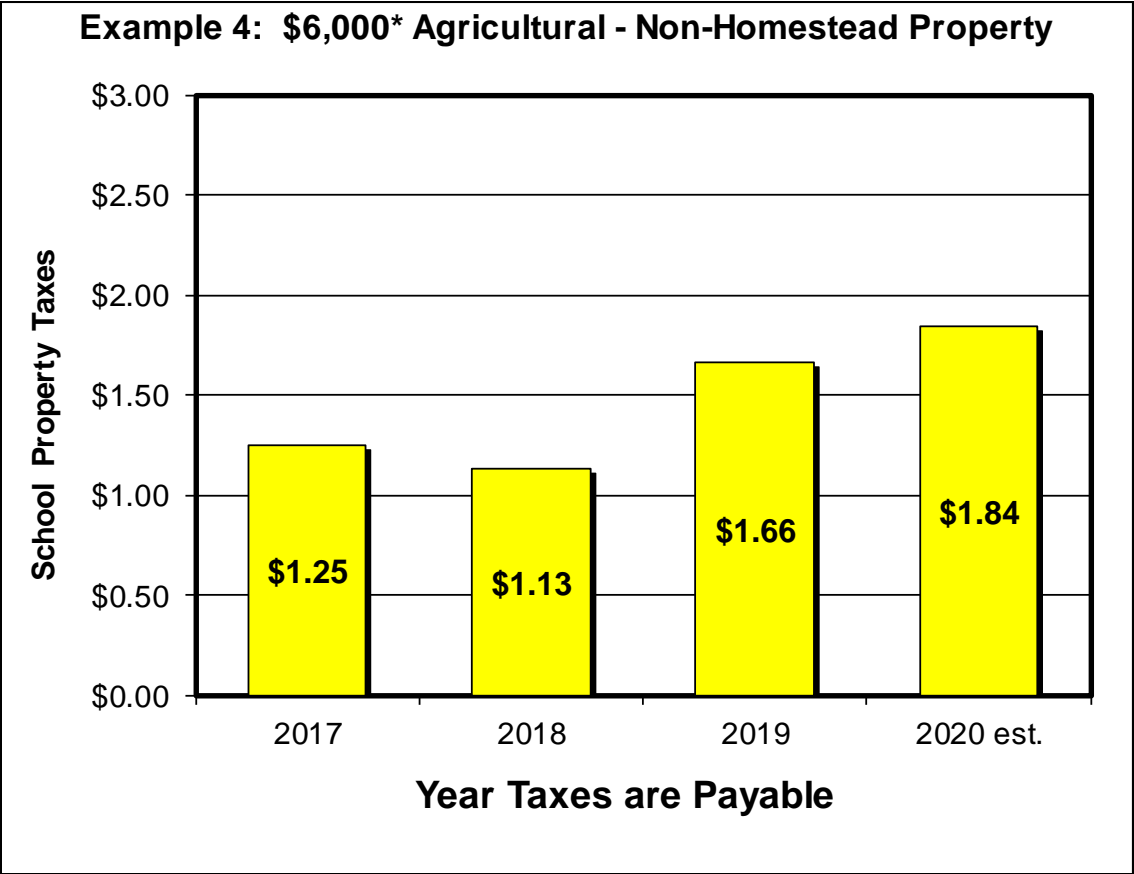
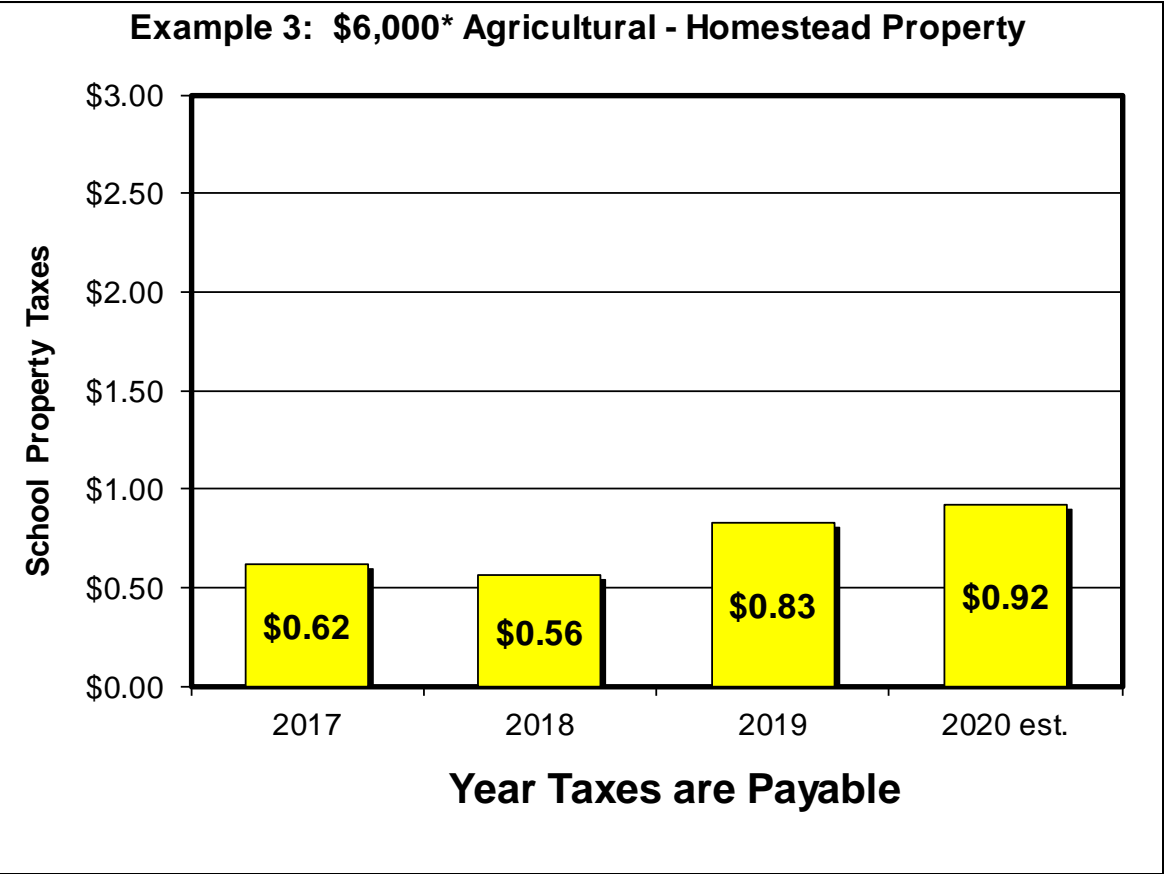


* The value shown in the title of the chart is the estimated market value. Taxes are calculated based on no changes in estimated market value.

Milroy School District No. 635

Estimated Changes in School Property Taxes, 2017 to 2020

Based on No Increases in Property Values



* The value shown in the title of the chart is the estimated market value. Taxes are calculated based on no changes in estimated market value.

Property Type Tax Base

School District: Milroy (ISD # 635)

Assessment Year 2018 Tax Base by Property Type

	Market Value	Percent of Total	Referendum Market Value	Percent of Total	Net Tax Capacity*	Percent of Total
Totals	385,533,327	100.0%	43,874,268	100.0%	3,197,564	
Residential Homestead	16,268,667	4.2%	15,665,167	35.7%	122,527	3.8%
Other Residential	3,552,350	0.9%	3,552,350	8.1%	37,312	1.2%
Commercial / Industrial	12,272,300	3.2%	12,272,300	28.0%	239,875	7.5%
Non Qualifying Agricultural	12,680,385	3.3%	12,384,451	28.2%	101,020	3.2%
Qualifying Agriculture	340,745,525	88.4%	-	0.0%	2,696,689	84.3%
Seasonal Recreational	14,100	0.0%	-	0.0%	141	0.0%

Residential/Commercial Comparison:

		Milroy Preliminary Estimate of Taxes Payable in 2020	Marshall Preliminary Estimate of Taxes Payable in 2020	Tracy Preliminary Estimate of Taxes Payable in 2020
Type of Property	Estimated Market Value	Estimated Annual School District Property Taxes		
Residential Homestead	\$50,000	\$387	\$163	\$131
	100,000	777	363	272
	150,000	1,172	602	422
	200,000	1,566	840	572
	300,000	2,355	1,318	873
	400,000	3,144	1,796	1,174
	500,000	3,931	2,249	1,468
Commercial/ Industrial	\$250,000	\$2,019	\$1,664	\$870
	500,000	4,061	3,559	1,797
	1,000,000	8,146	7,349	3,652

Agricultural Property Comparison:

		Milroy Preliminary Estimate of Taxes Payable in 2020	Marshall Preliminary Estimate of Taxes Payable in 2020	Tracy Preliminary Estimate of Taxes Payable in 2020
Type of Property	Estimated Market Value	Estimated Annual School District Property Taxes		
Agricultural	4,000	\$0.61	\$3.95	\$1.38
Homestead	6,000	0.92	5.92	2.07
(dollars per acre) **	8,000	1.23	7.90	2.75
Agricultural	\$4,000	\$1.23	\$7.90	\$2.75
Non-Homestead	6,000	1.84	11.84	4.13
(dollars per acre)	8,000	2.46	15.79	5.51

Minnesota Homestead Credit Refund “Circuit Breaker”

Has existed since 1970s

Available **each year** to owners of homestead property

(applies to taxes paid on house, garage and one acre for ag homestead property)

Annual income must be approximately \$113,150 or less

(income limit is higher if you have dependents)

Sliding scale - refund based on income and total property taxes

Maximum refund for homeowners is \$2,770

Also available to renters

Complete state tax form M-1PR (www.revenue.state.mn.us)

Minnesota Special Property Tax Refund

Available each year to owners of homestead properties with a gross tax increase of at least 12% and \$100 over prior year

Helpful in first year after referendum

Refund is 60% of amount by which tax increase exceeds greater of 12% or \$100, up to a maximum of \$1,000

No income limits

Complete state tax form
M-1PR
(www.revenue.state.mn.us)

Senior Citizen Property Tax Deferral

Allows people age 65 and older with household income of \$60,000 or less to defer a portion of property taxes on their home

You have lived in, owned your home, and had it homesteaded for the last 15 years

Limits maximum amount of property tax paid to 3% of household income

Additional taxes are deferred, not forgiven

Provides predictability; amount of tax you pay will not change for as long as you participate in the program

Deferred property taxes plus accrued interest must be paid when home is sold or homeowner(s) dies

Next Steps

1

Board will accept public comments on proposed levy

2

Board will certify final 2020 property tax levy at regular meeting on December 16



Public Comments