

ESTIMATES PRIOR TO ELECTION

Lake Crystal Wellcome Memorial No. 2071

June 11, 2024

Analysis of Tax Impact for Potential Bond Issue

November 2024 Election

Authorized Bond Amount	\$6,500,000
Average Interest Rate	5.00%
Number of Years/Tax Levies	13

Type of Property	Estimated Market Value	Estimated Tax Impact Payable 2025 Compared to 2024*
		Annual
Residential Homestead **	100,000	-6
	150,000	1
	175,000	5
	200,000	8
	225,000	11
	250,000	14
	275,000	17
	300,000	21
	400,000	34
Commercial/ Industrial	500,000	58
	\$50,000	\$9
	100,000	18
	250,000	51
Agricultural Homestead *** (average value per acre of land & buildings)	500,000	112
	\$6,000	\$0.11
	7,000	0.13
	8,000	0.14
Agricultural Non-Homestead *** (average value per acre of land & buildings)	9,000	0.16
	\$6,000	\$0.22
	7,000	0.25
	8,000	0.29
	9,000	0.33

* Estimated tax impact includes principal and interest payments on the new financing. The amounts in the table are based on school district taxes for bonded debt levies and lease levies only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including 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 will decrease the net effect of the proposed financing for some property owners.

** The Homestead Market Value Exclusion was modified starting with 2024 assessments (taxes payable in 2025) during Minnesota's 2023 legislative session. The change provides additional property tax relief for residential homestead properties with a value greater than \$76,000 and less than \$517,200.

*** For all agricultural property, estimated tax impact includes a 70% reduction due to the School Building Bond Agricultural Credit. Average value per acre is the total estimated market value of all land & buildings divided by total acres. If the property includes a home, then the tax impact on the house, garage, and one acre of land will be calculated in addition to the taxes per acre, on the same basis as a residential homestead or non-homestead property. If the same property owner owns more than approximately \$3.5 million of agricultural homestead land and buildings, a portion of the property will be taxed at the higher non-homestead rate.