



Taxes Payable 2012

# **PROPERTY TAX LEVY**

and

# **2011-2012 BUDGET**

Regular School Board Meeting

December 13, 2011





## TRUTH IN TAXATION LAW

State law requires that school districts present the following information:

- current year budget
- proposed property tax levy, including:
  - The percentage increase over the prior year
  - Specific purposes and reasons for which taxes are being increased

And, that we allow for public comments.





## TRUTH IN TAXATION LAW

Property tax levies are highly regulated by the state:

- The State sets formulas which determine the level of funding for which school districts can levy.
- The State sets the maximum property tax levy:
  - School district's are allowed to levy *less* than the maximum, as the Spring Lake Park School District is doing this year

Counties also play a part in how school district levies are spread by determining the value of each parcel in the district.





## TRUTH IN TAXATION LAW

The 2011 Legislature made significant change to how property taxes are calculated.

- Repeal of the Homestead Market Value Credit
- Replaced by a Homestead Market Value Exclusion
  - Tax increases are highest in communities where a large share of the tax base is lower-valued homes (This causes a reduction in the tax base resulting in fewer properties over which to spread the tax.)
  - The impact varies in each jurisdiction depending on overall tax rates of all jurisdictions
- The State saved \$261 million by no longer paying for the credit, passing this amount on to taxpayers.



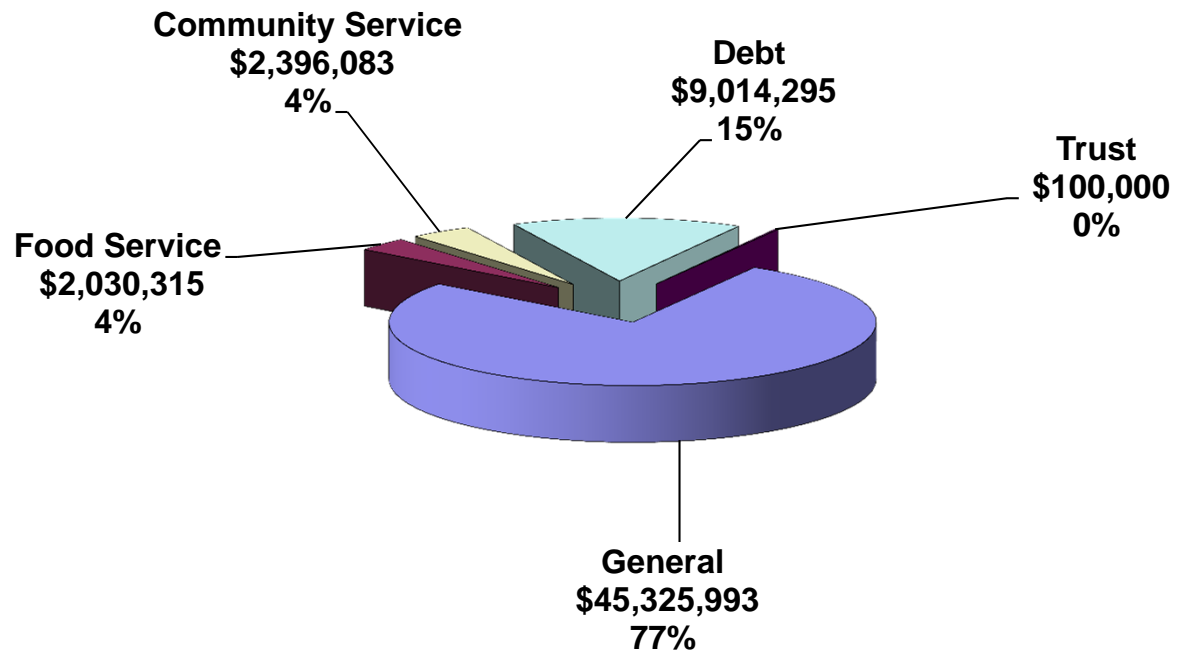
# THE 2011-2012 BUDGET



	Revenue Budget 2011-2012	Expenditure Budget 2011-2012
<b>General Fund</b>		
Unrestricted/Unassigned	\$ 43,386,369	\$ 43,380,965
Restricted/Assigned Fund Balance		
Restricted - Health & Safety	293,993	185,428
Restricted - Operating Capital	1,595,631	1,999,391
Assigned - Student Activities	50,000	50,000
<b>General Fund</b>	<b>\$ 45,325,993</b>	<b>\$ 45,615,784</b>
<b>Food Service Fund</b>	2,030,315	2,030,315
<b>Community Service Fund</b>	2,396,083	2,396,083
<b>Alternative Facilities - Health and Safety</b>	-	-
<b>Debt Service Fund</b>	9,014,295	8,556,670
<b>Trust and Agency Fund</b>	100,000	100,000
<b>Total All Funds</b>	<b>\$ 58,866,686</b>	<b>\$ 58,698,852</b>

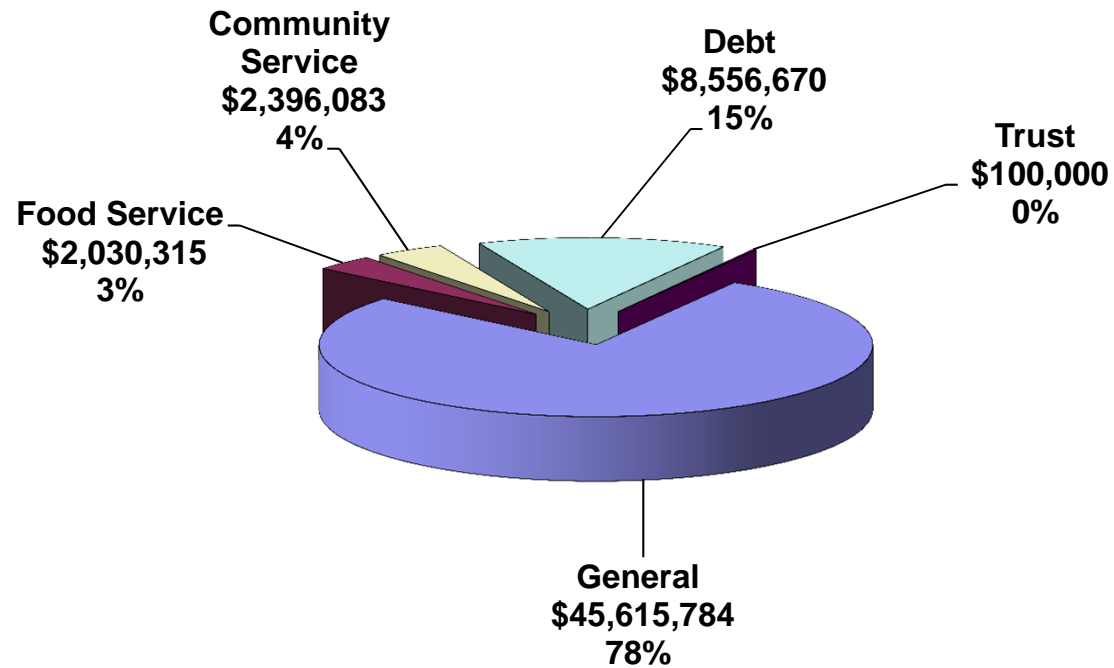


## 2011-2012 REVENUE SOURCES



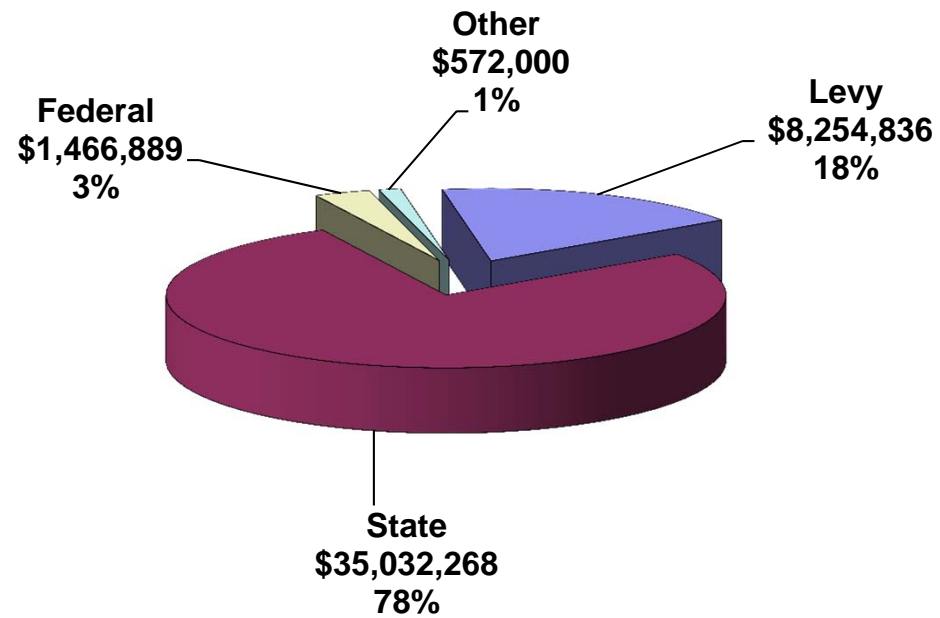


## 2011-2012 EXPENDITURES



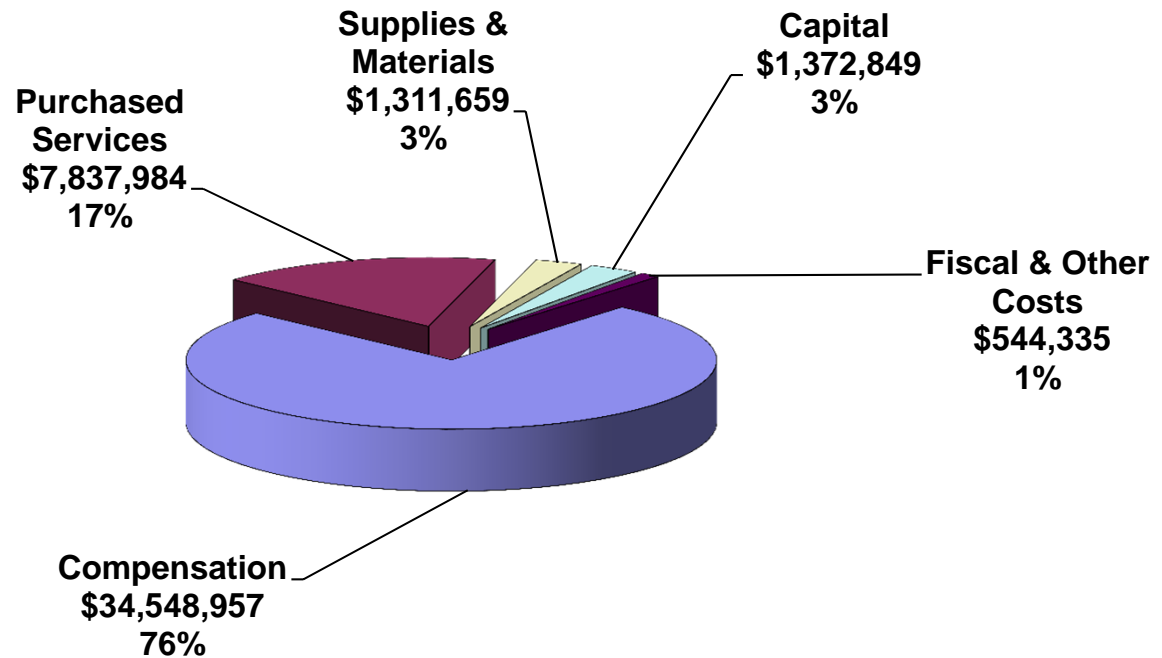


## 2011-2012 GENERAL FUND REVENUE SOURCES





## 2011-2012 GENERAL FUND EXPENDITURES





## THE 2011-2012 BUDGET



- The Spring Lake Park School District's 2011-2012 budget is reviewed at various times during the school year
- Revisions are this current year are expected to be brought to the School Board for approval in February 2012



## LEVY INFORMATION

Data due to Department of Education	Summer 2011
Preliminary levy approval	September 2011
Levy approval	December 2011
Property taxes collected 2012	May & October 2012
Revenue 2011-2012 school year	



## TOTAL LEVY BY FUND



Fund	Proposed 2012 Levy	Payable 2011 Levy	Change	Percent Change
General	\$ 9,594,893	\$ 8,724,471	\$ 870,422	9.98 %
Community Service	\$ 463,634	\$ 424,327	\$ 39,307	9.26 %
Debt Service	\$ 9,356,202	\$ 9,009,295	\$ 346,907	3.85 %
	\$19,414,729	\$18,158,093	\$1,256,636	6.92 %



## GENERAL FUND LEVY

	Proposed 2012 Levy	Payable 2011 Levy	Change	Percent Change
Referendum Authority	\$ 5,117,490	\$ 4,571,088	\$ 546,402	11.95 %
Transition	250,745	244,235	6,510	2.67 %
Equity *	610,214	646,875	(36,661)	(5.67) %
Capital Projects Referendum	1,065,985	-	1,065,985	n/a %
Operating Capital *	720,987	810,453	(89,466)	(11.04) %
Alternative Teacher Comp	462,353	886,214	(423,861)	- %
Safe Schools/Crime	210,897	205,421	5,476	2.67 %
Health & Safety/Alt. Facilities	188,773	296,501	(107,728)	(36.33) %
Integration	153,000	149,201	3,799	2.55 %
Lease	509,754	442,605	67,149	15.17 %
Career Technical	90,781	77,823	12,958	16.65 %
Deferred Maintenance	332,995	324,350	8,645	2.67 %
Unemployment	75,000	75,000	-	- %
Adjustments	(268,748)	(31,127)	(237,621)	763.39 %
Abatements	74,667	25,832	48,835	189.05 %
	\$ 9,594,893	\$ 8,724,471	\$ 870,422	9.98 %

\* Equalized



## GENERAL FUND LEVY 2011

Explanation of Changes:

### Referendum Authority

- Of the \$546,402 change, \$337,131 relates to increases in student enrollments over the projection during prior levies. This amount was adjusted in the current year to reflect actual enrollments. The remaining amount is due to an increase in students projected in 2012-13 over that which was levied for 2011-12.

### Capital Projects Technology Levy Referendum

- This levy was approved by the voters in November 2011 to fund technology in the district.



## GENERAL FUND LEVY 2011

### Explanation of Changes:

- Alternative Teacher Compensation (Q-Comp)

The State approved Spring Lake Park for Q-Comp effective with the 2010-11 school year. Two years of the program were levied for taxes payable 2011 due to timing issues. For taxes payable 2012 and beyond only one year will be levied.

- Health & Safety/Alternative Facilities

Health and Safety projects are levied based upon the needs of facilities and can vary greatly from year to year.





## GENERAL FUND LEVY 2011

Explanation of Changes:

- Adjustments

The Minnesota Department of Education recalculates levies for the previous three levy years based upon updated student and expenditure information for those years.





## COMMUNITY SERVICE LEVY



	Proposed 2012 Levy	Payable 2011 Levy	Change	Percent Change
Basic Levy	\$ 219,036	\$ 197,177	\$ 21,859	11.09 %
Early Childhood	\$ 142,417	\$ 143,259	\$ (842)	(0.59) %
Home Visitation	\$ 3,427	\$ 3,242	\$ 185	5.71 %
School Age Care	\$ 75,000	\$ 75,000	\$ -	- %
Adjustments	\$ 21,116	\$ 5,162	\$ 15,954	309.07 %
Abatements	\$ 2,638	\$ 487	\$ 2,151	441.68 %
	\$ 463,634	\$ 424,327	\$ 39,307	9.26 %

- Basic Levy is calculated using the district's total resident population. For taxes payable 2012 this increased over 3,000 residents.
- Adjustments –The Minnesota Department of Education recalculated levies for the past three levy years based upon updated student and expenditure information for those years.



## DEBT SERVICE LEVY



	Proposed 2012 Levy	Payable 2011 Levy	Change	Percent Change
Required Levy of 105% of Scheduled Principal & Interest	\$ 9,372,244	\$ 8,977,155	\$ 395,089	4.40 %
Adjustments	\$ (86,332)	\$ -	\$ (86,332)	n/a %
Abatements	\$ 70,280	\$ 32,140	\$ 38,140	118.67 %
	<u>\$ 9,356,192</u>	<u>\$ 9,009,295</u>	<u>\$ 346,897</u>	3.85 %

- Adjustments –For Debt Service levies, the Minnesota Department of Education recalculated the amount districts need to meet future obligations plus an additional 5%. If a district’s balance gets above that amount, adjustments are made to reduce future levies.



## WHAT CAUSES A CHANGE IN PROPERTY TAXES?

Changes in levy components

Shifts from State aid to levy

Legislation

Changes in market values

- Individual parcel
- Districtwide

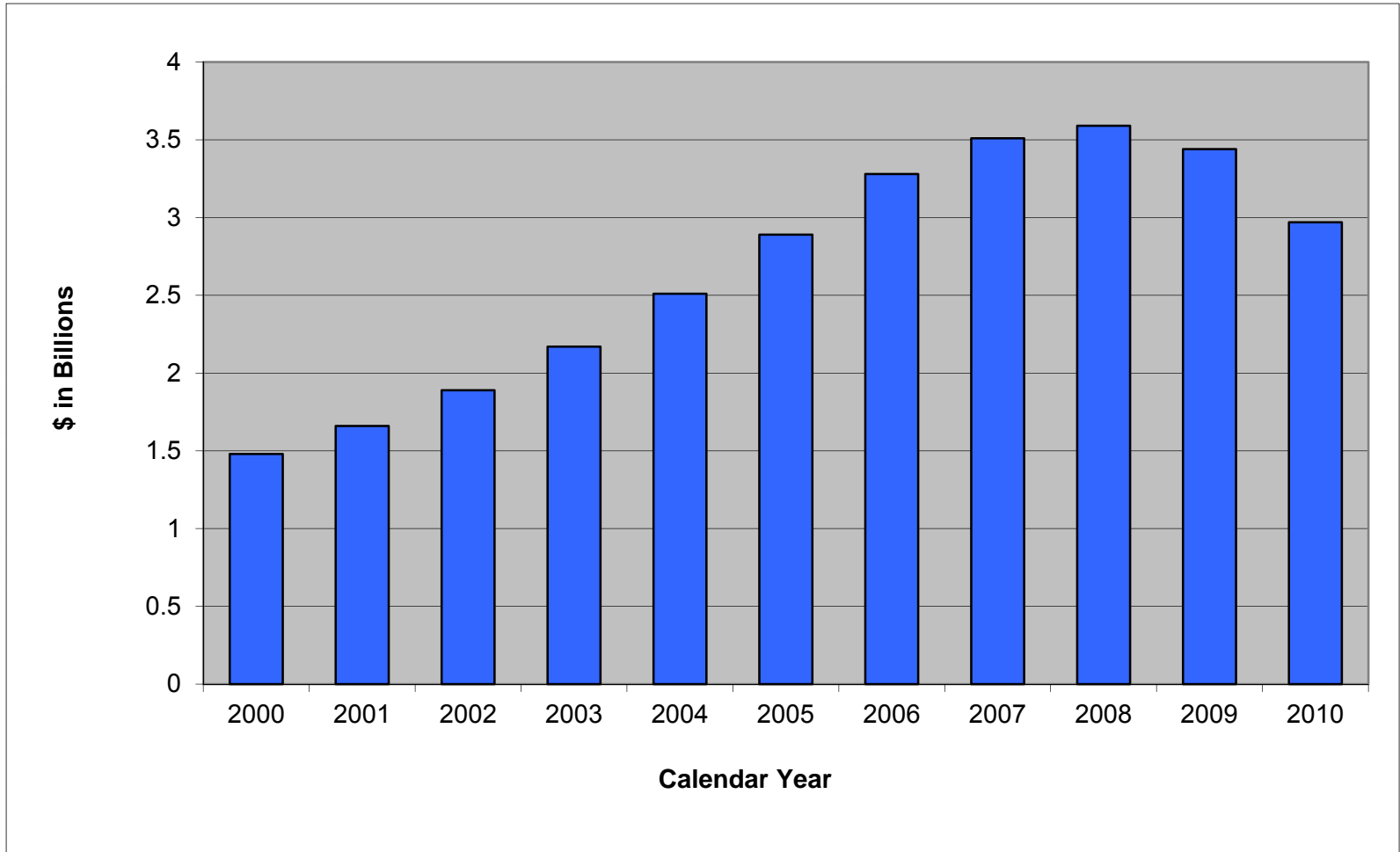
Changes in tax capacity

Voter-approved referendums

Increase in student enrollment



## MARKET VALUE HISTORY





## STATE PROPERTY TAX REFUNDS

The State of Minnesota has two tax refund programs and one tax deferral program available for owners of homestead property.

These programs may reduce the net tax burden for a local taxpayer, but only if you take time to complete and send in the forms.

For help with the forms and instructions:

- Consult your tax professional  
*or*
- Visit the Department of Revenue website at [www.taxes.state.mn.us](http://www.taxes.state.mn.us)





## STATE PROPERTY TAX REFUNDS

### Minnesota Property Tax Refund ("Circuit Breaker" refund)

- Has existed since 1970s
- Is available to all owners of homestead property
- Annual income must be approximately \$93,480 or less (income limit is higher if you have dependents)
- Refund is a sliding scale, based upon total property taxes and income
- The maximum refund is \$1,750
- This is especially helpful to those with lower incomes
- What do you need to do? Fill out state tax form M-1PR





## STATE PROPERTY TAX REFUNDS

### Special Property Tax Refund

- This is available for all homestead properties with a gross tax increase of at least 12%, and \$100 over the prior year
- The refund is 60% of the amount by which the tax increase exceeds the greater of 12% or \$100, up to a maximum of \$1,000
- No income limits
- What do you need to do? Fill out state tax form M-1PR





## SENIOR CITIZEN PROPERTY TAX DEFFERAL

- This allows those 65 years of age or older, with a household income of \$60,000 or less, to defer a portion of the property taxes on their homes
- Taxes paid in any year are limited to 3% of household income for the year before entering deferral program. This amount does not change in future years
- Additional taxes are deferred, but not forgiven
- The State charges interest up to 5% per year on deferred taxes and attaches a lien to the property
- Deferred property taxes, plus accrued interest, must be paid when the home is sold or the homeowner dies