

## Worthington School District 518 Property tax web page

### FAQ

#### I just received my 2018 proposed property tax statement. Why did my taxes go up (or down)?

There are a number of factors that cause an increase or decrease, but **the biggest factor is change in property tax classification (for example, changing from homestead to non-homestead)**. The value of your property also impacts how much you pay in taxes. And, yes, county, city, township, and school taxes will vary. In 2018, school property taxes will increase by approximately 3.39 percent. [Click here for more information.](#)

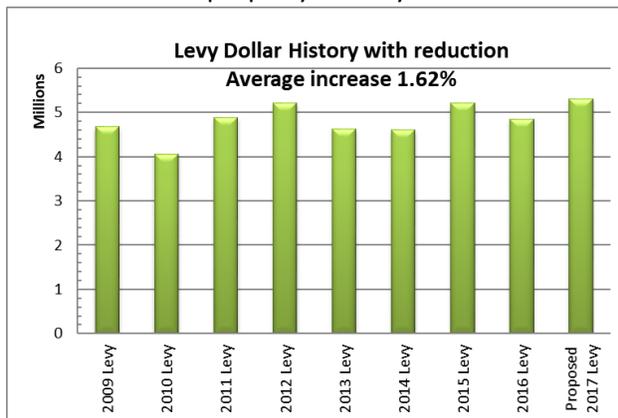
## Proposed property tax statements explained

By David Skog, Director of Management Services, Worthington School District 518

Proposed property tax statements were mailed by Nobles County toward the end of November. We would like you to have a better understanding of the school property tax history, why tax amounts change, what is on your statement and what happens next.

### School district property tax levy history

The Worthington School Board and district administration work hard to keep the school portion of your property taxes from changing too much from year to year. Over the last nine years, the average change in school district property tax levy is an annual increase of 1.62 percent.



### 2018 school district property tax changes

Worthington Schools anticipates a property tax increase of approximately 3.39% in 2018 over 2017. The increase is due to several factors:

- In 2017, the Minnesota Department of Education made an error and did not notify Nobles County to collect taxes for debt service. As a result, the county will collect both 2017 and 2018 taxes in 2018.
- Normal minor adjustments will be made, such as a small increase in the operating levy due to enrollment increase.

### **Future school district tax impacts**

Several school board decisions made recently will impact taxes in 2019 and beyond.

- The school board initially approved a lease levy to pay for the new Area Learning Center and Gymnastics facility which would have increased 2018 taxes. Instead, 2018 payment for the facility will be made by using district fund balance (when approved by the board), so there will be no tax increase for this facility in 2018.
- In 2019, the board will set aside money to pay off \$2.425 million in bonds from 2010, saving taxpayers more than \$350,000 in interest. The lease levy for the ALC and Gymnastics facility will go into effect, but the net impact is estimated be close to neutral as the 2010 bonds are paid off.
- If the proposed referendum passes in 2018, there will be an increase by \$12.32 per month on a home valued at \$115,000 (Worthington average home value).

### **Why are my taxes increasing or decreasing?**

There are a number of factors that cause an increase or decrease, but **the biggest factor is change in property tax classification (for example, changing from homestead to non-homestead)**. The value of your property also impacts how much you pay in taxes. And, yes, county, city, township, and school taxes will vary. In 2018, school property taxes will increase by approximately 3.39 percent.

### **What's on your statement**

Your Proposed Taxes 2018 statement from Nobles County includes:

- Your property valuation and classification
- Any property tax credits (such as the school building bond credit for agricultural landowners – known as AG2School)
- Estimates made by local units of government on the amount of proposed taxes to be collected next year in comparison to actual taxes paid in 2017, including:
  - County
  - City
  - Township
  - State
  - School District
  - Special Taxing Districts
- Total

School district taxes are broken down into two categories:

- School voter approved levies (Operating referendum, bond referenda)
- School other local levies (Lease levies, health and safety levies, etc.)

The estimates are higher for 2018 than in 2017 for each unit of government: county, townships, city of Worthington, and Worthington School District 518; however, actual taxes will change from the estimates you see on your 2018 Proposed Property Tax statement, and may decrease.

In the city of Worthington, each year the City Council approves pre-certification tax levy in September based on proposed operational expenses. The final tax levy is approved in December and by law cannot

exceed the precertification amount. The final levy is almost always less than what was pre-certified earlier in the year, according to Steve Robinson, City Administrator. The past ten-year average tax levy increase, including a TIF decertification in 2012, is 2.72 percent annually. The City's tax rate has decreased 2.84 percent over that same period.

For Nobles County, over the last four years, the certified number has decreased each year, according to Tom Johnson, County Administrator. Residents can review budget information by clicking the "Financial Transparency" button at [www.co.nobles.mn.us](http://www.co.nobles.mn.us) to review budget to actual levy dollars back to 2013.

### **What happens next**

After the Proposed Property Tax statements are mailed, property owners can learn more by visiting government websites or attending Truth in Taxation hearings. Staff members at each hearing will often work directly with individual property owners to help understand their statement.

### **Truth in Taxation hearings**

- Nobles County, Dec. 7 at 6 p.m. in the Commissioner's Room of the Government Center
- City of Worthington, Dec. 11 at 7 p.m. at Worthington City Hall
- Worthington School District 518, Dec. 19 at 6 p.m. in the high school media center

Contact your local city or township for information on Truth in Taxation hearings.