

# Understanding Your Property Tax Changes:

*Know Why Your Tax Bill is  
Changing...And What is  
Responsible*

AN EDUCATIONAL GUIDE

MARCH 2019



*Sound tax policy. Efficient spending. Accountable government.*

**MINNESOTA FOUNDATION FOR  
FISCAL EXCELLENCE**

## **Acknowledgements**

Contributions to the Minnesota Foundation for Fiscal Excellence, the supporting research and education arm of the MCFE, made this publication possible. MCFE is solely responsible for the contents of *Understanding Your Property Tax Changes*.

## **About the Minnesota Center for Fiscal Excellence**

The Minnesota Center for Fiscal Excellence was founded in 1926 to promote sound tax policy, efficient spending, and accountable government.

We pursue this mission by

- educating and informing Minnesotans about sound fiscal policy;
- providing state and local policy makers with objective, non-partisan research about the impacts of tax and spending policies; and
- advocating for the adoption of policies reflecting principles of fiscal excellence

MCFE generally defers from taking positions on levels of government taxation and spending believing that citizens, through their elected officials, are responsible for determining the level of government they are willing to support with their tax dollars. Instead, MCFE seeks to ensure that revenues raised to support government adhere to good tax policy principles and that the spending supported by these revenues accomplishes its purpose in an efficient, transparent, and accountable manner.

The Center is a non-profit, non-partisan group supported by membership dues. For information about membership, call (651) 224-7477, or visit our web site at [www.fiscalexcellence.org](http://www.fiscalexcellence.org)

## Table of Contents

|  |           |
|--|-----------|
| <b>INTRODUCTION.....</b>   | <b>1</b>  |
| <b>GETTING STARTED: UNDERSTANDING THE BASICS .....</b>   | <b>2</b>  |
| <b>STEP ONE: SPLIT YOUR PROPERTY TAX CHANGE INTO LEVY EFFECTS<br/>&amp; VALUATION EFFECTS.....</b> | <b>5</b>  |
| <b>STEP TWO: BREAK DOWN YOUR LOCAL LEVY DECISIONS .....</b>  | <b>9</b>  |
| <b>STEP THREE: GETTING INVOLVED!.....</b>  | <b>18</b> |
| <b>DO YOU THINK YOUR PROPERTY IS OVER-ASSESSED?.....</b>   | <b>20</b> |
| <b>SAMPLE PROPERTY TAX STATEMENT .....</b>   | <b>21</b> |

### **Understanding Your Property Tax Changes: March 2019 Edition**

© Minnesota Center for Fiscal Excellence

This publication may be copied, reprinted, and distributed at will. Please credit the Minnesota Center for Fiscal Excellence.

For information contact:

Minnesota Center for Fiscal Excellence

85 E. Seventh Place, Suite 250

St. Paul, MN 55101

Phone: 651-224-7477

email: [info@fiscalexcellence.org](mailto:info@fiscalexcellence.org)

Website: <http://www.fiscalexcellence.org>

**Introduction**

Do property taxes irritate you? That’s not surprising. Countless surveys have found that property taxes are the most hated form of taxation. No other tax has been the target of more citizen “revolts” around the country, and no other tax has been the subject of more attempts to limit actual collections.

For taxpayers property taxes are complicated, confusing, unpredictable, and – perhaps most significantly – extremely visible. Unlike sales tax payments to government that dribble out of your pocketbook over the course of a year or income tax withholdings which never show up in your checking account in the first place, the property tax is an “in your face” lump sum which many have to write big checks for twice a year.

At the same time, property taxes are the most indispensable form of tax revenue for local government and will stay that way for many good reasons. For local governments it is highly stable revenue – economic conditions generally won’t affect collections. It is also highly predictable revenue – local governments themselves determine the amount of property taxes they collect. It helps insulate local governments and their budgets from the decisions of lawmakers in St. Paul. It is essentially impossible to avoid. And perhaps above all, it does a fantastic job of matching taxpayers’ expectations of government with their willingness to pay for it.

For these reasons – like it or not – property taxation is here to stay. It will always be an important and integral part of our tax system. As a result, greater public understanding, acceptance, and trust of the property tax is not really an option but an absolute necessity.

**That process begins at the ground level – with your own property tax bill and your ability to understand the reasons why that bill changes every year. That’s the objective of this “how to” guide.**

In a step-by-step, question-and-answer format this guide explains how to break down your property tax bill and identify the reasons why your property taxes change. By understanding the reasons for change you can identify the people, places and issues that are having the biggest influence on your property tax bill. That’s the final payoff – using this understanding to become a more engaged and knowledgeable participant in your local government’s budget and levying processes and gaining more influence over your property tax bill as a result.

Are you ready to start? Let’s go!

**Getting Started: Understanding the Basics**

*Q: All right, I'm game. Where do we start?*

A: Before breaking down your own property tax bill, it's important to have some basic understanding of three basic parts of the property tax system all of which affect your property tax bill.

*Q: OK, what's first?*

A: Let's start with the most important part: **the local levies**. Your property is located in a city or township, a county, a school district, and probably one or more "special taxing districts" (like a watershed district). These are all called "jurisdictions". Each jurisdiction in Minnesota independently determines how much money it wants to spend during the upcoming year and sets the amount of property taxes it wants to collect in the upcoming year (a "levy") to help finance that level of spending. Most of the time elected officials set the levy after seeking citizens' input but occasionally voters themselves have the opportunity directly approve a levy. Your total property tax bill is really a collection of bills from all these different local governments. (Property tax trivia: there are roughly 6,200 different combinations of local taxing jurisdictions – or "unique taxing areas" – in Minnesota!)

*Q: What affects decisions about how much property taxes to levy?*

A: A lot of things. The biggest influence is the type, amount and quality of services locally elected officials decide to provide to satisfy their citizens' needs, wishes, and expectations. But levy decisions are also heavily influenced by:

- local governments' ability to raise money from non-property tax sources, like fees for services or other charges
- the use of budget reserves (or a desire to increase reserves)
- the level of financial support state government provides
- cost inflation in the delivery of government services
- various mandates which the state and federal government impose that require local governments to do certain things, deliver particular types of services, or deliver services in a certain way. In many cases, aid payments only partially reimburse local governments for the cost of these mandates – if they are reimbursed at all.

In short, there are a lot of factors which go into the levy setting process.

*Q: OK, that all makes sense. What's the second part?*

A: After the levy, the second big part is **the change in property values**. Governments need a way to spread out that levy among all the property owners in their jurisdiction. That's where property values come in. It's useful to think of property values as what determines the size of your piece of the property tax levy pie.

*Q: So if my property value goes up my taxes will go up and if my property value goes down my taxes will go down?*

A: ***NO***, and we can't emphasize this enough! This is one of the biggest and most common misunderstandings citizens have about property taxes. Always remember, **local officials decide the overall size of the levy pie**. Because they just distribute the levy, higher property values don't create new property taxes and lower property values don't wipe out property taxes. In other words – ***changes in property values only change everyone's slice of the pie – they don't change the size of the pie itself.***

And unlike a change in the levy – which affects all properties in the same way – property values change in different ways for different properties. Market conditions cause the values of different types of property (for example, homes versus retail) to increase or decrease at different rates. Location will also cause property values to grow faster or slower than others. Remodeling can add substantial value to property. And new construction and property demolitions add to and subtract from the property tax base.

Why does this matter? Each year based on property assessments, the local levy gets redistributed based on everyone's relative share of total taxable value. If the taxable value of your property grows faster than overall growth in total taxable value, then your property becomes a bigger share of the tax base, and you pay a bigger portion of the overall levy. The opposite is also true – if the taxable value of your property grows more slowly than total taxable value, then your property becomes a smaller share of the tax base and you pay a smaller portion of the property tax levy.

### **What About Property Tax Rates?**

If you've ever attended a Truth in Taxation hearing or looked at local governments' budget presentations, you've probably seen your property tax rates compared (probably favorably) to other communities. So you may be asking, how much attention should I pay to property tax rates when I try to understand the changes to my property tax bill?

Our advice is simple: **Ignore Them**

Property tax rates aren't like income and sales tax rates, which influence the amount of revenues government collects. Property tax rates are determined by taking a ***set amount of money that a government decides to collect*** (the levy) ***and dividing it by the taxable value in its jurisdiction.*** Property tax rates are just something local governments need to properly allocate tax burden across property owners. They don't tell you why property taxes are changing.

Don't get distracted by cogs in the system. Keep your eye on the levy decisions, which determine the actual amount of property tax dollars a local government will collect.

*Q: So if I understand you correctly, my property value might rise but if other properties' values rise faster, I might get a tax cut?*

A: That's certainly possible. Of course the opposite could also happen – if your property's taxable value declines, but a recession causes other values to decline by more, you might see a tax increase.

*Q: Wait a minute, you just mentioned "taxable value". Is that different from the assessed value of my property?*

A: Yes, and that is the final part of the property tax system. Minnesota's property tax system has a long history of treating certain types of property favorably. Generally speaking, this favoritism – called "classification" – favors lower-valued homes, cabins, and farms at the expense of commercial and industrial property, utility property, and railroad property. The result is that the property values used to distribute the property tax levy are different than market values the local assessor assigns to your property.

It's easy to get lost in the incredibly complicated ways Minnesota uses to turn assessed value into taxable value, but the important point to remember is this: whenever policymakers change how taxable values are calculated, the practical effect is the same as market value changes: **tax burden gets shifted around among property owners**. Policymakers don't change this very often, but when they do it can have a significant impact on individual property tax bills.

*Q: So two things – changes in the property tax levy and relative changes in value – are basically what create the change in my property tax bill?*

A: Yes, but remember that your property tax bill is actually a collection of bills from several different governments. Each jurisdiction has its own levy and tax base.

*Q: OK, let's get down to the issue I'm most interested in. Just how do I figure out what's responsible for changes in my property tax bill?*

A: Figuring this out is a two-step process.

**STEP ONE:** Split the total change in your property tax bill between the change created by increases or decreases in the property tax levy, and the change created by relative changes in value.

**STEP TWO:** For jurisdictions where levy-induced changes have a noticeable impact on your property tax bill (you get to determine what is "noticeable"), determine WHY the levy is growing.

We'll now walk you through the tasks associated with both of these steps.

## Understanding Your Property Tax Changes: March 2019 Edition

### STEP ONE: Split Your Property Tax Change Into Levy Effects & Valuation Effects

#### Q: How do I get started?

A: To assign responsibility between levies and values for the changes in your property tax bill for the upcoming year you need two pieces of information. The first is the property tax bill that local governments send out every year in late March or early April (see below for an example). The bill will show the property taxes for your property for both the current year and the year before.



**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 Road South  
Spruceville, MN 55555-5555

Property ID Number: 01.234.56.7890.R1

#### Property Description:

Lot 5, Block 13 of the Spruceville Estates Addition to the City of Spruceville.

| Tax Statement                    |                            | 2019        |             |
|----------------------------------|----------------------------|-------------|-------------|
| 2018 Values for Taxes Payable in |                            |             |             |
| Step<br><br><b>1</b>             | Values and Classification  |             |             |
|                                  | <b>Taxes Payable Year:</b> | <b>2018</b> | <b>2019</b> |
|                                  | Estimated Market Value:    | \$141,100   | \$143,000   |
|                                  | Homestead Exclusion:       | \$25,261    | \$24,712    |
|                                  | Taxable Market Value:      | \$107,839   | \$114,488   |
| New Improvements:                | \$0                        | \$0         |             |
| Property Classification:         | RES HMSTD                  | RES HMSTD   |             |
| <i>Sent in March 2018</i>        |                            |             |             |
| Step<br><br><b>2</b>             | Proposed Tax               |             |             |
|                                  | Proposed Tax:              |             | \$1,570     |
| <i>Sent in November 2018</i>     |                            |             |             |
| Step<br><br><b>3</b>             | Property Tax Statement     |             |             |
|                                  | First-half Taxes:          |             | \$780.55    |
|                                  | Second-half Taxes:         |             | \$780.55    |
|                                  | Total Taxes Due in 2019:   |             | \$1,561.10  |

\$\$\$

REFUNDS?

*You may be eligible for one or even two refunds to reduce your property tax.*

*Read the back of this statement to find out how to apply.*

#### Tax Detail for Your Property:

| Taxes Payable Year:   | 2018                     | 2019              | Taxes Payable Year:                                   | 2018              | 2019              |
|---|--------------------------|-------------------|---|-------------------|-------------------|
| 1. Use this amount on Form M1PR to see if you are eligible for a homestead credit refund. File by August 15. If this box is checked, you owe delinquent taxes and are not eligible. | <input type="checkbox"/> | \$1,531.10        | 10. Special Taxing Districts                          |                   |                   |
| 2. Use these amounts on Form M1PR to see if you are eligible for a special refund.  | \$1,428.92               |                   | A. Metropolitan special taxing districts              | \$64.66           | \$69.34           |
| <b>Property Tax and Credits</b>   |                          |                   | B. Other special taxing districts                     | \$10.15           | \$11.22           |
| 3. Property taxes before credits  | \$1,428.92               | \$1,531.10        | C. Tax increment financing                            | \$0.00            | \$0.00            |
| 4. Credits that reduce property taxes   |                          |                   | D. Fiscal disparity                                   | \$6.84            | \$6.84            |
| A. Agricultural and rural land credits  | \$0.00                   | \$0.00            | 11. Non-school voter-approved referenda levies        | \$0.00            | \$0.00            |
| B. Taconite tax relief  | \$0.00                   | \$0.00            | 12. Total property tax before special assessments     | \$1,428.92        | \$1,531.10        |
| C. Other credits  | \$0.00                   | \$0.00            | <b>Special Assessments</b>                            |                   |                   |
| 5. <b>Property taxes after credits</b>  | <b>\$1,428.92</b>        | <b>\$1,531.10</b> | 13. Special assessments                               |                   |                   |
| <b>Property Tax by Jurisdiction</b>   |                          |                   | A. Curb and street improvements                       | \$30.00           | \$30.00           |
| 6. County   | \$438.06                 | \$474.18          | B.  |                   |                   |
| Regional Rail Authority   | \$5.96                   | \$6.18            | C.  |                   |                   |
| 7. City or Town   | \$273.79                 | \$302.06          | 14. <b>TOTAL PROPERTY TAX AND SPECIAL ASSESSMENTS</b> | <b>\$1,458.92</b> | <b>\$1,561.10</b> |
| 8. State General Tax  | \$0.00                   | \$0.00            |   |                   |                   |
| 9. School district  |                          |                   |   |                   |                   |
| A. Voter approved levies  | \$289.35                 | \$296.68          |   |                   |                   |
| B. Other local levies   | \$340.11                 | \$364.60          |   |                   |                   |

Source: Minnesota Department of Revenue

The other piece of information you need is the levy change – in percent – for the governments that tax your property. Fortunately, there is “one stop shopping” for this information – local governments report both their proposed and final levies to the Department of Revenue. You can find the final (“certified”) property tax levies for 2019 at <http://www.revenue.state.mn.us/propertytax/Pages/ptlevies-19c.aspx>. Click on the spreadsheet at the bottom of the page, and gather information on the levies for your county, your city or township, your school, and any other government with a levy listed in your property tax statement.

If you can’t find this information, you will need to contact either the Department of Revenue or your local governments and ask them to provide it for you.

*Q: Could I do this with the Truth-in-Taxation statement I get each November?*

A: You could. Truth-in-Taxation (TnT) statements show what your property taxes would be if local governments went ahead with their proposed levies. And the Department of Revenue publishes proposed property tax levies on its website, so the information you need is more or less available. However, there are challenges to doing these calculations using TnT statements. The numbers aren’t final, so your actual bill will almost certainly be different. TnT statements don’t account for any school referenda voters approved in the most recent election, which complicates things a lot. And TnT statements combine property taxes for a lot of small governments. So while you can do this with your TnT statement (see page 21 for a sample), you’re probably better off waiting until your actual bill arrives.

*Q: Okay, I have all the information you described. Now what do I do?*

A: Levy changes affect each property the same because the change would be spread evenly across all properties if the tax base didn’t change. Value changes then redistribute that new levy amount. Figuring out how much of your property tax change to assign to each of these factors is easy to do. We’ll walk you through it using a real example. (To simplify things, we’ve rounded everything to the nearest dollar.)

- 1. To find the effects of levy changes on your bill: look on the statement for the property taxes each government imposed on your property this year. Then multiply each amount times the percent change the relevant government’s levy for the upcoming year.** Schools will have voter approved levies and other levies listed separately – be sure to add them together before you start.

This shows the change in taxes on your property local officials created by adjusting overall levies – before any accounting for any value changes. In this example, levy changes alone would trigger a roughly \$282 increase in property taxes.

(Note: your property tax bill may show a small amount of “non-school voter approved referenda levies”. There isn’t enough information to allocate these properly.)

**Understanding Your Property Tax Changes: March 2019 Edition**

| Unit of Government                | 2018 Taxes     | Actual 2019 Levy Change | Resulting Tax Change |
|-----------------------------------|----------------|-------------------------|----------------------|
| Washington County General         | \$981          | 5.42%                   | \$54                 |
| Washington County Regional Rail   | \$7            | (15.04%)                | (\$1)                |
| City of Woodbury                  | \$1,102        | 4.79%                   | \$53                 |
| South Washington Schools          | \$2,329        | 7.65%                   | \$178                |
| Metropolitan Council              | \$27           | (22.74%)                | (\$6)                |
| Metropolitan Council Transit      | \$40           | 13.34%                  | \$5                  |
| Metropolitan Mosquito Control     | \$14           | 2.00%                   | <\$1                 |
| Ramsey-Washington Metro Watershed | \$127          | (1.57%)                 | (\$2)                |
| County CDA                        | \$48           | 3.56%                   | \$2                  |
| City HRA                          | \$8            | 0.00%                   | \$0                  |
| <b>Total</b>                      | <b>\$4,684</b> | <b>6.03%</b>            | <b>\$282</b>         |

- To find the effects of value changes: look on the statement for the tax amounts each government will levy against your property in the upcoming year. From that, subtract BOTH the current year taxes and the property tax changes created by changes in the various property tax levies that you found in the last step. What's left is the impact that changes in property values are having on the change in your property tax bill.

Continuing our example from above, value changes in this homeowner's community reduced his or her home's share of the total property tax base for the school district and a few smaller taxing authorities. These value changes offset \$33 of the \$282 property tax increase that the levy increases have created. In other words, value changes are shifting 12% of the levy increases onto other property owners. In total, levy changes and value changes combine to create an overall city, county, school, and Met Council tax increase of \$250 (5.1%).

| Unit of Government                | 2019 Taxes     | Minus 2018 Taxes | Minus Tax Change Due to Levy Changes | Equals Tax Change Due to Value Changes |
|-----------------------------------|----------------|------------------|--------------------------------------|--|
| Washington County General         | \$1,039        | \$981            | \$54                                 | \$5                                    |
| Washington County Regional Rail   | \$6            | \$7              | (\$1)                                | (<\$1)                                 |
| City of Woodbury                  | \$1,161        | \$1,102          | \$53                                 | \$6                                    |
| South Washington Schools          | \$2,462        | \$2,329          | \$178                                | (\$46)                                 |
| Metropolitan Council              | \$23           | \$27             | (\$6)                                | \$2                                    |
| Metropolitan Council Transit      | \$46           | \$40             | \$5                                  | \$1                                    |
| Metropolitan Mosquito Control     | \$15           | \$14             | <\$1                                 | <\$1                                   |
| Ramsey-Washington Metro Watershed | \$124          | \$127            | (\$2)                                | (\$1)                                  |
| County CDA                        | \$50           | \$48             | \$2                                  | (<\$1)                                 |
| City HRA                          | \$8            | \$8              | \$0                                  | (<\$1)                                 |
| <b>Total for Listed Govts</b>     | <b>\$4,934</b> | <b>\$4,684</b>   | <b>\$282</b>                         | <b>(\$33)</b>                          |

*Q: So if I understand the example correctly this homeowner's property tax bill is projected to go up by \$250 next year. Local levy changes alone would increase the tax bill by \$282 and value changes that change the size of everyone's piece of the levy pie offset \$33 of that increase. Is that right?*

A: You got it! Congratulations!

*Q: It seems to me that when real estate markets are really volatile, relative valuation changes can have a huge influence on my property tax bill. Am I right?*

A: Absolutely, and the way Minnesota's property tax system is set up makes that volatility even worse. For example, the way Minnesota changes market values into taxable values causes business properties to get taxed at about twice the rate homes do. This generally protects homeowners from higher property tax burdens when property values are rising. But when a recession hits and business properties fall in value faster than homes do, the "extra" burden they carry usually sloshes over to homeowners.

Always remember this: valuation shifts can "mask" changes in your property tax bill caused by levy decisions by shifting more tax away from (or more tax toward) your property than levy changes do. Know how changes in your property's value are influencing your property tax bill.

*Q What should I do if I disagree with the value my county assessor puts on my property?*

A: Although property assessment is based on sophisticated methods and modeling and there are strict standards that assessors have to follow, assessing property values is still partly an art form. Assessors sometimes overvalue a property, which leads to tax bills that are higher than they should be. If you think the value of your home or business is overstated, you can appeal the assessment by contacting your county assessor's office. We have outlined the appeals process at the end of this guide.

Importantly, you need to contact the assessor as soon as possible after you receive your value statement sometime during the first part of the year. If you wait until your Truth-in-Taxation meeting in December, you've waited too long. Those meetings are only about the budget and property tax levy for the upcoming year. See page 22 for information on how the process for appealing your valuation works.

**STEP TWO: Break Down Your Local Levy Decisions**

*Q: OK, now I know how much of my property tax change is being driven by levy effects and how much is being driven by valuation effects. Why do I need to know more about why the levies are changing?*

A: First things first. If you're still reading this guide, it's probably because your property tax levies are going up. Even though everything from this point forward is important whether levies go up or down, we'll talk about levy decisions assuming the choice has been to go higher.

You need to know more about this because when levy increases trigger property tax increases, the result is too often a "blame game" with little accountability. One of the biggest challenges in assigning responsibility for levy increases is that it is very easy to point the finger at someone else. For example, one person claims levies are going up because state aids are insufficient. Someone else claims state mandates are the problem. Yet someone else claims the real problem is a lack of spending restraint by locally elected officials. Who are you supposed to believe?

Remember our earlier discussion about the different factors affecting property tax levy decisions? It's not really possible to assign a specific levy amount to each of them. BUT with a little effort (and some assistance from your local governments) you can get a much clearer understanding of what is driving the increases in your local levies. Importantly, this will help you assign responsibility for property tax increases to the right places.

Even armed with this information assigning responsibility for tax increases due to higher levies will always be a judgment call. But it's important to have the relevant facts to make an informed judgment. With a little effort, you can put the pieces of this puzzle together and evaluate the situation for yourself.

*Q: How do I start?*

A: Begin by understanding how the levy total was derived. You may have asked yourself in the past just how your local government determines the amount it needs to levy. To answer this, you need some understanding about how local officials create their annual budgets.

The most important thing to keep in mind is that for local officials, the property tax is the revenue of "last resort". In the budgeting process, elected officials and their staff figure out how much they want to spend to provide the goods and services they think citizens demand (some of which the state requires them to provide). They then determine how much of the spending can be financed outside of the property tax. These financing sources include things such as the use of reserves, aid payments, charges for services, fees, and fines. The financing hole that remains must be filled with the property tax – as a "last resort".

Local officials may go through this process several times if they think the balance between spending and revenues isn't right and the resulting "revenue source of last

resort” will be unacceptably high to citizens. But ultimately, their final budget will reflect their best efforts to balance property tax burden with local needs and expectations.

*Q: Talk more about aid payments from other governments. I’ve heard that my property taxes rise when state aid to local governments falls and that taxes fall when the state increases those aids. Is that true?*

A: Generally speaking, aids from the state are an important revenue source for many local governments (and are absolutely HUGE for school districts). The state provides two different kinds of aids for cities and counties. There are “general purpose” aids – like Local Government Aid (LGA) – that can be spent on anything. Then there are “categorical” aids that must be used to fund very specific items, often related to human services or highways. When the state cuts these aids, local governments are often still required to deliver the service they paid for, which increases the pressure on property taxes.

**BUT...just because the state increases or decreases aid to local governments does NOT mean that property taxes have to go up or down in response.** When the state cuts aids, local governments must either reduce spending, find replacement funding from another source, or some combination of the two. When the state increases aids, local governments can either increase spending and/or reduce other burdens, like property taxes. Determining whether and how aid changes really trigger property tax changes requires some investigation into your local governments’ revenue and spending decisions.

*Q: That helps a lot. So spending changes, aid changes, and changes in other non-property tax revenues all work together to influence the change in a local government’s property tax levy. How do I figure out what’s going on?*

A: First, keep in mind the “math” behind the levy:

|  |
|--|
| Total Spending and Revenues Being Saved For Future Use             |
| <b>MINUS</b><br>State and Federal Aids                             |
| <b>MINUS</b><br>Local Non-Property Tax Revenues and Use of Savings |
| <b>EQUALS</b><br>Property Tax Levy                                 |

To plug the numbers into this formula, you need to get spending and revenue data for your local governments. We won’t kid you – finding information on a proposed budget for the upcoming year can be difficult.

Start by looking for the budget or finance area of your local governments’ websites. If you are lucky you might find all the data you need posted cleanly and simply on a

## Understanding Your Property Tax Changes: March 2019 Edition

webpage. Washington County provides one example of an excellent budget summary (<https://www.co.washington.mn.us/DocumentCenter/View/22614/Budget-Summary-History-2016-2019>) with all the information you need on its website. So that you can see what we're talking about, we've reprinted their information on this page and the next.

|  | 2016<br>Actual       | 2017<br>Actual       | 2018<br>Adopted      | 2019<br>Adopted      |
|--|----------------------|----------------------|----------------------|----------------------|
| <b>REVENUES</b>                                    |                      |                      |                      |                      |
| County Portion of Tax Levy                         | \$91,975,400         | \$95,428,900         | \$102,480,300        | \$108,090,200        |
| Regional Rail Authority Portion of Tax Levy        | \$750,600            | \$776,800            | \$776,800            | \$660,000            |
| Referendum Portion of Tax Levy                     | \$1,058,400          | \$1,058,400          | \$1,058,400          | \$1,058,400          |
| Tax Increments                                     | \$40,200             | \$37,600             | \$0                  | \$0                  |
| All Other Taxes                                    | \$10,456,800         | \$14,169,600         | \$10,843,500         | \$20,760,500         |
| Special Assessments                                | \$0                  | \$0                  | \$0                  | \$0                  |
| Licenses and Permits                               | \$4,543,600          | \$4,673,800          | \$4,945,700          | \$5,046,400          |
| Federal Grants                                     | \$17,767,000         | \$17,802,200         | \$17,378,500         | \$29,688,400         |
| State General Purpose Aid                          | \$9,038,500          | \$9,113,400          | \$10,104,300         | \$10,027,100         |
| State Categorical Aid                              | \$41,586,800         | \$36,742,300         | \$41,634,600         | \$42,268,200         |
| Grants from County/Other Local Units               | \$12,121,200         | \$34,395,800         | \$6,899,100          | \$12,230,200         |
| Fees for Services                                  | \$16,378,100         | \$17,216,400         | \$15,701,600         | \$16,209,800         |
| Fines & Forfeits                                   | \$306,300            | \$393,800            | \$239,000            | \$334,400            |
| Interest on Investments                            | \$2,742,800          | \$3,673,100          | \$1,990,300          | \$2,691,900          |
| All Other Revenues                                 | \$10,644,000         | \$10,580,700         | \$10,428,000         | \$10,462,200         |
| <b>Total Revenues</b>                              | <b>\$219,409,700</b> | <b>\$246,062,800</b> | <b>\$224,480,100</b> | <b>\$259,527,700</b> |
| Proceeds from Bond Sales                           | \$20,579,800         | \$46,725,400         | \$0                  | \$33,500,000         |
| Planned Use/(Contribution) of Fund Balance         | (\$11,613,500)       | \$22,002,000         | (\$2,372,200)        | (\$7,728,000)        |
| Interfund Transfers In                             | \$5,199,000          | \$3,751,200          | \$2,154,800          | \$2,806,400          |
| <b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>  | <b>\$233,575,000</b> | <b>\$318,541,400</b> | <b>\$224,262,700</b> | <b>\$288,106,100</b> |
| <b>EXPENDITURES by FUNCTION</b>                    |                      |                      |                      |                      |
| <i>Current Expenditures</i>                        |                      |                      |                      |                      |
| General Government                                 | \$27,827,300         | \$30,229,600         | \$30,401,600         | \$33,950,800         |
| Public Safety                                      | \$47,487,600         | \$50,526,400         | \$51,718,300         | \$55,677,500         |
| Streets and Highways                               | \$10,684,800         | \$11,473,100         | \$12,220,500         | \$12,704,900         |
| Sanitation   | \$7,692,600          | \$7,604,800          | \$7,889,500          | \$8,597,500          |
| Human Services                                     | \$39,275,700         | \$40,823,800         | \$43,691,100         | \$45,747,100         |
| Health   | \$8,302,900          | \$9,417,500          | \$9,670,600          | \$10,209,500         |
| Culture and Recreation                             | \$14,606,400         | \$15,608,700         | \$13,243,000         | \$13,586,500         |
| Conservation of Natural Resources                  | \$956,400            | \$216,600            | \$162,700            | \$2,687,700          |
| Economic Development and Housing                   | \$3,336,300          | \$2,992,300          | \$2,904,400          | \$2,903,400          |
| All Other Current Expenditures                     | \$6,594,400          | \$7,105,200          | \$7,484,900          | \$7,758,400          |
| <b>Total Current Expenditures</b>                  | <b>\$166,764,400</b> | <b>\$175,998,000</b> | <b>\$179,386,600</b> | <b>\$193,823,300</b> |
| Debt Service - Principal                           | \$7,010,000          | \$64,440,000         | \$9,715,000          | \$10,975,000         |
| Interest and Fiscal Charges                        | \$6,758,400          | \$38,515,100         | \$3,834,600          | \$3,989,600          |
| Streets and Highways Capital Outlay                | \$32,727,900         | \$26,095,600         | \$27,428,700         | \$76,013,000         |
| All Other Capital Outlay                           | \$15,115,300         | \$9,741,500          | \$1,743,000          | \$498,800            |
| Interfund Transfers Out                            | \$5,199,000          | \$3,751,200          | \$2,154,800          | \$2,806,400          |
| <b>Total Other Expenditures and Financing Uses</b> | <b>\$66,810,600</b>  | <b>\$142,543,400</b> | <b>\$44,876,100</b>  | <b>\$94,282,800</b>  |
| <b>TOTAL EXPENDITURES BY FUNCTION</b>              | <b>\$233,575,000</b> | <b>\$318,541,400</b> | <b>\$224,262,700</b> | <b>\$288,106,100</b> |

| <b>EXPENDITURES by EXPENDITURE TYPE</b> |                      |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|
| Client/Citizen Related Support          | \$18,771,900         | \$18,843,500         | \$19,010,000         | \$18,564,500         |
| Wages                                   | \$73,192,900         | \$77,922,500         | \$85,423,200         | \$90,919,700         |
| Benefits:                               |                      |                      |                      |                      |
| Public Employee Retirement              | \$6,802,200          | \$6,721,100          | \$6,958,400          | \$7,554,300          |
| Social Security                         | \$4,838,100          | \$5,384,300          | \$5,809,300          | \$6,221,500          |
| Medical Insurance                       | \$8,225,900          | \$9,617,300          | \$9,913,100          | \$10,638,600         |
| Other Benefits                          | \$7,880,800          | \$8,090,100          | \$8,497,800          | \$9,779,100          |
| Services & Charges                      | \$31,991,900         | \$33,574,200         | \$32,753,200         | \$35,780,100         |
| Material & Supplies                     | \$7,752,000          | \$8,581,500          | \$7,925,500          | \$8,446,700          |
| Capital Outlay                          | \$54,787,800         | \$42,693,800         | \$31,862,700         | \$82,025,600         |
| Debt Service                            | \$13,765,300         | \$73,691,500         | \$13,549,600         | \$14,964,600         |
| Other Financing Uses                    | \$5,566,200          | \$33,421,600         | \$2,559,900          | \$3,211,400          |
| <b>TOTAL EXPENDITURES by TYPE</b>       | <b>\$233,575,000</b> | <b>\$318,541,400</b> | <b>\$224,262,700</b> | <b>\$288,106,100</b> |

What’s more likely, though, is that you’ll find the information you want for the current year but not for the upcoming year. In that case, you’ll need to contact your local government to ask for the same information for the upcoming year. You’ll need to ask for information from both years if the website doesn’t provide anything useful (or if there’s no website at all).

The best data to use will include all the funds the government operates. You can look just at the government’s General Fund if you like – but you will miss out on a part of the property tax story.

*Q: Do I really need to do this for every local government on my property tax statement?*

A: That’s probably not worth the effort. Let the things you’ve already found out guide your investigation. If one particular local levy is growing the fastest or has the biggest impact on your property tax bill, you probably want to focus your effort there.

**For Some Properties, It’s the “Big Three” Plus One:  
Minnesota’s State General Tax**

Although most property taxes in Minnesota fund local governments, the state does levy a tax against business properties – mostly commercial, industrial, utility, railroad, and resort properties – and cabins. Known as the “state general tax”, lawmakers created this tax in 2001 and the total amount levied has grown by about 40% since then.

For taxes payable in 2019 the levy on cabins across Minnesota is \$44.2 million and the levy on business properties is \$784.6 million. In the Twin Cities metro area, the state general levy is often the largest piece of a commercial or industrial property owner’s tax bill – and it is a significant piece of the bill for properties in other portions of the state as well.

The important thing to keep in mind with the state general tax is that state lawmakers control it and use the revenues from it to pay for statewide spending needs. Lawmakers are free to raise or lower the amount they levy during their budgeting processes. If you are concerned about the growth in this part of your property tax bill, express your concerns to your state legislators.

## Understanding Your Property Tax Changes: March 2019 Edition

As we mentioned before, we recommend focusing on the “big three”: **your city/township, your school district, and your county**. In most cases these governments are going to be responsible for over 90% of your local property tax bill, so looking at them gives you the best return on your investment of time.

*Q: Well then, walk me through what I need to do next.*

A: Let’s go back to the example we’ve been using and our formula. Add up the numbers, plug them in and see what it tells you.

One important tip: local governments’ budget plans often include either putting aside money for the future or using savings from previous years to pay for spending now. These actions often affect changes in the property taxes local governments levy. As just one example, governments can pay for new spending with savings from prior years instead of turning to other sources – like the property tax. You want to account for this as you evaluate any increases in property tax levies.

If your local government is raising more money than it’s spending, add the excess revenues to total spending (“Revenues Being Saved For Future Use”) in the formula so that the math works out right. If your local government is spending money that was saved in previous years, just include that with the local non-property tax revenues (“Use of Savings”) in the formula.

Returning to the example we’ve been using, you can see in the table below that Washington County’s total proposed spending for the upcoming year is substantially higher than in the current year – nearly \$64 million above 2018 levels. The county is offsetting most of those higher costs somewhat with an additional \$40.2 million from local non-property tax revenues – mostly sales of bonds to finance building projects. However, there’s also a roughly \$18 million in new revenues from other governments – mostly federal grants and money from other local governments.

This mix of financing and spending changes creates a \$5.5 million funding gap between what the county wants to spend, what it can get from non-property tax sources, and the previous year’s property tax levy. This \$5.5 million gap will be filled by additional property taxes.

| <b>Washington County</b>   | <b>2018</b>          | <b>2019</b>          | <b>Change</b>       |
|--|----------------------|----------------------|---------------------|
| Total Spending plus Revenues Being Saved for Future Use          | \$224,262,700        | \$288,106,100        | <b>\$63,843,400</b> |
| Minus: Aid from State, Federal, and Local Governments            | \$76,016,500         | \$94,213,900         | <b>\$18,197,400</b> |
| Minus: Local Non-Property Tax Revenues, Including Use of Savings | \$43,930,700         | \$84,083,600         | <b>\$40,152,900</b> |
| <b>Equals: Property Taxes Levied</b>                             | <b>\$104,315,500</b> | <b>\$109,808,600</b> | <b>\$5,493,100</b>  |
| Note: Includes the county’s Regional Rail Authority              |                      |                      |                     |

**Rather than make you do this math, we encourage you to contact your local governments and ask them to summarize this information in this format and make it available to citizens on their websites.**

*Q: I can see how this presentation provides a helpful perspective and puts the levy decision in a useful context. Now what?*

A: That depends to some extent how you interpret the changes. If you're concerned that revenues aren't growing fast enough (or at all), then you'll want to know more about why non-property tax revenues are changing. If you believe the growth in spending is a potential concern, then you'll want to understand more about why spending is changing.

*Q: How can I do this?*

A: Let's start on the revenue side. You'll want to group revenues into two categories. One group of revenues are those the local governments don't have any control over – the aids they get from other governments, primarily the state. As we mentioned before, there are two kinds of aids – general purpose and categorical. If categorical aids have changed, look into whether the spending they're linked to has changed, too. If general purpose aids have changed, you'll want to ask local officials what their thinking was as they responded to those changes.

The other category to look into is the non-property tax revenues that your local government has some control over. This includes all sorts of things, including license or permit charges, charges for the services a government provides, fines, and use of savings. Once you've identified the biggest changes, you'll be able to ask good questions about why and how the revenues your local government depends on are changing.

*Q: That doesn't seem to hard. What about the spending side?*

A: Digging into spending changes is a little more complicated. You'll want to look at your local governments' proposed spending changes two different ways. The first is by “**department**” (governments sometimes describe this kind of information using the words “**function**” or “**program**”). Looking at spending by department allows you to see how much government spends on different types of services (like “public safety”, “parks and recreation”, “public works” etc.). This gives you an “output” perspective on government spending. Local governments usually provide excellent spending summaries by department.

The second way is less common but no less important – spending by **expenditure type**. Expenditure type reporting is an “input” perspective: summarizing government spending by *what* government is purchasing with public dollars – salaries, employee benefits, equipment, contracted services, etc. The example we provided back on pages 11 and 12 from Washington County has a good example of this.

Each way provides different and important insights about why government spending is changing.

- Looking at spending by department/program helps you understand *what* governments' spending priorities are and *how much* these programs cost.
- Looking at spending by expenditure type tells you *why* the cost of government is changing.

*Q: I care about the programs and services my local government offers and its spending priorities. Why should I pay attention to what governments actually buy with my tax dollars?*

A: Governments – like any other organization providing a good or service – face inflationary pressures that influence the cost of the things they must purchase in order to deliver public services. Because these pressures affect the cost of providing services, they can ultimately affect your property taxes. That’s important to know.

The problem with focusing only on a departmental view of spending is that you miss the influence these inflationary and cost pressures have on levies and ultimately your property tax bill. Much like how valuation shifts can “mask” levy-prompted changes in your property tax bill, looking only at outputs like “public safety” or “parks and recreation” can mask the effect these pressures have on what it costs to provide those government services.

Looking at spending by expenditure type is especially important when it comes to employee compensation, for a couple of different reasons. First, because government is fundamentally service-oriented, wages, health care benefits, retirement benefits and other forms of compensation are generally the biggest piece of a government’s operating budget. Knowing how those costs are changing will tell you a lot about why the cost of government services is changing.

But looking at compensation changes is also important since governments negotiate wages and most benefits with their employees. This gives governments more influence and control over compensation-related inflation costs than with goods that they purchase from sellers.

Governments have a very important, challenging and often sensitive task: balancing their employees’ very legitimate interests in compensation with the no less important public interest

that governments spend money effectively and wisely. Taxpayers need information on spending by expenditure type to be able to evaluate how well – in their opinion – elected officials are respecting and achieving that balance.

### **“What Are All These Different Funds?”**

When you gather this information, you might see references to different “funds”. Governments use different “funds” to hold money that is earmarked for different purposes.

Many governments will present information only for their “General Fund”, which holds the money that finances their day-to-day operations. The problem is that property taxes often pay for other things too – notably construction projects and payments on government debt. Try to get information on all the funds your local government uses to finance services.

General Fund information alone will give you most of the story, but without the other funds you may miss out on something important.

***Q: What if I can't find all this data?***

A: You can often find detailed data on spending by expenditure type in hefty budget documents but it is not often summarized in an easy-to-use way. **Rather than make you go through the time and hassle of sifting through thick budget documents to create the summary you need, we encourage you to contact your local governments and ask them to summarize this information for you (like Washington County has done) and make it available on their websites or in some other form.** They won't know citizens want information this way unless you tell them so!

***Q: All right. How do I use expenditure information?***

A: Again, focus your attention on issues that are having the biggest impact. Start by finding biggest spending changes using both the department and expenditure type information. Continuing to use Washington County as our example, we can see that one "functional" area – Streets and Highways Capital Outlay – is largely driving the additional spending for 2019, with the county bumping this area up by \$48.6 million. Three other areas have spending changes of between more than \$2.5 and 4 million: Public Safety, General Government, and Conservation of Natural Resources (U of M Extension and the county's Land and Water Legacy Program). Total spending in the remaining 9 areas increased by about \$5.2 million.

| <b>Selected Spending by Function, Washington County</b>    | <b>Current Year</b> | <b>Upcoming Year</b> | <b>Annual Change</b> |
|--|---------------------|----------------------|----------------------|
| Streets and Highways Capital Outlay                        | \$27,428,700        | \$76,013,000         | <b>\$48,584,300</b>  |
| Public Safety  | \$51,718,300        | \$55,677,500         | <b>\$3,959,200</b>   |
| General Government   | \$30,401,600        | \$33,950,800         | <b>\$3,549,200</b>   |
| Conservation of Natural Resources                          | \$162,700           | \$2,687,700          | <b>\$2,525,000</b>   |
| <b>Note: Includes the county's Regional Rail Authority</b> |                     |                      |                      |

The idea here is that you can identify the three or four spending areas that are having the biggest impact on the yearly change in government spending. Dig for more details in these areas – find out why these big changes are happening. Have the government's spending priorities changed? Are there large one-time projects that are creating big jumps or drops in certain spending areas? Has government reorganized its departments to provide services differently? The answers to questions like these will help you understand why spending is changing like it is.

***Q: So how do I use this expenditure type information?***

A: The same idea applies. Continuing our example, the four expenditure types with the biggest changes in spending (both upward and downward) account for most of the proposed spending changes. Taking another point of view helps give perspective on why the budget is changing. We can see that the higher spending is mostly coming from two areas: higher employee wages, and more purchases of big physical assets (capital outlay).

## Understanding Your Property Tax Changes: March 2019 Edition

| <b>Selected Spending by Expenditure Type,<br/>Washington County</b> | <b>Current<br/>Year</b> | <b>Upcoming<br/>Year</b> | <b>Annual<br/>Change</b> |
|---|-------------------------|--------------------------|--------------------------|
| Capital Outlay  | \$31,862,700            | \$82,025,600             | <b>\$50,162,900</b>      |
| Employee Wages  | \$85,423,200            | \$90,919,700             | <b>\$5,496,500</b>       |
| Services and Charges  | \$32,753,200            | \$35,780,100             | <b>\$3,026,900</b>       |
| Debt Service  | \$13,549,600            | \$14,964,600             | <b>\$1,415,000</b>       |
| Note: Includes the county's Regional Rail Authority                 |                         |                          |                          |

Again, the idea is that these findings will point you in the directions where you want to ask questions. If employee costs are changing, try to see what is having the biggest impact by getting more information about changes in the number of employees, and separate spending amounts for wages and benefits. If capital costs are changing – ask what new projects are being started or which other projects have been completed. If debt costs are changing – ask whether your government is taking on new debt, retiring old debt, or restructuring its existing debt.

In this example, capital outlay might represent the best example of how useful it is to look at spending information through two different lenses. Capital spending can sometimes get buried when spending data is presented by department or function, because each department will spend money on new assets (street construction, police stations and fire halls are just a few examples). Showing this data by expenditure type makes it apparent that the county is planning to spend a lot more money on capital equipment or buildings than it did in the previous year.

Will all this work make you an expert on your local governments' budgets? No. But you don't need to be an expert to engage with your local officials about the tax and spending decisions they are making in an informed and responsible way.

**STEP THREE: Getting Involved!**

*Q: This is all interesting information but wouldn't it just be a whole lot easier to gain control over property taxes by limiting how fast they can grow?*

A: That's the path a lot of states have taken and Minnesota has done this occasionally. But experience reveals three big problems and pitfalls with this idea:

- Limits undercut the critical idea of local control. With property tax limits, local governments become more reliant on state aids that are unpredictable, usually have stipulations attached, and are often political footballs. Limits also tend to centralize even more power at the state level and make it a lot more difficult for local governments to deliver services to residents and businesses based on their needs and expectations.
- Limits incentivize highly "creative" financing of government programs, which damages government accountability and transparency.
- Policymakers often decide to make exceptions to help fund certain services. Over time, the limits can become so riddled with exemptions that they are more ornamental than functional.

As we said at the beginning of this guide, property taxes are the bedrock of local government finance for very good reasons. Minnesota needs to offer high-quality public services, and a well-functioning property tax is essential for local governments to do just that. An informed, involved public can only make the system work better.

*Q: So how do I use this information to get involved? Should I go to the "Truth-in-Taxation" meetings my local governments hold in December?*

A: You can go to the T-n-T meetings, but don't expect your input to result in major changes to the upcoming budget. By the time T-n-T meetings take place, the local budget process is nearly complete. There isn't enough time left before the beginning of the next budget year to make big changes. Truth-in-Taxation statements and any accompanying hearings are designed to allow local government officials to explain budget decisions to the public rather than give you the opportunity to influence decisions.

*Q: Should I go to my Truth-in-Taxation meeting to complain about the value the assessor put on my property.*

A: NO! If you think your assessed value is wrong, you need to contact the assessor as soon as possible after your value statement comes, sometime during the first part of the year. If you wait until your Truth-in-Taxation meeting in December, it's too late to change anything. Those meetings are only about the budget and property tax levy for the upcoming year. See page 20 for information on how the process for appealing your valuation works.

***Q: If T-n-T meetings aren't the way to go, then how can I engage with my local officials and influence my property tax bill?***

A: You need to involve yourself in the budget setting process. Local government officials begin planning their budgets each spring. Attending these early meetings are critical, because they set the tone for the budget by examining spending priorities and determining whether or not the budget should grow; and if so, by how much. We cannot emphasize enough the importance of taking part in these meetings if you want to influence local budgets (and by extension, property taxes). Contact your local governments to find out how to participate in the budget process from the beginning.

***Q: How can I be more effective in monitoring local budget preparations?***

A: Here are some ideas:

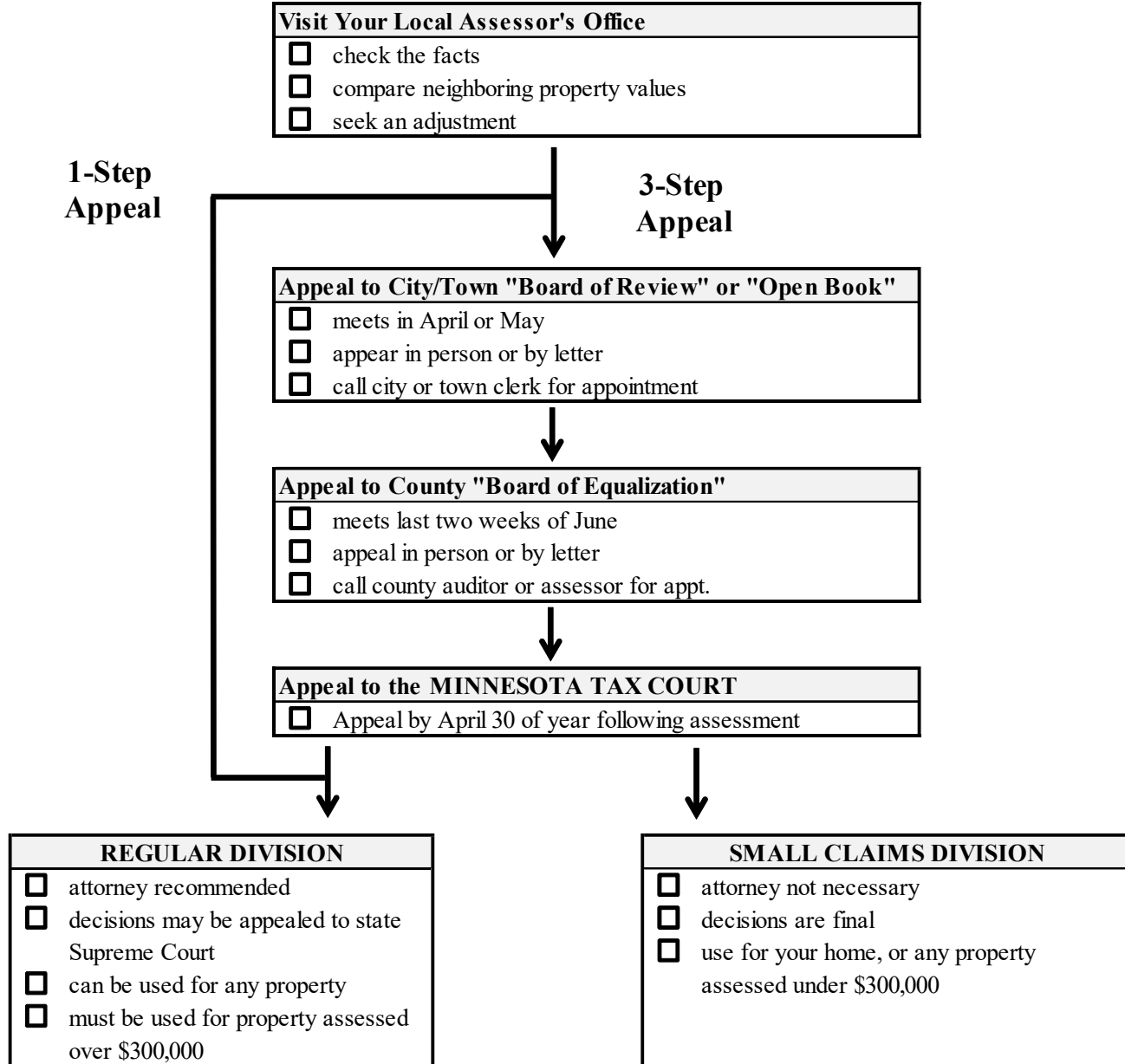
- Ask your local officials how you and your neighbors can get more involved in budgeting decisions earlier in the budget building process. Most large jurisdictions start building their budgets early in the year preceding the budget year (e.g. spring 2019 for the 2020 budget). Get in on the ground floor early next year.
- You might want to organize a neighborhood budget committee. The committee can be broken down into separate task forces – one for your city budget, one for your county budget, and one for the school budget.
- Each task force could designate one or more persons to attend budget meetings and get more involved in the details of budgeting. They could regularly report developments back to the task force, and each task force could report to the full committee at certain intervals. The task forces could also be used as a way to get educated about the issues and mechanics of spending programs. Invite experts to address your group about local issues and options.
- Some jurisdictions use citizen advisory committees as a study group or sounding board on budget decisions. Ask your local officials how you can be appointed to such committees.
- Contact various community organizations for educational material that will help you understand the issues facing your local officials. Seek out your local officials and ask questions about budgeting plans. Don't be shy – you are not expected to know everything.

***Q: Thanks for all your help – this has been really useful. But I have a question you didn't answer. What can I do about that?***

A: Get in touch with us! We'd be happy to talk to you – and perhaps include your question in next year's edition!

**Do You Think Your Property is Over-Assessed?**

The diagram below shows the steps you need to take to contest the value your local assessor gives to your property.



For more information about the Tax Court write to Minnesota Tax Court, Minnesota Judicial Center, Suite 245, 25 Rev. Dr. Martin Luther King, Jr. Blvd., St. Paul, MN 55155; call 651-296-2806; or go to <http://www.taxcourt.state.mn.us>

## Sample Truth in Taxation Statement



**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 2019

**THIS IS NOT A BILL. DO NOT PAY.**

| Step  | VALUES AND CLASSIFICATION        |            |           |
|---|----------------------------------|------------|-----------|
| <b>1</b>  | Taxes Payable Year               | 2018       | 2019      |
|   | Estimated Market Value           | \$125,000  | \$150,000 |
|   | Homestead Exclusion              | \$         | \$23,800  |
|   | Taxable Market Value             | \$125,000  | \$126,200 |
|   | Class                            | Res NHmstd | Res Hmstd |
| Step  | PROPOSED TAX                     |            |           |
| <b>2</b>  | Property Taxes before credits    | \$1,562.46 |           |
|   | School building bond credit      | \$ 12.00   |           |
|   | Agricultural market value credit |            |           |
|   | Other credits                    |            |           |
|   | Property Taxes after credits     | \$1,550.46 |           |
| Step  | PROPERTY TAX STATEMENT           |            |           |
| <b>3</b>  | Coming in 2019                   |            |           |
| <b>The time to provide feedback on PROPOSED LEVIES is NOW</b> |                                  |            |           |

#### Proposed Property Taxes and Meetings by Jurisdiction for Your Property

| Contact Information  | Meeting Information  | Actual 2018       | Proposed 2019     |             |
|--|--|-------------------|-------------------|-------------|
| State General Tax  | No public meeting  | \$0               | \$0               |             |
| County of Spruce<br>Spruce County Courthouse<br>123 Spruce St<br>Spruceville, MN 55555<br>www.co.spruce.mn.us<br>(555) 123-4567  | December 5, 7:00 PM  | \$438.06          | \$484.18          |             |
| City of Spruceville<br>Mayor's Office<br>456 Spruce St<br>Spruceville, MN 55555<br>www.ci.spruceville.mn.us<br>(555) 123-7654  | December 3, 6:30 PM<br>Spruceville City Hall               | \$273.79          | \$312.06          |             |
| Spruceville School District 999<br>150 1st St N<br>Spruceville, MN 55555<br>www.spruceville.k12.mn.us<br>(555) 123-6789  | December 10, 7:00 PM<br>Spruceville High School Cafeteria  |                   |                   |             |
| Voter Approved Levies  |  | \$289.35          | \$296.68          |             |
| Other Levies   |  | \$340.11          | \$374.60          |             |
| <i>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 2019 may be higher than the proposed amount shown on this notice.</i> |  |                   |                   |             |
| Metro Special Taxing Districts   |  | \$57.76           | \$58.70           |             |
| Spruceville Metropolitan Council<br>www.spruce.metrocouncil.org<br>(555) 555-5555<br>Spruceville, MN 55055   | December 12, 7:30 PM<br>Spruce Park Centre<br>500 Pine St. |                   |                   |             |
| Other Special Taxing Districts   | No public meeting  | \$12.80           | \$13.02           |             |
| Tax Increment Tax  | No public meeting  | \$10.15           | \$11.22           |             |
| <b>Total excluding any special assessments</b>   |  | <b>\$1,410.02</b> | <b>\$1,550.46</b> | <b>9.0%</b> |

Source: Minnesota Department of Revenue



*Sound tax policy. Efficient spending. Accountable government.*

**MINNESOTA FOUNDATION FOR  
FISCAL EXCELLENCE**