

TRUTH IN TAXATION PUBLIC HEARING

Meeting Goals

- I. Introduction
- II. Explanation of the property tax statement
(school portion only)
- III. Discussion of taxes payable 2007
- IV. Discussion of budgets
- V. Comments

INTRODUCTION

TRUTH IN TAXATION LAW

- Residents receive a mailed notice describing the tax levies proposed
- “Truth in Taxation” provides for a public hearing

14 REASONS

Short Video

- Association of Minnesota Counties
- League of Minnesota Cities
- Minnesota School Boards Association

EXPLANATION OF TAX STATEMENT

PUBLIC SCHOOL LEVY AUTHORITY

IS

1. STATE AUTHORIZED

AND/OR

2. VOTER APPROVED

EXPLANATION OF THE SCHOOL PORTION OF YOUR TAX STATEMENT

1. STATE AUTHORIZED LEVIES (Other Local Levies)

- **Operating Capital**
- **Health & Safety**
- **Building Leases**
- **Deferred Maintenance**
- **Alternative Teacher
Compensation**
- **Community Education**

EXPLANATION OF THE SCHOOL PORTION OF YOUR TAX STATEMENT

2. VOTER APPROVED LEVIES:

- 2003 **operating levy** for \$533 per student that expires in 2012.
- 2006 **operating levy** will increase by \$577 per student that expires in 2015
- 1999 **debt service levy** for \$80 million for remodeling and renovation that will expire in 2024.

DISCUSSION OF TAXES PAYABLE 2007

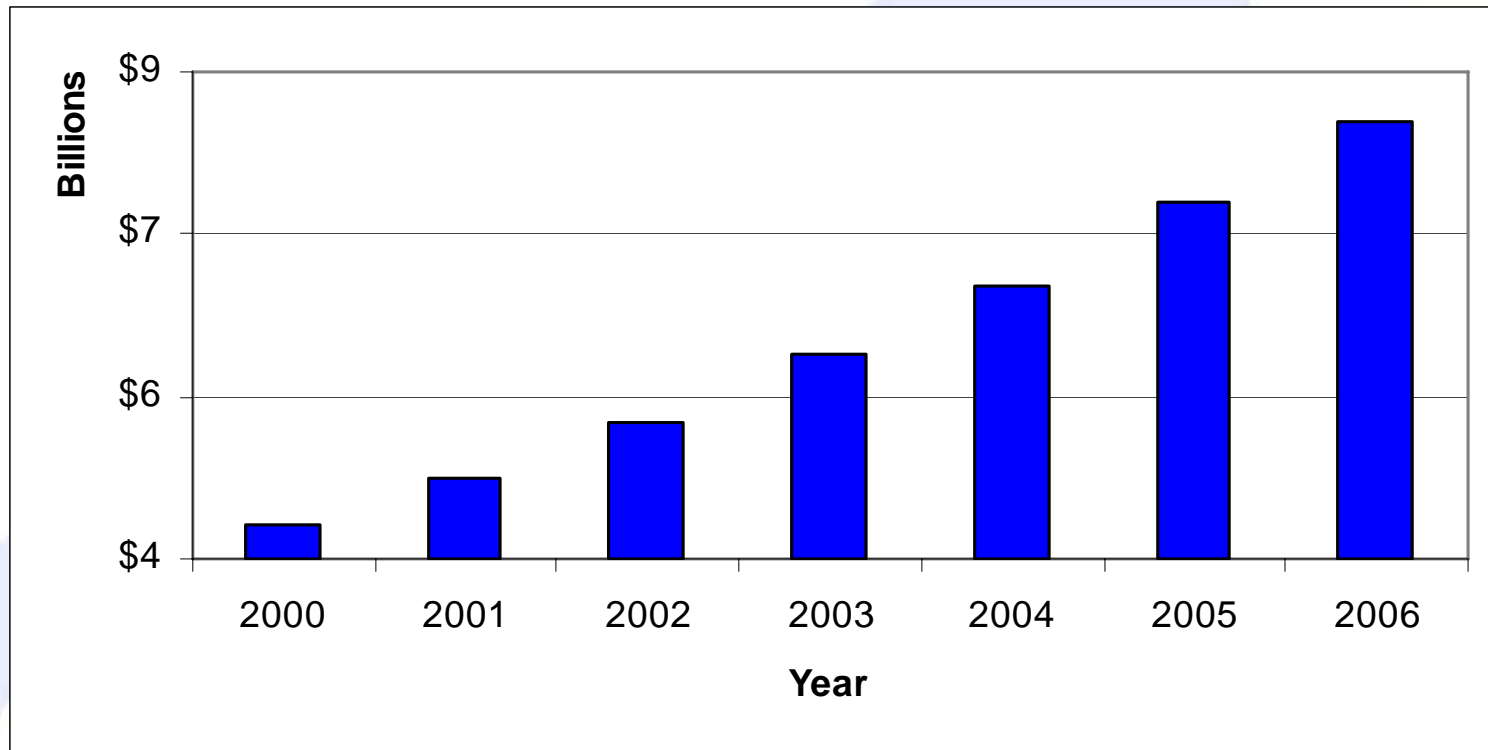
TIME LINE

- 2006 Taxes Certified
- 2007 Taxes Collected
- 2007-08 School Year when revenue is available

WHAT ARE THE VARIABLES WHICH CAUSE PROPERTY TAX INCREASES AND DECREASES?

- 1. Changes in market values**
- 2. The type of property**
- 3. Shifting burdens**
- 4. State mandates**
- 5. Changes in enrollment**
- 6. Property tax refunds**
- 7. The amount of levy proposed**

Changes in Market Value



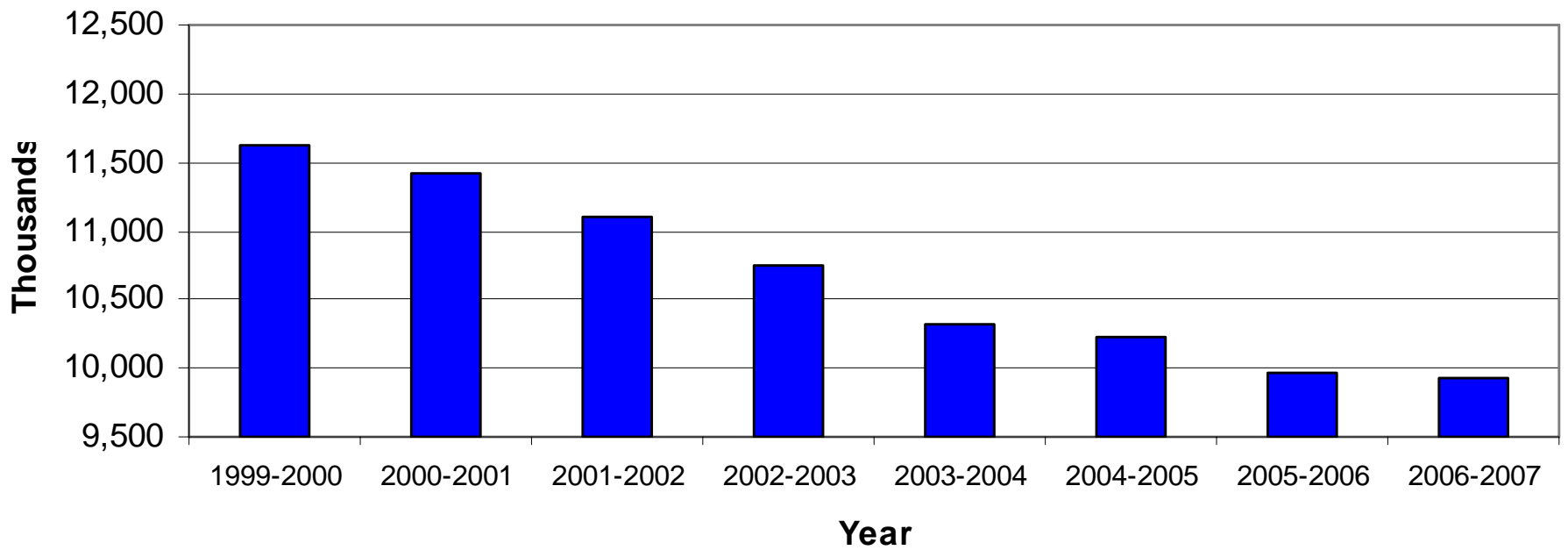
Changes in Market Value

These are not under the jurisdiction of
Mounds View Public Schools.

These are under the jurisdiction of
Ramsey County

Student Enrollment

(October 1st)



Property Tax Refunds

The legislature provides several different types of property tax relief. More information is available:

- ◆ Minnesota Department of Revenue (651)296-3781
- ◆ www.taxes.state.mn.us
- ◆ Minnesota Tax Forms
Mail Station 5510
St Paul, MN 55146-5510

THE PROPOSED SCHOOL TAX LEVY FOR 2007

	<u>2006</u>	<u>2007</u>	<u>\$ Change</u>	<u>% Change</u>
Voter Approved	17,998,951	24,238,129	6,239,178	34.7%
Other Local	13,300,961	14,238,158	937,197	7.0%
<hr/>				
School District Total	31,299,912	38,476,287	7,176,375	22.9%

THE PROPOSED SCHOOL TAX LEVY FOR 2007

- Voter approved

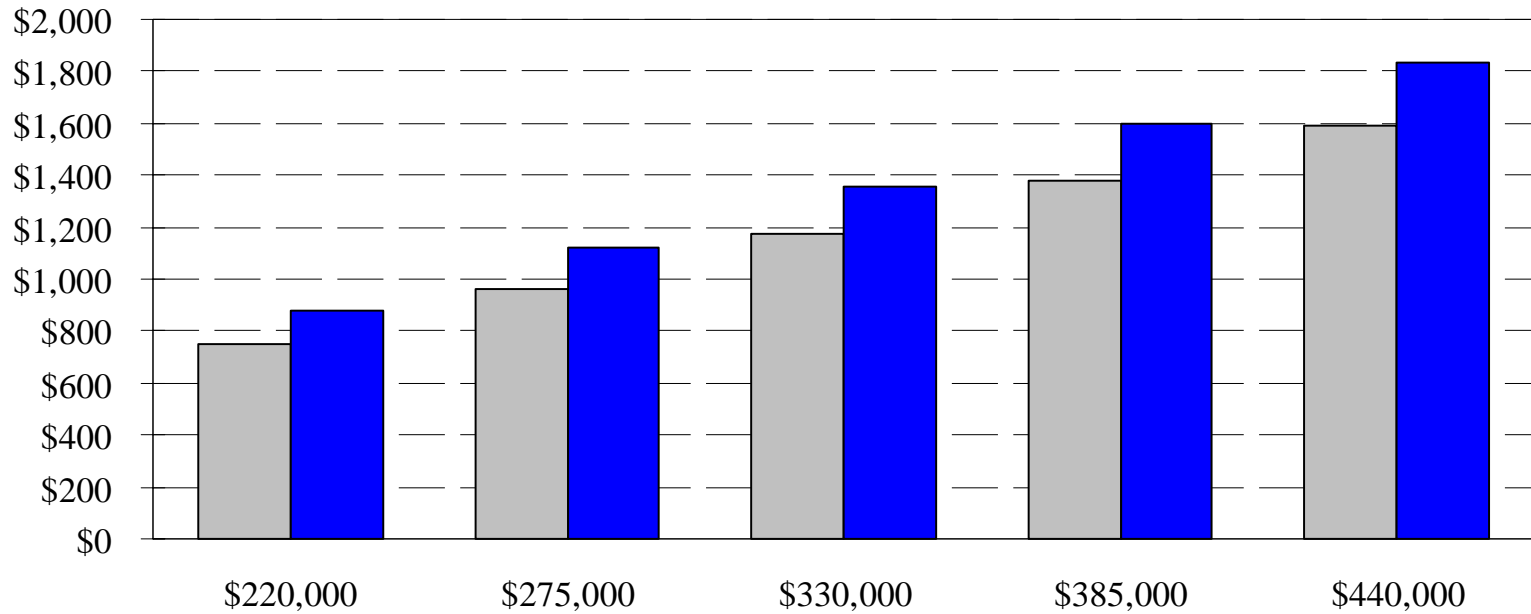
34.7% = residents approval
of the operating referendum

- Other local levies

7.0% = loss of one time tax
relief provided in 2006

WHAT DOES THIS MEAN FOR A MEDIAN VALUED HOME?

Property Tax Comparisons - Pay 2006 Verses Pay 2007



Market Value of Homestead Residential Property

Pay 06

Pay 07

DISCUSSION OF BUDGET

School Budget Funds

- General Fund
- Community Service Fund
- Building Construction Fund
- Debt Service Fund

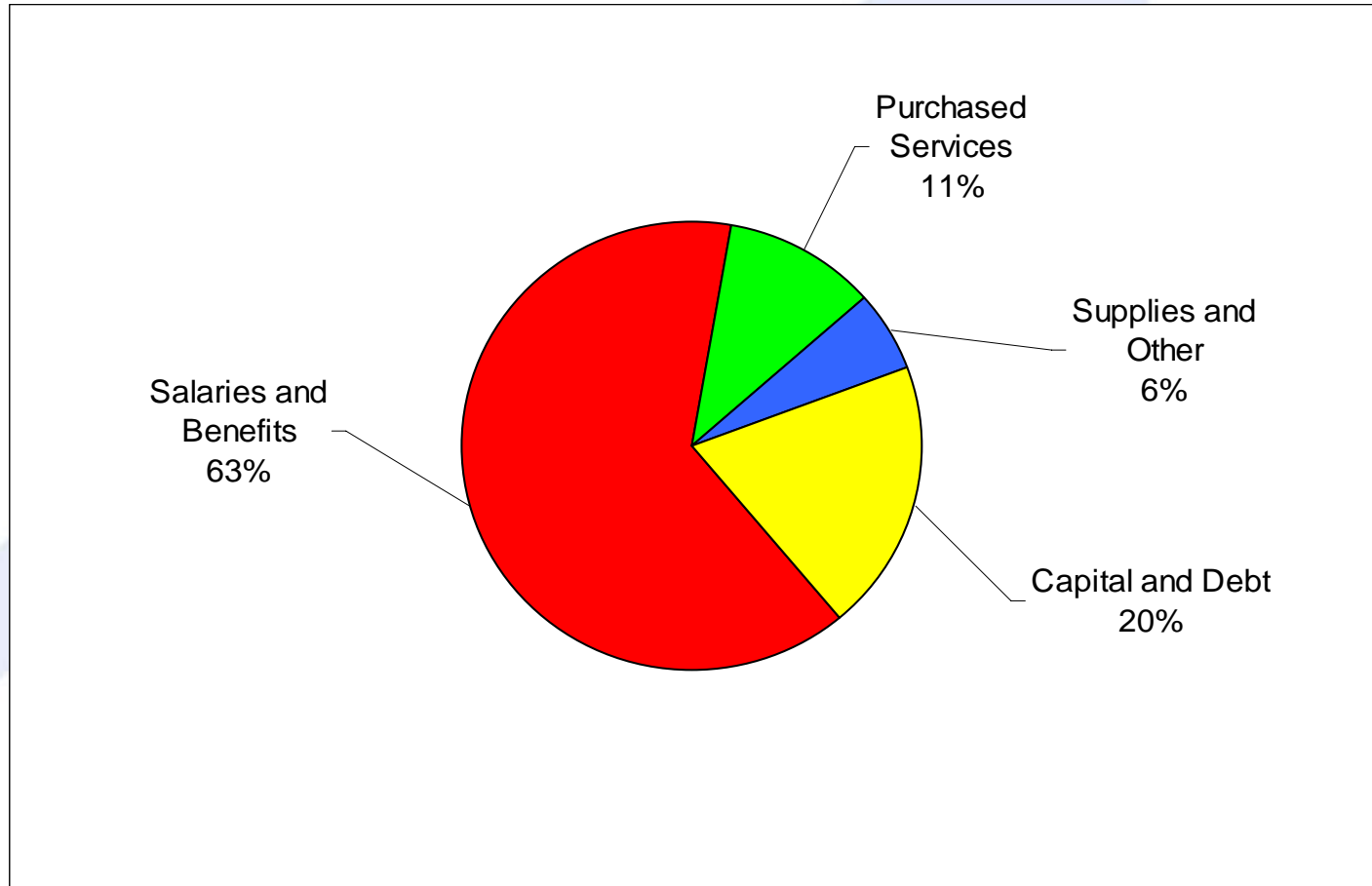
BUDGET SUMMARY 2006-07

	<u>REVENUE</u>	<u>EXPENDITURES</u>
General Fund	\$95,592,467	\$97,930,491 (1)
Food Service Fund	4,554,898	4,560,080
Community Service Fund	3,429,799	3,429,799
Building Construction	3,626,300	3,626,300
Debt Service Fund	<u>10,825,077</u>	<u>11,502,216 (2)</u>
Total All Funds	<u><u>\$118,028,541</u></u>	<u><u>\$121,048,886</u></u>

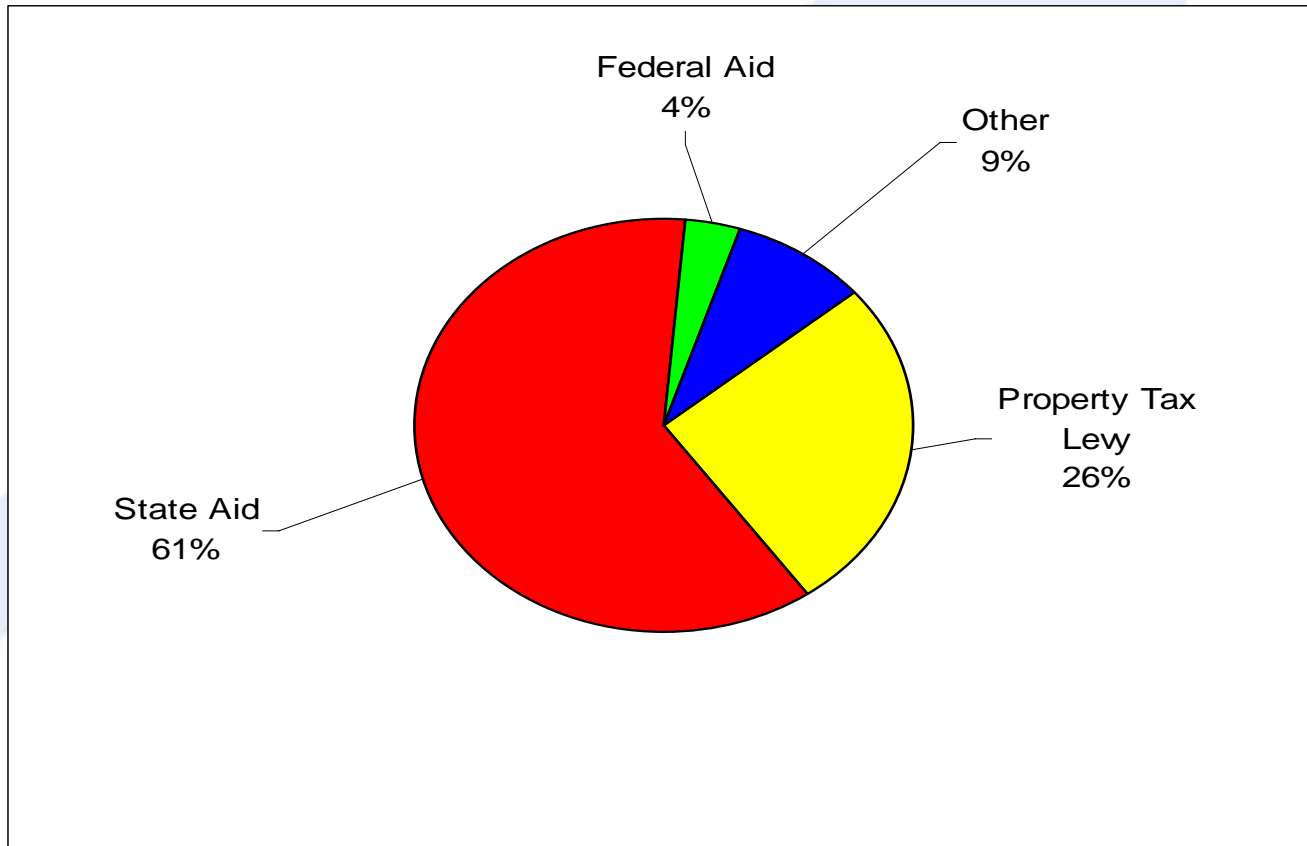
Note 1 - The general fund contains authorized capital expenditures from resources received in 2005 from the sale of land.

Note 2 - The debt service fund contains authorized expenditures for refunding bonds where the resources are held in escrow.

APPROVED EXPENDITURE BUDGETS 2006-07 (\$121,048,886)



APPROVED REVENUE BUDGETS 2006-07 (\$118,028,541)



ANTICIPATED CHANGES for the 2007-08 BUDGET

Expenditure Adjustments

- **Salary & benefit negotiations**
- **Staffing changes**
- **Transportation cost increases**
- **Property insurance increases**
- **Utility rate increases**

Revenue Adjustments

- **Declining enrollment**
- **Legislative changes**
- **Participation fees down**
- **Grant changes**

To Summarize

- Public schools have a process to follow in order to authorize levies
- An individual's property tax liability is influenced by many factors
- Tax revenues are a small but important component of school district budgets
- Mounds View Public Schools will certify the final tax levy at the December 12th or 14th board meeting

