

MINNESOTA • REVENUE

PROPERTY TAX Prinsburg School District Levies

February 9, 2005

	Yes	No
Separate Official Fiscal Note Requested		
Fiscal Impact		
DOR Administrative Costs/Savings		

Department of Revenue
Analysis of H.F. 248 (Juhnke) / S.F. 485 (Johnson, D.E.)

	Fund Impact			
	<u>F.Y. 2006</u>	<u>F.Y. 2007</u>	<u>F.Y. 2008</u>	<u>F.Y. 2009</u>
	(000's)			
General Fund	(Negligible)	(Negl.)	(Negl.)	(Negl.)

Various effective dates.

EXPLANATION OF THE BILL

This proposal makes several changes in school district levies for Common School District No. 815, Prinsburg. The proposal reduces the threshold percentage of enrolled private school students to total district enrollment from 75% to 50%, effective July 1, 2005. Prinsburg would otherwise be required to maintain public elementary and secondary schools. The proposal also requires the Department of Education to determine the amount of outstanding tuition Prinsburg owes Independent School District No. 2180, MACCRAY, if they cannot agree on an outstanding tuition amount. Third, the proposal allows the district to convert recently passed referendum levies to special levies, which allows Prinsburg to levy the full amount per pupil authorized in the referendum. The levies will be used to fund the tuition payment shortfall to MACCRAY as well as an operating deficit for Prinsburg. Fourth, the bill authorizes the school district to recertify its levies to reflect these changes for taxes payable in 2005.

REVENUE ANALYSIS DETAIL

- Data supplied by the Minnesota Department of Education projects a levy for tuition reimbursement to MACCRAY of \$93,500 annually for fiscal years 2006-2008, and a Prinsburg operating deficit levy of \$38,000 annually for fiscal years 2006-2009.
- The levy increases will result in a small increase in homeowner property taxes, and result in a small increase in property tax refunds. This increase would be about \$3,000 per year for FY 2006-2008, and \$1,000 in FY 2009.

Number of Taxpayers: Taxpayers in Common School District No. 815.

Source: Minnesota Department of Revenue
Tax Research Division
http://www.taxes.state.mn.us/taxes/legal_policy