

PRE-ELECTION ESTIMATES

Buffalo-Hanover-Montrose Schools ISD #877
Analysis of Tax Impact for Potential Bond Issue
November 7, 2023 Election

June 12, 2023

Bond Issue Amount	\$41,500,000
Average Interest Rate	5.00%
Dated Date	2/1/2024
Number of Years	20

Type of Property	Estimated Market Value	Estimated Change in Annual Taxes from 2023 to 2024*
Residential Homestead	\$100,000	\$0
	150,000	0
	200,000	0
	250,000	0
	300,000	0
	350,000	0
	400,000	0
	500,000	0
Residential Non-Homestead Multi Unit and Apartments	750,000	0
	\$100,000	\$0
	250,000	0
	500,000	0
	1,000,000	0
Commercial/ Industrial #	2,500,000	0
	\$100,000	\$0
	250,000	0
	500,000	0
	1,000,000	0
	2,500,000	0

* The amounts in the table are based on school district taxes for bonded debt levies only, and do not include tax levies for other purposes. Debt from existing bonds that financed a health & safety (indoor air quality) project at Parkview Elementary School will be paid off on February 1, 2024. The payment due on February 1, 2024 is being financed with property tax levies in calendar year 2023, along with payments on other outstanding bonds. The property tax levy for the payment on the new bonds would begin with taxes payable in 2024 (at a tax rate that would be level with taxes payable in 2023, along with the District's existing debt). The tax levies would remain in place for 20 years, although there is another planned reduction in the tax rate after 9 years when other existing debt is paid off. Tax impact shown above does not include the impact of the homeowner's Homestead Credit Refund ("Circuit Breaker") program. Owners of homestead property may qualify for a refund, based on their income and total property taxes. This may change the net effect of the proposed bond issue for those property owners.

For commercial-industrial property, the estimates above are for property in Wright County. The tax impact for commercial-industrial property in Hennepin County will be lower, due to the impact of the Twin Cities Fiscal Disparities program.