

# TRUTH IN TAXATION PUBLIC HEARING

# Meeting Goals

- I. Introduction
- II. Explanation of the property tax statement  
(school portion only)
- III. Discussion of taxes payable 2010
- 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

# Why do taxes change?

- Value of your home and homes around you
- Spending of cities, counties & schools
- Actions of state and federal law makers
- The interactions of all these factors

# EXPLANATION OF TAX STATEMENT

# **PUBLIC SCHOOL LEVY AUTHORITY**

IS

**1. STATE AUTHORIZED**

AND

**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**
- **Other Post Employment Benefits**

# EXPLANATION OF THE SCHOOL PORTION OF YOUR TAX STATEMENT

## 2. VOTER APPROVED LEVIES:

- 2003 **operating levy** for \$532 per student that expires in 2012.
- 2006 **operating levy** for \$990 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 2010

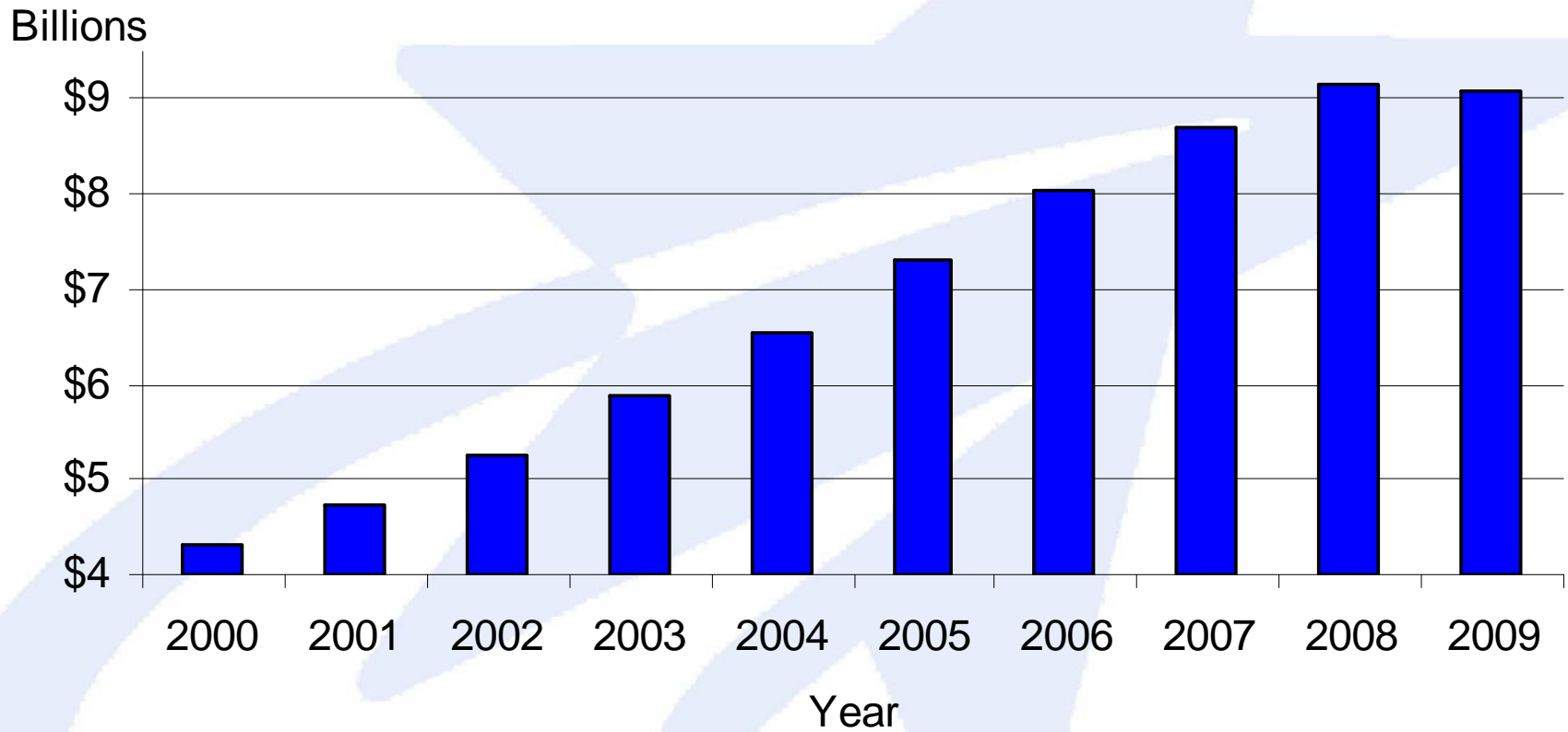
# TIME LINE

- 2009 Taxes Certified
- 2010 Taxes Collected
- 2010-11 School Year when revenue is available

# **WHAT VARIABLES WOULD CAUSE THE SCHOOL PORTION OF YOUR TAXES TO INCREASE OR DECREASE?**

- 1. Changes in market values**
- 2. State formulas and mandates**
- 3. Changes in enrollment**
- 4. Property tax refunds**
- 5. The total proposed taxes**

# Changes in Market Value



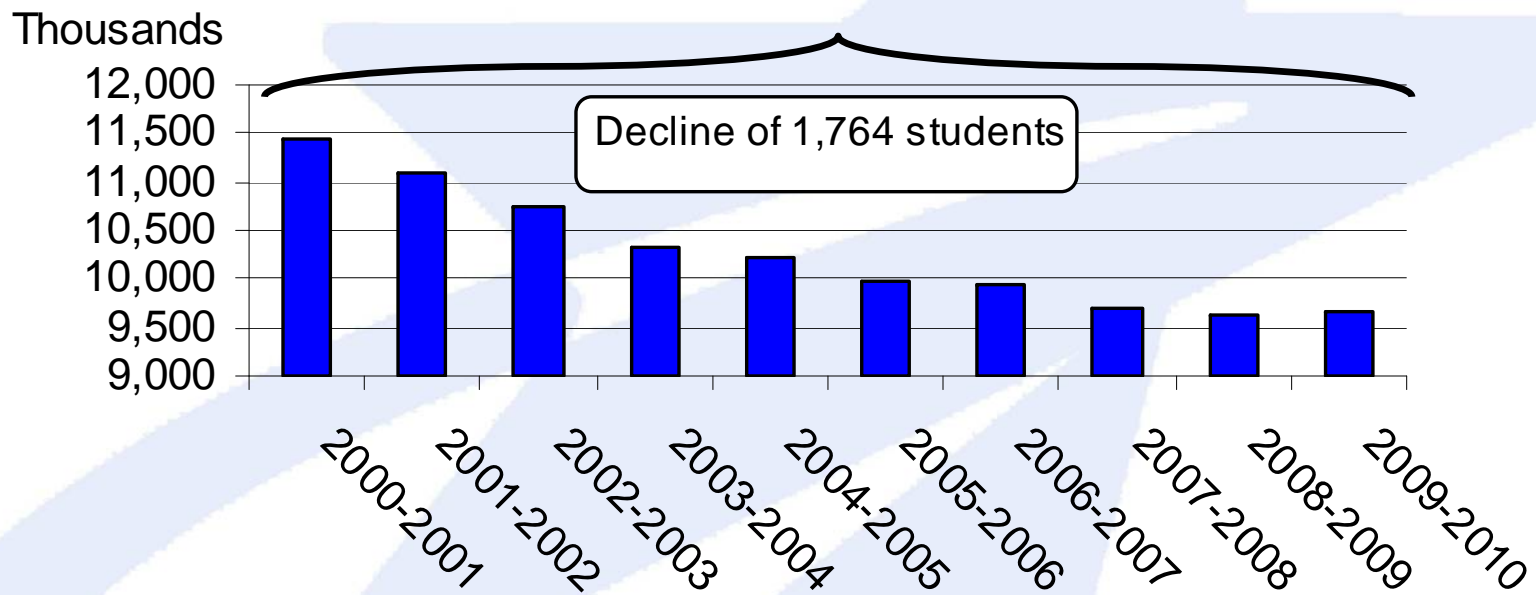
# Changes in Market Value

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](http://www.taxes.state.mn.us)
- ◆ Minnesota Tax Forms  
Mail Station 5510  
St Paul, MN 55146-5510

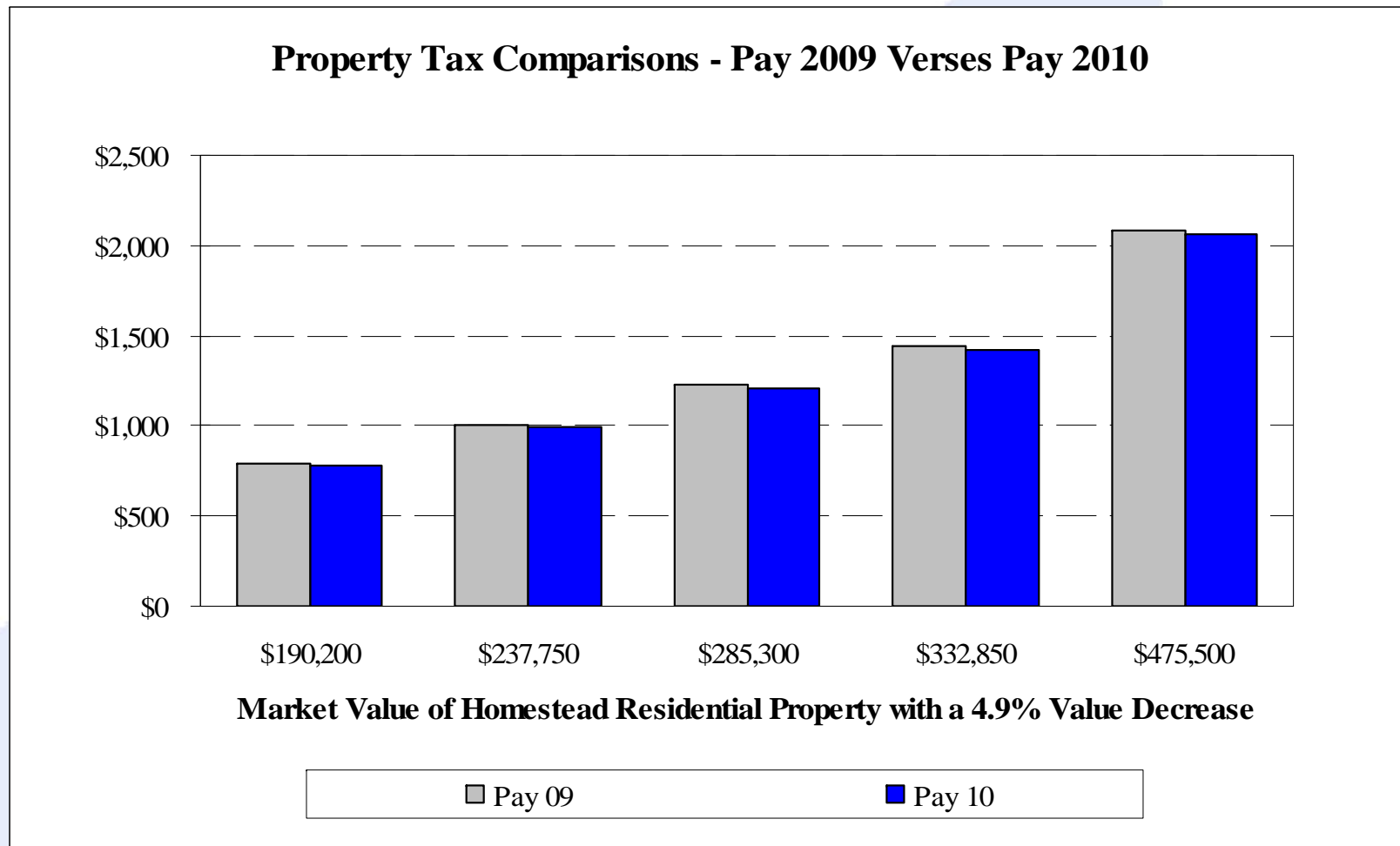
# THE PROPOSED SCHOOL TAX LEVY FOR 2009

	<u>2009</u>	<u>2010</u>	<u>\$ Change</u>	<u>% Change</u>
Voter Approved	25,430,319	24,674,256	(756,063)	-3.0%
Other Local	15,691,719	16,579,594	887,874	5.7%
School District Total	41,122,038	41,253,849	131,811	0.3%

# THE PROPOSED SCHOOL TAX LEVY FOR 2010

- Voter approved  
(\$760,000)= operating  
referendum negative inflationary  
adjustment for prior periods
- Other local levies  
\$890,000 = several funding  
formulas

# WHAT DOES THIS MEAN FOR A MEDIAN VALUED HOME?



# Taxes Payable 2010 Summary

- Taxes collected for schools in 2010 will barely increase from 2009
- 2009 school taxes = \$41.1 million  
2010 school taxes = \$41.2 million
- A home valued at \$250,000 will have the school portion of their taxes range from (\$60) to +\$12

# DISCUSSION OF BUDGET

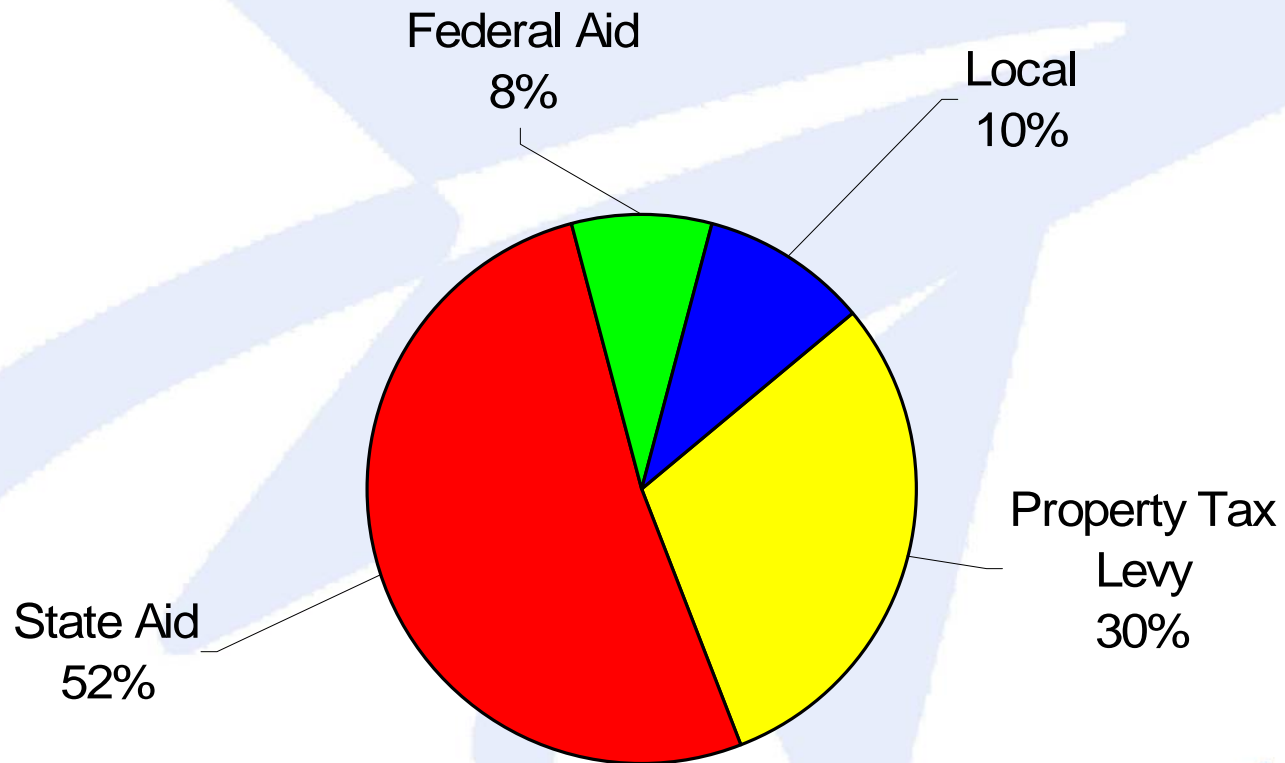
# School Budget Funds

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

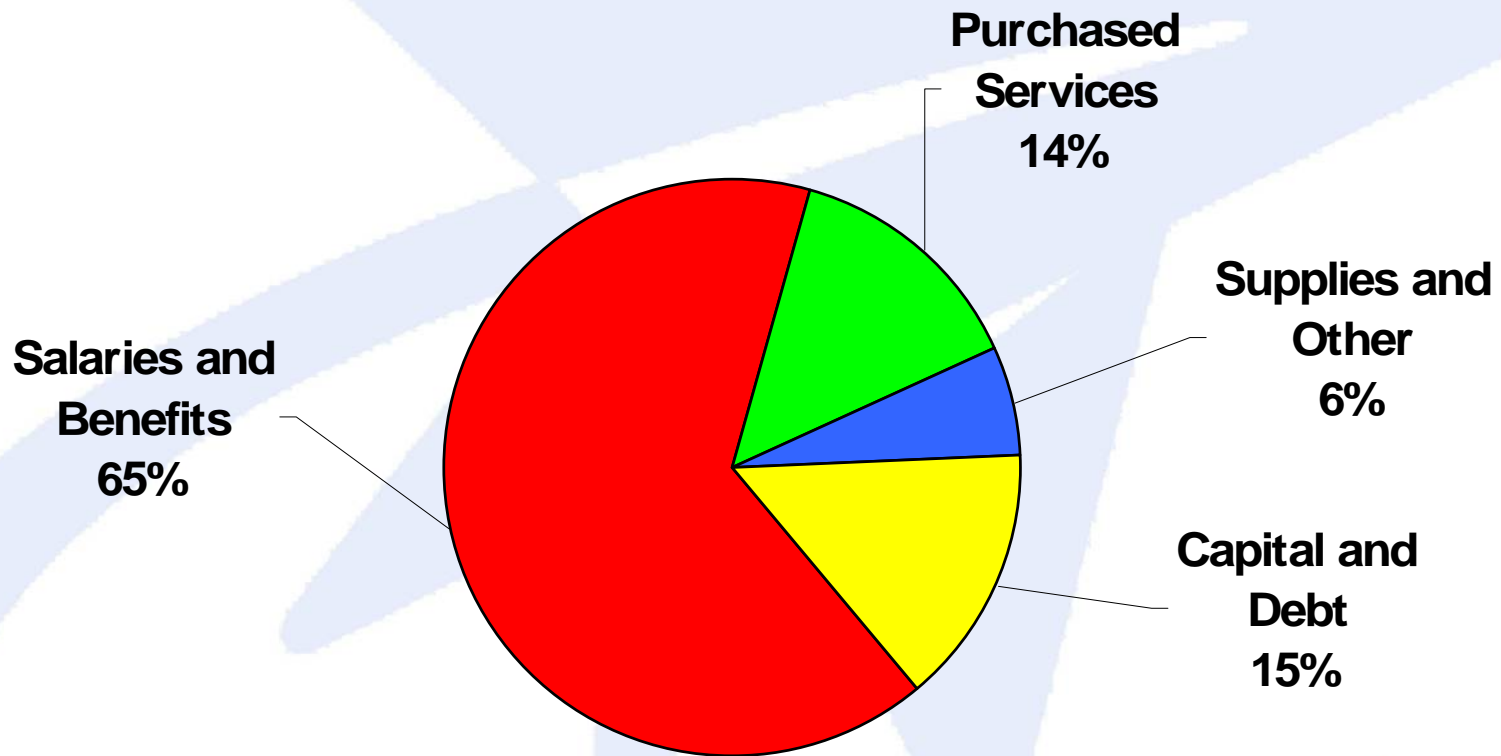
# BUDGET SUMMARY 2009-10

	<u>REVENUE</u>	<u>EXPENDITURES</u>
General Fund	\$108,499,309	\$107,787,780
Nutrition Service Fund	4,880,829	4,880,528
Community Service Fund	4,316,700	4,318,531
Building Construction Fund	3,600,000	3,600,000
Debt Service Fund	<u>13,608,642</u>	<u>14,596,147</u>
Total All Funds	<u>\$134,905,480</u>	<u>\$135,182,986</u>

# APPROVED REVENUE BUDGETS 2009-10 (\$134,905,480)



# APPROVED EXPENDITURE BUDGETS 2009-10 (\$135,182,986)



# ANTICIPATED CHANGES for the 2010-11 BUDGET

## Expenditure Adjustments

- **Salary & benefit negotiations**
- **Staffing changes**
- **Transportation costs**
- **Property & Liability insurance**
- **Utility costs**

## 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 an important component of school district budgets
- The proposed school taxes for 2010 are less than 1% over 2009 final taxes
- Residential properties with a median value change will see the school portion of their taxes decrease for 2010
- Mounds View Public Schools will certify the final tax levy at the December 8<sup>th</sup> board meeting