

TRUTH IN TAXATION LEVY INFORMATION



Bird Island-Olivia-Lake Lillian
District No. 2534

December 20, 2021



Truth in Taxation Law:

- Minnesota's Truth in Taxation Law requires that cities, counties and school districts follow certain steps before adopting a tax levy for the following year.
 - The law requires a mailed notice to each property owner in the county, which describes the tax levies proposed by the city, county and school district and what percent increase (decrease) such a levy would mean in dollars.
 - Conduct public Truth in Taxation hearing in each taxing jurisdiction.





Requirements of the Truth in Taxation Public Meeting

1. Discuss proposed property tax levy for taxes payable 2022
2. Provide and discuss information on the current budget (2021-2022).
3. Public must be given a reasonable amount of time to comment on the proposed property tax levy and budget and to ask questions.

- Minnesota Statute 275.065

Overview of the Minnesota Property Tax System





Points to Remember

1. Revenue formulas are set by the State Legislature except for voter approved referendums.
2. Local Levy and State Aid mix are set by the State Legislature.
3. An increase in local taxes does not necessarily mean an increase in revenues for the school district.

Levy Limitation and Certification



State law sets
maximum



Dept. of Education
Computes Levy



School Board Certifies
Levy





Levy Calendar

- June: District provides data to MDE
- August: Set date and location of levy hearing
- September: Certify proposed levy
- November: County mails levy notices
- December: Public hearing & Certify final tax levy



Who & What Impacts Your Tax Bill?

- State Legislature & Governors Administration
- School Boards
- Property Values
- Pupil Counts
- State Equalization Aid



Ag2School Tax Credit

- Permanent law enacted in 2017
- Affects all existing Fund 7 debt levies, except OPEB bonds
- Reductions for farmers and timber owners
- Scheduled to scale to 70% in 2023
- The revenue for Ag2School comes from state income, sales and other tax revenue

Increase in 2022

60% Ag Tax Credit on Bonds


Payable Year	Percent Increase	Total Credit Percent
2021	5%	55%
2022	5%	60%
2023	10%	70%



Find Your Ag2School Credit

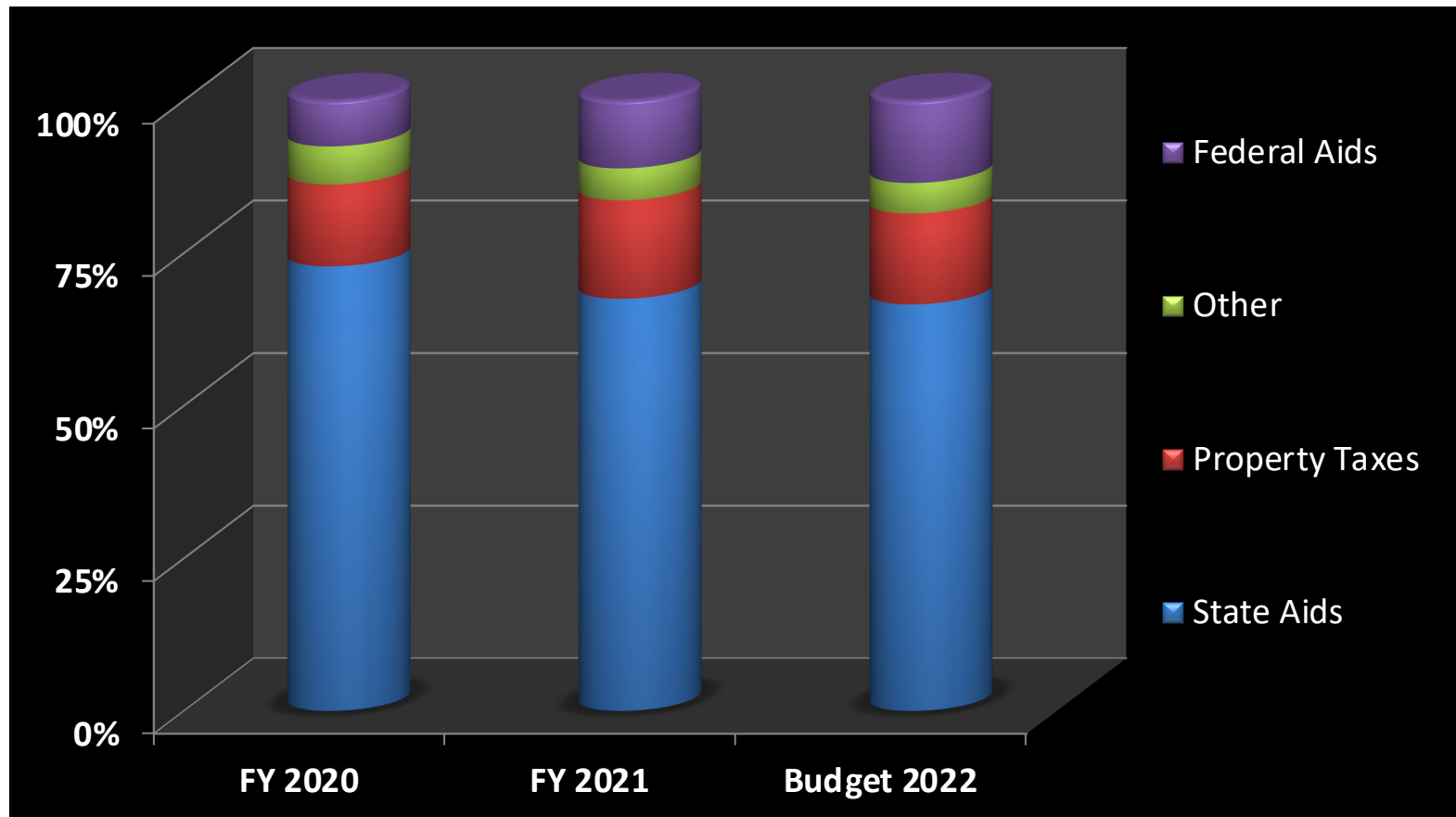
Truth in Taxation Notice:

- Calculated on each parcel statement
- Sum all parcels for total
- Because paid by state, it does not show up on Levy Certification Report

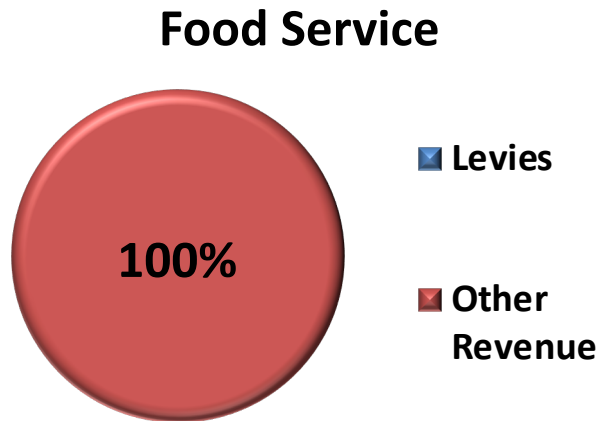
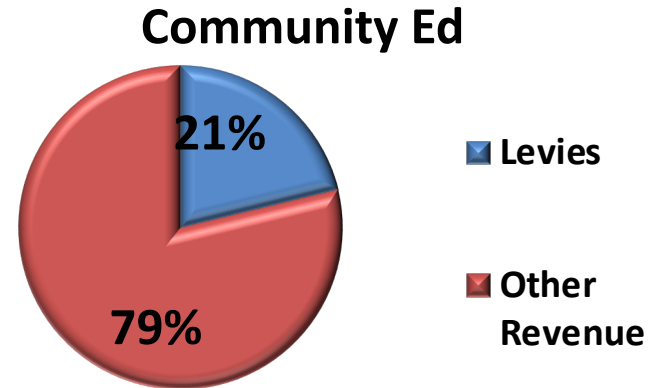
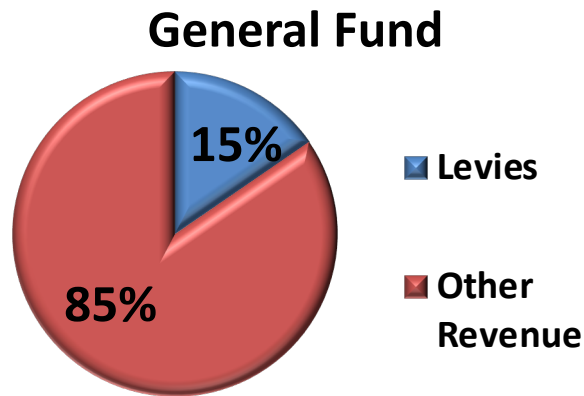
PROPOSED TAXES 2022			
THIS IS NOT A BILL. DO NOT PAY.			
Step	VALUES AND CLASSIFICATION		
1	Taxes Payable Year	2021	2022
	Estimated Market Value	\$125,000	\$150,000
	Homestead Exclusion	\$	\$23,800
	Taxable Market Value	\$125,000	\$126,200
	Class	Res NHmstd	Res Hmstd
Step 2	PROPOSED TAX		
	Property 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 2022		
The time to provide feedback on PROPOSED LEVIES is NOW			
It is too late to appeal your value without going to Tax Court.			



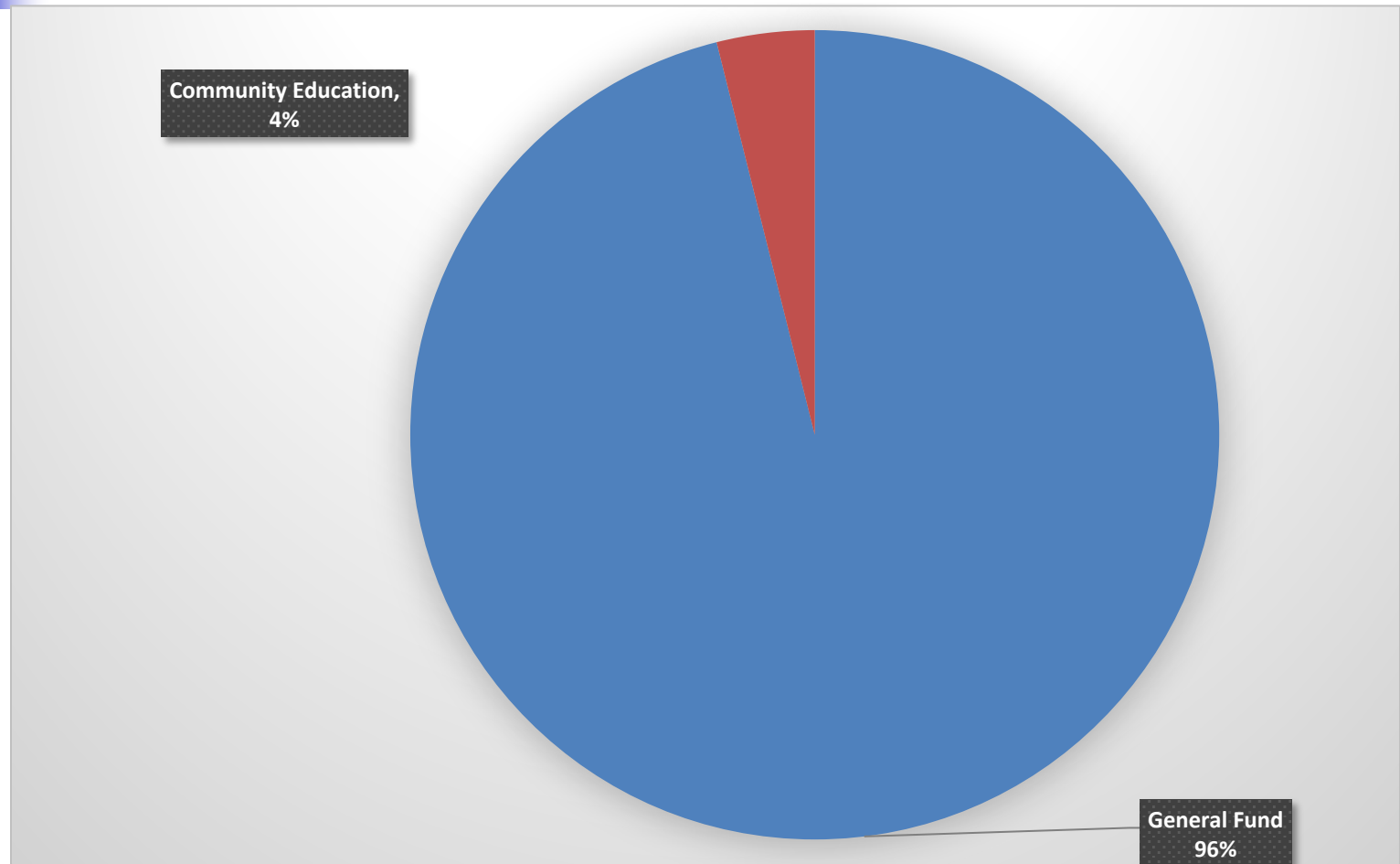
How much of BOLD's Revenue is from property taxes?



What portion of each fund is levy?



Levy Distribution by Fund





Levy 2021 vs. 2022

	Payable	Proposed	\$	%
	2020 Pay 2021	2021 Pay 2022	Change	Change
General	\$ 1,298,779	\$ 1,242,744	\$ (56,035)	-4.3%
Community Education	73,332	68,648	(4,684)	-6.4%
Total Levy	\$1,372,111	\$1,311,392	-\$60,719	-4.4%

Budget for Fiscal Year 2022





Fund Accounting Overview 2021-2022

GENERAL FUND (Fund 01)

- Revenue is based on student enrollment
- The local referendum levy is part of the General Fund
- Provides for classroom instruction, instructional supplies and equipment, and other educational activities
- Special Education, and State / Federal Mandated Programs
- Pupil Transportation
- Facilities Operation and Maintenance
- Capital Expenditures and Improvements
- LTFM

■ **FOOD SERVICE (Fund 02)**

- School Breakfast and Lunch Program



Fund Accounting Overview *(cont.)*

2021-2022

COMMUNITY SERVICE (Fund 04)

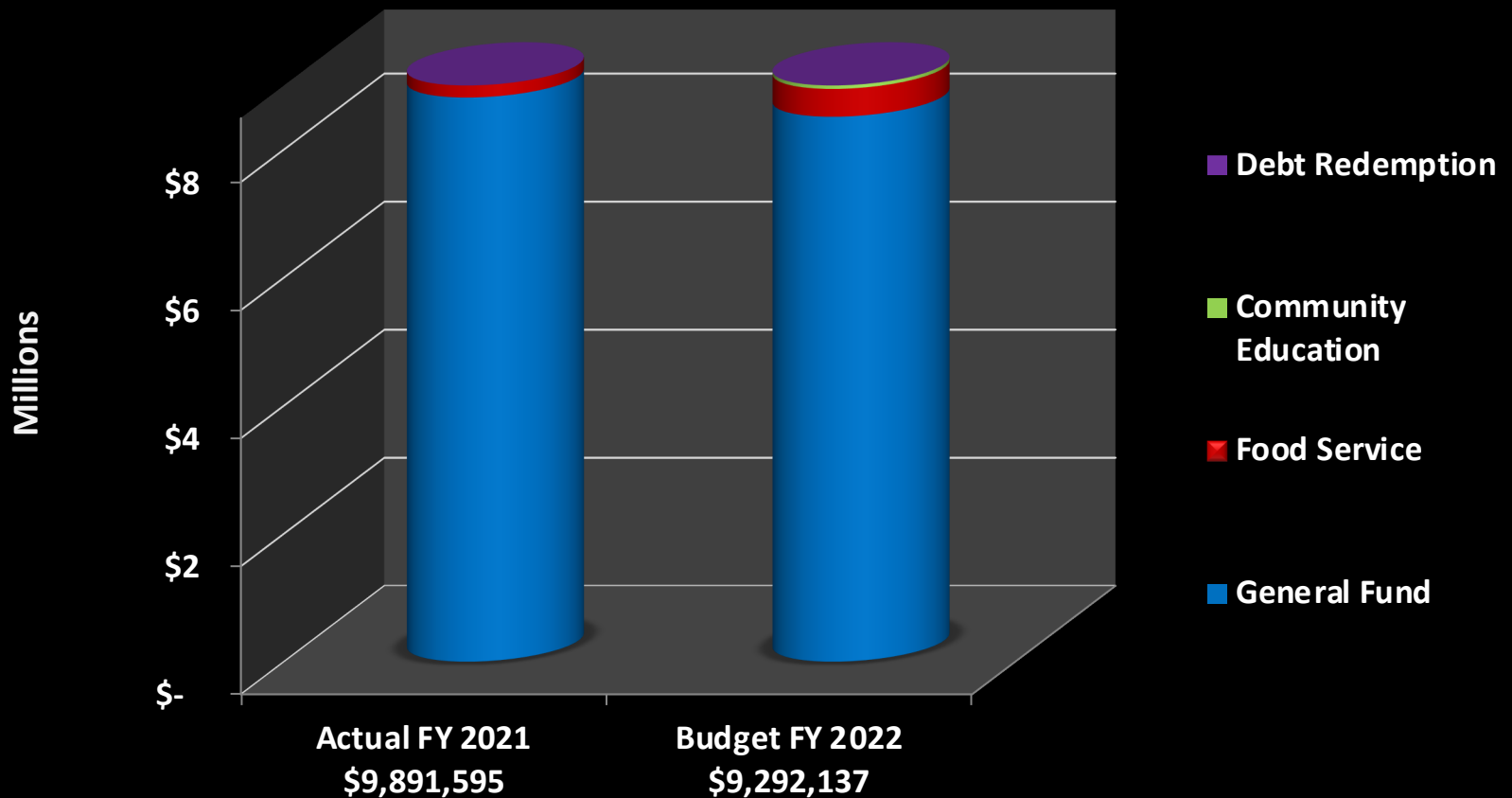
- Levy is based on adult population in the District
- Early childhood levy is based on the number of children under 5 years of age
- Provides for enrichment programs for any age level that are not part of the K-12 education program
- Early Childhood Family Education
- School Readiness
- Adult Basic Education



Revenue

	<u>20-21 Actual</u>	<u>21-22 Budget</u>
General Fund	\$ 8,811,674	\$ 8,511,449
Food Service	\$ 439,741	\$ 435,000
Community Education	\$ 307,273	\$ 345,688
Debt Redemption	<u>\$ 332,907</u>	<u>\$ -</u>
Total	<u>\$9,891,595</u>	<u>\$9,292,137</u>

Revenue by Fund





Expenditures

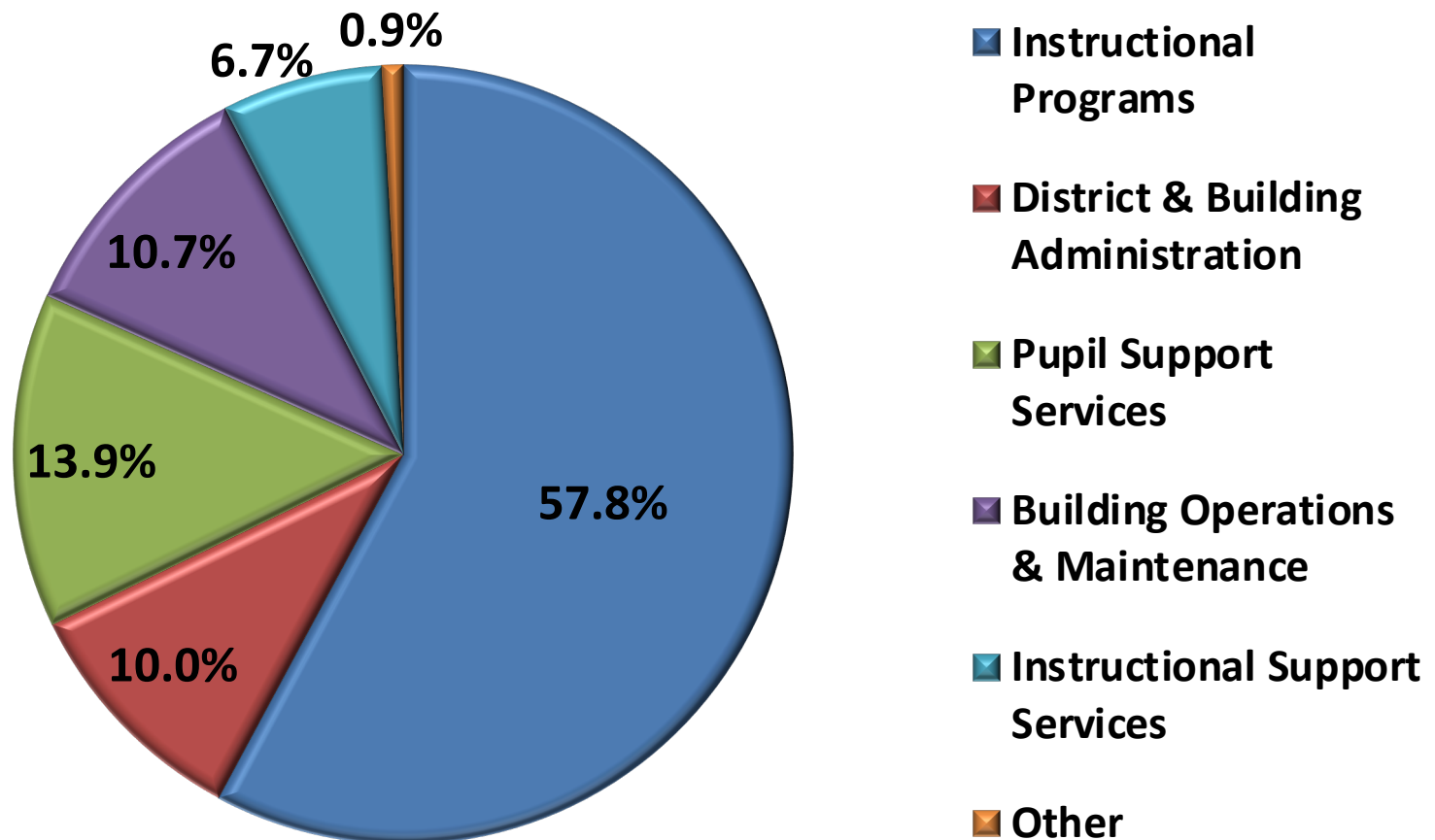
	<u>20-21 Actual</u>	<u>21-22 Budget</u>
General Fund	\$ 7,884,175	\$ 8,587,494
Food Service	\$ 407,883	\$ 463,507
Community Education	\$ 394,177	\$ 490,712
Debt Redemption	\$ 327,086	\$ -
Trust	<u>\$ 3,750</u>	<u>\$ 4,000</u>
Total	<u>\$ 9,017,071</u>	<u>\$ 9,545,713</u>



How are General Fund dollars spent?

	2020-21	2020-21 Actual	2021-22 Budget
Instructional Programs	57.8%	\$4,560,624	\$4,768,284
District & Building Administration	10.0%	\$786,150	\$820,290
Pupil Support Services	13.9%	\$1,094,491	\$1,299,352
Building Operations & Maintenance	10.7%	\$847,185	\$1,192,007
Instructional Support Services	6.7%	\$527,461	\$424,793
Other	0.9%	\$68,263	\$82,768

How are General Fund Dollars Spent?



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QUESTIONS?

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Thank you for your time and
interest in the Bird Island-Olivia-
Lake Lillian District