## Minnesota Department of



## MEMORANDUM

TO: County Auditors

**FROM:** Tom Melcher, Director

Division of School Finance

**DATE:** October 1, 2012

**RE:** 2012 Payable 2013 School District Levy Limitations

Pursuant to Minnesota Statutes, section 126C.48, Subdivision 1, this is to notify you that 2012 Payable 2013 Levy Limitation and Certification Reports (ED-00111-34) for all school districts are now posted to the Minnesota Department of Education's website.

<u>View reports for the school districts in your county.</u>
(http://education.state.mn.us/MDEAnalytics/Data.jsp)

To access school district reports select Minnesota Funding Reports (MFR) for County Auditors, and from the County drop down select your county name. This memo and additional levy information important to county auditors will also be posted to the <u>Information for County Auditors</u> area of the MDE website. You are encouraged to check this area of the website throughout the levy process.

For the proposed levy, there are two versions of the certification form produced by the web-based certification system, certifying proposed levy as a specific dollar amount or certifying proposed levy as maximum. Districts will print the appropriate form from the web-based certification system. Each version has detailed instructions for the county auditor.

- If the district is certifying a specific dollar amount for the proposed levy, the proposed levy amount is shown on the certification form but the maximum levy limitation is not shown. County auditors will need to access the district's Levy Limitation and Certification Report after October 1, 2012, to obtain the district's maximum levy limitation. For the notice of proposed taxes, use the lesser of: a) the district's proposed levy shown on the certification form, or b) the district's maximum levy limitation shown on the current Levy Limitation and Certification Report.
- If the district is proposing to levy the maximum, neither the maximum levy limitation nor the proposed levy amounts are shown on the certification form. This option enables school districts with late changes in levy limitations to avoid the need for a special board meeting to certify the revised proposed amounts. County auditors will need to access the district's Levy Limitation and Certification Report after October 1, 2012 to obtain the district's maximum levy limitation. For the notice of proposed taxes, use the maximum levy limitation shown on the current report.

Several revisions to levy limitations have been posted since the original limitations were issued to school districts on September 7, 2012. Revised reports have been posted for changed districts throughout the last three weeks. It is important you obtain the most current report from the MDE website. If you have already retrieved the reports, you will need to recheck against the report dated today to make sure you have the most current report for each district.

The maximum levy limitation is shown on each district's Levy Limitation and Certification Report in the third column at the bottom of page 25.

To provide the detail needed for preparing the parcel-specific truth in taxation notice, each levy category is identified by: a) tax base to which levy applies, b) voter approved or other, and c) exempt or nonexempt for JOBZ properties. This results in a total of nine levy categories.

General fund levies are subdivided into four categories:

- 1. General referendum market value voter approved JOBZ exempt
- 2. General referendum market value other JOBZ exempt
- 3. General net tax capacity voter approved JOBZ exempt
- 4. General net tax capacity other JOBZ exempt

Community service fund levy is shown in one category:

5. Community service net tax capacity other JOBZ exempt

General debt service fund levies are subdivided into two categories:

- 6. General debt service voter approved JOBZ nonexempt
- 7. General debt service other JOBZ nonexempt

OPEB/Pension debt service fund levy is shown in one category:

- 8. OPEB/Pension debt service voter approved JOBZ nonexempt
- 9. OPEB/Pension debt service other JOBZ nonexempt

Generally, you will need to reference page 25 for total levy limitations and pages 10-12, 19, and 30-31 for debt service and OPEB/Pension debt service levies and adjustments.

The general debt service levy for each school district is computed on pages 10-12 and 19. The required debt service levy for each district is divided into seventeen components, shown on lines 704, 711, 714-715, 717, 720-725, 730 and 740. The levy reduction for debt service aid is shown on line 789 for voter approved debt and on line 788 for other non-voter approved debt. The reduction for net general debt service excess is shown on line 1701 for voter approved debt and on line 1704 for other nonvoter approved debt. Please note that the debt service voter approved and other levies shown on page 25 have already been reduced by the amount of debt service aid and the net general debt service excess.

The OPEB/Pension debt service levy for each school district is computed on pages 12 and 19. The required OPEB/Pension debt service levy for each district is divided into six components, shown on lines 901-902, 904-906 and 908. The reduction for OPEB/Pension debt service excess is shown on line 1901 for voter approved OPEB/Pension debt and on line 1902 for non-voter approved OPEB/Pension debt. Please note that the OPEB/Pension debt service voter approved and other levies shown on page 24 have already been reduced by any OPEB/Pension debt service excess.

## Extensions for certifying proposed levy

Districts that are granted an extension for certifying their proposed levy may have changes to their levy limitations until October 7, 2012. We will email the home county if changes are posted after today.

Districts have been encouraged to submit extension requests to their home county auditor as early as possible. Granting any extension is solely at the discretion of the home county auditor and school districts are not to assume the county will be able to grant the extension. If the school district is located in more than one county, the home county auditor may want to consult with the other counties about granting an extension.

School districts may request an extension from the home county auditor even if there are no data changes needed. This request would be to give the school board more time to consider the proposed levy.

The home county auditor will reply to MDE, with a copy to the school district, indicating whether the county grants the extension. If the extension is granted, MDE will post a revised Levy Limitation & Certification Report for the school district as soon as possible (probably within a day). If the extension is not granted, the district's Levy Limitation & Certification Report will not be revised at this time.

Changes for the proposed levy requested after October 7, 2012, will be considered only on a very restricted, case-by-case, basis. These would be corrections that increase the district's levy limitation by a substantial amount.

If you have any questions concerning the Levy Limitation and Certification Report, please contact Jan Carlson at <a href="mailto:janice.carlson@state.mn.us">janice.carlson@state.mn.us</a> or 651-582-8342. If you have questions concerning the general debt service levies or OPEB/Pension debt service levies, please contact Chris Kubesh at <a href="mailto:chris.kubesh@state.mn.us">chris.kubesh@state.mn.us</a> or 651-582-8319.

cc. School Districts