

Truth-in-Taxation Instructions for Payable 2017

Key Points

- Public meetings must take place at **6:00 p.m.** or later
- Each county must send a sample of its proposed taxes notice to the Department of Revenue by Oct. 14, 2016
- **Certification of Compliance** must be submitted on or before Dec. 28, 2016

Questions? Please email PropTax.Admin@state.mn.us

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2016 Legislative Session: There were no changes to TNT laws during the 2016 session.

Truth-in-Taxation Calendar/Checklist for Payable 2017

Done	Due Date	Task
<input type="checkbox"/>	On or before Sept. 15, 2016	Each town certifies its final property tax levy for payable 2017 to the county auditor. Each special taxing district certifies its proposed property tax levy for payable 2017 to the county auditor. See Adoption and Certification of Proposed Tax Levy for more information.
<input type="checkbox"/>	On or before Sept. 30, 2016	<p>Each county, city, and school district certifies its proposed property tax levy for payable 2017 to the county auditor. See Adoption and Certification of Proposed Tax Levy for more information.</p> <p>Each city with a population over 500, county, and school district submits its date for the public meeting to the county auditor. If not received by this date, the county auditor will assign the meeting date.</p>
<input type="checkbox"/>	On or before Oct. 5, 2016	<p>The home county auditor of each school district, city, or special taxing district located in two or more counties certifies the proposed local tax rate to the other county auditor(s).</p> <p>Each city with a population over 500, county, school district, the Metropolitan Council, the Metropolitan Airports Commission, and the Metropolitan Mosquito Control District submits its date for the public meeting to the county auditor. If not received by this date, the county auditor will assign the meeting date.</p>
<input type="checkbox"/>	On or before Oct. 7, 2016	Each school district that received an extension certifies its proposed property tax levy for payable 2017 to the county auditor.
<input type="checkbox"/> <input type="checkbox"/>	On or before Oct. 10, 2016	<p>A taxing authority certifies the amended portion of its proposed property tax levy to reflect the result of a negotiated agreement for sharing, merging, or consolidating services.</p> <p>The home county auditor certifies the proposed local tax rate to the other county auditor(s) for a taxing district granted an extension located in two or more counties.</p>

<input type="checkbox"/>	On or before Oct. 14, 2016	Each county sends a sample of the proposed taxes notice to the Department of Revenue.
<input type="checkbox"/>	Nov. 10 - Nov. 24, 2016	The county sends a parcel-specific notice of proposed property taxes to each property owner. See Parcel-Specific Notice: General Instructions and Parcel-Specific Notice: Detail Explanation for more information.
<input type="checkbox"/>	Nov. 25 - Dec. 28, 2016	Cities with a population over 500, counties, school districts, the Metropolitan Council, the Metropolitan Airports Commission, and the Metropolitan Mosquito Control District hold their public meetings. See Action Required at Public Meeting more information.
<input type="checkbox"/>	No later than Dec. 28, 2016	Cities with a population over 500, counties, the Metropolitan Council, the Metropolitan Airports Commission, and the Metropolitan Mosquito Control District adopt their final payable 2017 property tax levies and their payable 2017 budgets. School districts adopt their final payable 2017 property tax levies. See Allowable “Add-on” Levies for more information
<input type="checkbox"/>	On or before Dec. 28, 2016	<p>Counties, school districts, all cities, and all special taxing districts certify their final adopted payable 2017 property tax levies to the county auditor. See Certification of Final Property Tax Levy for more information.</p> <p>Any town that has changed its levy at a special town meeting after Sept. 15, 2016, recertifies its final property tax levy amount.</p> <p>Each city with a population over 500, county, school district, the Metropolitan Council, the Metropolitan Airports Commission, and the Metropolitan Mosquito Control District submits Form TNT to the Department of Revenue to certify compliance. (See Certification of Compliance for more information.)</p>

Adoption and Certification of Proposed Tax Levy

Deadline for counties and cities to certify proposed levy – Sept. 30, 2016. The county board or governing body of each city (including cities with a population of 500 or less) must adopt its proposed property tax levy for the taxes payable year 2017 and certify that amount to the home county auditor on or before Sept. 30, 2016. The proposed property tax levy certified should be the county's or city's proposed property tax levy for all purposes, including debt service.

The proposed levies of **regional rail authorities** within the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington under Minnesota Statutes, chapter 398A, must be included with the county's proposed levy.

City with a population of 500 or less. At the time that the city certifies its proposed property tax levy, it may inform the county auditor that its proposed levy is also its final property tax levy, in which case no further certification is necessary. However, the city council of a city with a population of 500 or less may revise its levy from the Sept. 30 proposed amount and adopt a final property tax levy at either a regular city council meeting or at a special public meeting held after Sept. 30, 2016. If a city with a population of 500 or less revises its property tax levy from the Sept. 30, 2016, proposed amount, the revised or final levy may also be less than the proposed levy but must not exceed the proposed property tax levy except for certain allowable "add-on" levies. See [Allowable "Add-on" Levies](#) for more information.

Deadline for school districts to certify proposed levy – Sept. 30, 2016. Each school district must adopt its proposed property tax for the taxes payable year 2017 and certify that amount to the home county auditor on or before Sept. 30, 2016. If a school district has agreed with its home county to delay certification, the deadline is Oct. 7, 2016. The proposed property tax levy certified should be the school district's proposed property tax levy for all purposes, including debt service. The school district must certify its proposed levy in two amounts: (1) the voter-approved referendum and debt levies; and (2) the sum of the remaining school levies, or the maximum levy limitation certified by the commissioner of education according to Minnesota Statutes 126C.48, subdivision 1, minus the amounts levied under (1). "Voter-approved levies" means school district taxes approved at referendums for both (a) operating purposes, and (b) debt. Voter approved levies include those referendum levies based on market value and net tax capacity.

Intermediate school districts that levy a tax under chapter 124 or 136D, joint powers boards established under Minnesota Statutes 123A.44 to 123A.446, and common school districts No. 323 (Franconia) and No. 815 (Prinsburg) are to be considered as school districts for the purpose of certifying their proposed property tax levies. Otherwise they are treated as special taxing districts since they are exempt from the public meeting requirements under truth in taxation.

Deadline for towns to certify levy – Sept. 15, 2016. All towns must certify their final property tax levies to the county auditor on or before Sept. 15, 2016. No extension of this deadline will be granted. If the town board changes the levy at a special town meeting after Sept. 15, 2016, it must recertify its levy to the county auditor by Dec. 28, 2016.

Towns are not required to hold a public meeting.

Deadline for special taxing districts to certify proposed levy – Sept. 15, 2016. All special taxing districts must certify their proposed property tax levies to the county auditor on or before Sept. 15, 2016. No extension of this deadline will be granted.

Special taxing districts (except for the three metropolitan special taxing districts and regional library districts) are not required to hold a public meeting.

Failure to certify a proposed levy. If a taxing authority fails to certify its proposed levy by the due dates specified in this section, the county auditor shall use the authority's previous year's final certified levy for purposes of determining its proposed taxes notices.

Market value based referendum taxes must be certified separately from the rest of a county's, school district's, city's, town's, or special taxing district's proposed property tax.

Sharing, merger, or consolidation of services. If two or more taxing authorities are negotiating an agreement for the sharing, merger, or consolidation of services at the time that the proposed levy is to be certified, each of them is to certify its proposed levy to the county auditor and include a notification of the specific service or services involved in the agreement that is not yet finalized. Each of these taxing authorities may amend the portion of its proposed property tax levy relating to the specific service or services involved as late as Oct. 7 of the levy year to reflect the result of the negotiated agreement.

If there is an agreement pending when the county auditor sends the Department of Revenue the preliminary levy survey under Minnesota Statutes 275.07, subdivision 4, that should be noted with the survey. The county auditor is to certify the amended proposed levies for these taxing authorities to the Department of Revenue as soon as possible after Oct. 7.

Overlapping jurisdictions. In the case of a school district, city, or special taxing district located within two or more counties, the home county auditor must certify the proposed levy and the proposed local tax rate to the other county auditor(s) by Oct. 5, 2016 (Oct. 10 for a school district reaching an agreement with the county auditor to certify their proposed levy on or before Oct. 7). The home county auditor must estimate the rate if another county has not certified the appropriate information. If requested by the home county auditor, the other county auditor must furnish an estimate of the appropriate information to the home county auditor.

Public Meeting

Public meeting requirements. Counties, cities with a population over 500, school districts, and metropolitan special taxing districts are required to hold a meeting at which the budget and levy will be discussed and the public allowed to speak. *The meeting must be after Nov. 24 and no later than Dec. 28 and held at 6:00 p.m. or later.* This meeting may be part of a regularly scheduled meeting. If a regular meeting is not scheduled after Nov. 24 and no later than Dec. 28 at 6:00 p.m. or later, it will be necessary to schedule a special meeting for this purpose.

Public meeting announcement. A taxing authority shall announce, at the meeting in which the proposed tax levy is adopted, the time and place of its subsequent regularly scheduled meetings at which the budget and levy will be discussed and the public allowed to speak. For counties, cities with a population over 500, school districts, and metropolitan special taxing districts, this should include the meeting required to be held after Nov. 24 and no later than Dec. 28, at 6:00 p.m. or later. For taxing authorities required to publish a summary of proceedings in an official newspaper in accordance with Minnesota Statutes 123B.09, 375.12, or 412.191, the time and place of the public meeting must also be included in the publication.

Public meeting information to the home county auditor. A taxing authority required to hold a public meeting must inform its home county auditor of the time and place of the public meeting at the same time the proposed levy is certified, so it may be included in the parcel-specific notice.

Public meeting information on the parcel-specific notice. The parcel-specific notice must state for each city, county, school district, regional library authority, and metropolitan taxing district, the time and place of the regularly scheduled meeting at which the budget and levy will be discussed and the public allowed to speak.

No county coordination of meetings. The county auditor is not required to coordinate a taxing authority's selection of its meeting date to prevent a conflict with a meeting of another taxing authority.

Parcel-Specific Notice: General Instructions¹

Purpose. These notices inform property owners that their county, school district, city (if the property is located within a city with a population over 500), and metropolitan special taxing districts (if the property is located within one of the seven metropolitan counties) will be holding public meetings to discuss their proposed property taxes and proposed budgets for the taxes payable year 2017 or current school year budgets in the case of school districts.

Due date for mailing – Nov. 10 – 24, 2016. The county auditor is responsible for preparing the parcel-specific notices and the county treasurer is responsible for delivering the notice by first class mail to each property owner in the county between Nov. 10, 2016, and Nov. 24, 2016.

Notice sent to each property owner. The law provides a parcel-specific notice must be sent to each property owner listed on the county's assessment roll for the taxes payable year 2017. This must be done for each parcel within the county owned by the property owner. This includes real and personal property, but not manufactured home property taxed as personal property. Manufactured home property taxed as personal property is not included since it is assessed and taxed in the same year. A buyer under a contract for deed is to be considered a "property owner" for the purpose of this notice.

¹ These provisions are primarily found in [Minnesota Statutes, section 275.065](#).

Notice sent to property owner even if not the taxpayer. The parcel-specific notice must be sent to the property owner of a parcel of real or personal property even if the property owner is not the taxpayer. An example would be a homeowner whose property tax is paid by a lending institution through an escrow account. In this example, the parcel-specific notice should be sent to the homeowner. The notice is not to be sent to the lending institution.

Notice not sent for tax-exempt property. A parcel-specific notice does not need to be sent to the owner of tax exempt property.

Classification change since 2016 property tax statements issued. If the classification of the property has changed between the 2016 and 2017 tax years, the 2016 amounts are still to be shown as long as a split or parcel combination is not involved.

Supplemental information. No additional information is to be mailed with the notice. However, the governing body of a county, city, or school district may, with the consent of the county board, include supplemental information with the notice of proposed property taxes about the impact of state aid increases or decreases and on the level of services provided in the affected jurisdiction. The information may be for the following year, current year, and as many consecutive preceding years as deemed appropriate by the governing body. The information may only include:

1. The impact of inflation as measured by the implicit price deflator for state and local government purchases
2. Population growth and decline
3. State or federal government action
4. Other financial factors that affect the level of property taxation and local services

The information may be presented using tables, written narrative, and graphs. The information may contain instruction toward further sources of information or opportunity for comment.

If a jurisdiction chooses to include supplemental information with the statement of proposed property taxes, a copy of the supplemental information must be sent to the Department of Revenue with the notice sample.

County or city with population over 15,000. A county or city with population over 15,000 may provide on the parcel-specific notice the salary information required by Minnesota Statutes 471.701.

Parcel-Specific Notice: Formatting

Form prescribed by the Department of Revenue. Law provides that the commissioner of revenue must prescribe the form of the parcel-specific notice. The headings and text of your county's parcel-specific notice must be exactly as shown on the prescribed form. No other comments or information may be shown on the form except as provided below.

The Department of Revenue's [truth-in-taxation webpage](#) provides examples of payable 2017 parcel-specific notices.

Format of notice. The dimensions of the county's parcel-specific notice are **not** restricted to the dimensions of the example notices (8-1/2" X 11"), but the overall size should be comparable to that of an 8-1/2" X 11" notice or larger. The name and address of the property owner may be repositioned as needed to fit in a window envelope.

In order to fit onto a notice adapted to the county's printing capabilities, the text of the notice may be separated from the tax data and printed on the back side of the notice, or the text and the tax data may be printed side by side. If this is done, the text of the notice has to be modified to change the word "below" everywhere it occurs to "on the reverse side," "to the right," or "to the left" as appropriate. Also, the text reference to the meeting places and times should be changed from "listed on the bottom of the page" to "listed on the reverse side," "listed to the right of this page," or "listed to the left of this page," as appropriate.

The parcel-specific notice may also be printed on a pressure-sealer mailer that is approved by the Department of Revenue. The text and tax information may be separated to accommodate the printing of parcel-specific notices on a mailer. If this is done, the text should be printed in the manner explained in the preceding paragraph.

Electronic notice. Upon written request by the taxpayer, the treasurer may send the notice electronically instead of on paper through the mail.



Sample to the Department of Revenue. Each county must send a sample of the proposed taxes notice to the Department of Revenue for approval by Oct. 14, 2016. Email the sample to PropTax.Admin@state.mn.us using the subject line "TNT Sample" to ensure it is routed correctly.



Parcel-Specific Notice: Detail Explanation²

Top left of the front side of the notice

Owner(s). The name and address shown should be for the property owner, not a lending institution. A property owner must receive a separate notice for each parcel of property within the county that he or she owns or is purchasing under a contract for deed.

Property identification number. The property identification number must be shown on the notice.

Property address. The address where the parcel is located is not required, but may be shown at the county's discretion.

Legal description. The property description shown on the parcel-specific notice should be the current description that applies to the parcel of real or personal property. This is not required but may be shown at the county's discretion.

Upper-right corner of front page

The "Steps" part of the box in the upper right corner represents the three documents the taxpayer receives for each parcel. Step 1 is the valuation notice, Step 2 is the proposed taxes notice, and Step 3 is the property tax statement.

Step 1

This step represents the valuation notice the taxpayer received in early 2016. The heading is "VALUES AND CLASSIFICATION." The following items should be shown in two columns, one for the actual taxes payable in 2016, and the other for the proposed taxes payable in 2016.

Property classification. The class of property should be shown in both the 2016 column and the 2017 column. In the case of split classification properties, at least the primary classification should be shown, but others may be shown at the county's discretion. Space limitations will require abbreviations be used. See the table below for suggested abbreviations.

Homestead status. Each parcel-specific notice prepared for residential property and agricultural property must state whether the property is classified as homestead or nonhomestead. This information may result in a reclassification of property from nonhomestead to homestead. A property owner who receives a parcel-specific notice in 2016 or a subsequent year that indicates that the property is classified as nonhomestead, and who can provide satisfactory documentation to the county assessor that the property was used as the owner's homestead on Dec. 1 of the levy year of the notice, may request by Dec. 15 of the levy year that the property be reclassified to the appropriate homestead classification. If satisfactory

² These provisions are primarily found in [Minnesota Statutes, section 275.065](#).

documentation is provided, the county assessor must reclassify the property to the appropriate homestead classification for taxes payable in the following year.

Abbreviations. The following table contains the suggested abbreviations to be used.

Suggested Property Classification Abbreviations

Class	Description	Abbreviation
1a	Residential Homestead	RES HMSTD
1b	Blind/Disabled Homestead	1B HMSTD
1c	Ma & Pa Resort	1C RESORT
1d	Migrant Housing	MIGRANT H
2a	Agricultural Homestead	AG HMSTD
	Non-Homestead Agricultural Land	AG NHSTD
	Farm Entities 1st Tier for 2a	AG 1TIERH
2b	Rural Vacant Land Homestead	RV HMSTD
	Non-Homestead Rural Vacant Land	RV NHSTD
	Farm Entities 1st Tier for 2b	RV 1TIERH
2c	Managed Forest Land	M FOREST
2d	Private Airport	PRV AIRPT
2e	Unmined Commercial Aggregate Deposit	AGG DEPOS
3a	Commercial	COMM
	Industrial	INDUSTR
	Public Utility	UTILITY
3b	Employment Property	CI EMPLOY
4a	Apartment (4+ units, including private for-profit hospitals)	APARTMENT
4b(1)	Residential Non-homestead (1-3 units not 4bb or SRR)	RES NH 4B
4b(2)	Unclassified Manufactured Home	UNCLS MH
4b(3)	Non-Homestead on Ag Land (2 or 3 units, garage, one acre)	AG NON 4B
4b(4)	Unimproved residential	RES UNIMP
4bb(1)	Residential Non-Homestead (single unit)	RES NON-H
4bb(2)	Non-Homestead on Ag Land (single unit)	AG NON-H
4c(1)	Commercial Seasonal Residential Recreational (Resort)	RESORT
4c(2)	Qualifying Golf Course	GOLF CRSE
4c(3)(i)	Non-Profit Community Service Oriented Organization (Non-Revenue)	NON-PROF1
4c(3)(ii)	Non-Profit Community Service Oriented Organization (Donations)	NON-PROF2
4c(4)	Post-Secondary Student Housing	STUDENT H
4c(5)(i)	Manufactured Home Park	MH PARK
4c(5)(ii)	MH Park Cooperative (Over 50% Shareholder Occupied)	MH COOP-O
4c(5)(iii)	MH Park Cooperative (50% or Less Shareholder Occupied)	MH COOP-U
4c(6)	Metro Non-Profit Recreational Property	METRO NP
4c(7)	Certain Non-Comm Aircraft Hangers and Land: Leased Land	HANGER LL
4c(8)	Certain Non-Comm Aircraft Hangers and Land: Private Land	HANGER PL

4c(9)	Bed and Breakfast (up to 5 units)	B AND B
4c(10)	Seasonal Restaurant on a Lake	RST LAKE
4c(11)	Marina	MARINA
4c(12)	Non-Commercial Seasonal Residential Recreational (Cabin)	SEASONAL
4d	Qualifying Low-Income Rental Housing	LI RENTAL
5(1)	Unmined Iron Ore and Low-Grade Iron-Bearing Formations	UNMINED
5(2)	All Other Property Not Otherwise Classified	ALL OTHER

Estimated market value. This is the parcel’s estimated market value as determined by the assessor, before applying any exclusions, deferrals, or other reductions.

Homestead exclusion. This is the calculated amount of the homestead market value exclusion. For a homestead valued at \$76,000 or less, the exclusion is 40 percent of market value, yielding a maximum exclusion of \$30,400 at \$76,000 of market value. For a homestead valued between \$76,000 and \$413,800, the exclusion is \$30,400 minus nine percent of the valuation over \$76,000. For a homestead valued at \$413,800 or more, there is no valuation exclusion.

Other exclusions/deferrals exclusion. ****THIS FIELD IS OPTIONAL**** If a county chooses to display this field on the parcel-specific notice, it should reflect the total of all other exclusions and/or deferrals that a parcel receives. It should not include the Homestead Market Value Exclusion amount.

Taxable market value. Each parcel-specific notice must clearly inform the taxpayers of the years the taxable market values apply to, and that these market values are final values. The reported market values are used in determining net tax capacity for computing property taxes for the two taxes payable years.

The **payable 2016 and 2017** final taxable market values shown must be the market values after:

1. the homestead market value exclusion, if applicable;
2. any Green Acres Law deferment, if applicable;
3. any Rural Preserves Law deferment, if applicable;
4. any Open Space Law deferment, if applicable;
5. any Aggregate Resource Preservation Law deferment, if applicable;
6. any market value exclusions under Minnesota Statutes 273.11, subdivision 16, for “This Old House” improvements made to the property, if applicable;
7. any market value limitation for vacant land, if applicable;
8. any market value exclusions under Minnesota Statutes 273.11, subdivisions 19 and 20, for “This Old Business Property” improvements made to qualifying commercial and industrial property, if applicable;
9. any exclusions under Minnesota Statutes 273.13, subdivision 34, for a homestead of a disabled veteran; and

10. any mold damage exclusion.

Agricultural market value credit. While not shown on the parcel-specific notice, the agricultural market value credit for qualifying property must be deducted in determining the net tax capacity property taxes for all local taxing jurisdictions for taxes payable in 2016 and 2017.

2016 property tax amounts to be shown. The 2016 amounts should reflect final tax data after abatements and additions.

The county, city/town, school district, special taxing districts, tax increment, fiscal disparity, and total tax amounts are net tax amounts after the deduction of any credits that may apply. (Where applicable, the state general tax is used to determine credits, but any credits based on the state general tax are allocated to the local net tax capacity-based taxes.)

Parcels split or combined since 2016 property tax statements issued. Amounts are to be shown for 2016 in all instances unless the property has been split or combined with another parcel since 2016 property tax statements were issued. If this has happened, no information is to be shown for 2016. The notice should indicate “N/A,” for “not applicable,” where 2016 amounts would normally be shown.

Step 2

This area should be highlighted and/or in larger or bolder font to indicate this notice reports the data for Step 2. The heading is “PROPOSED TAX.” The proposed tax amount for payable 2017 should be displayed.

Calculating proposed 2017 property taxes. The proposed 2017 property tax amounts should be calculated by following the same taxable value, tax rate levy, tax rate, and credit determination procedures used in calculating the final 2017 tax amounts.

For taxes based on net tax capacity:

1. Taxable value = total net tax capacity - tax increment retained captured net tax capacity - fiscal disparity final contribution net tax capacity (if applicable) - powerline credit net tax capacity.
2. Tax rate levy = certified levy (excluding market value based referendum taxes) - fiscal disparity distribution tax (if applicable).
3. Initial tax rate = tax rate levy divided by the taxing district taxable value.
4. Disparity reduction aid rate = disparity reduction aid divided by the unique taxing area taxable value.
5. Local tax rate = initial tax rate - disparity reduction aid rate.

For market value based referendum taxes:

Referendum tax rate = certified market value based referendum tax divided by the referendum market value.

Step 3

The HEADING for this step is “PROPERTY TAX STATEMENT.” The description is “Coming in 2017.”

Lower part of the front side of the notice

Four columns. The lower part of the notice has four columns to provide the following information by jurisdiction: contact information, meeting information, actual taxes paid in 2016, and proposed taxes for 2017.

Column 1: Contact information

Telephone numbers and addresses. The parcel-specific notices must show telephone numbers and addresses for the county, the city or town, the school district, and the Metropolitan Council (if applicable) for taxpayer use. A personal phone number or address does NOT have to be provided on the notice of proposed taxes. If a local taxing jurisdiction does not maintain a public office, the county auditor will leave the telephone number blank.

Column 2: Meeting information

Date, time, and place of public meetings. The parcel-specific notices must show, for each taxing authority required to hold a public meeting, the date, time, and place for the meeting.

Towns and special taxing districts (except for the three metropolitan special taxing districts) are not required to hold truth-in-taxation meetings. For towns, under “Meeting Information” it should read “Budget set at your annual town meeting in March 2016.” Special taxing districts, other than the metropolitan special taxing districts (if applicable), are not listed under “Meeting Information.”

Cities with a population of 500 or less are not required to hold truth-in-taxation meetings. The information shown under “Meeting Information” for a city with a population of 500 or less should read, “No meeting required.”

Columns 3 and 4: Actual 2016 property taxes and Proposed 2017 property taxes

Actual 2016. This column should show the net taxes payable for the county, the city or town, the state, the school district, the special taxing districts, tax increment, fiscal disparity, and the total net taxes that were levied against the parcel for taxes payable in 2016. These amounts should not include special assessments. The non-school taxes should be the same as the amounts shown on the 2016 property tax statement that was mailed to the owner of the parcel of property earlier in 2016. However, the net tax of the county, the city or town, and the special taxing districts should include its share, if any, of the amount of “Non-school voter approved referenda levies” shown on the 2016 property tax statement.

Proposed 2017. This column should show the net taxes payable for the county, the city or town, the state, the school district, the special taxing districts, tax increment, fiscal disparity, and the total net taxes that would apply to the parcel for taxes payable in 2017, if adopted as their final property tax levies. These amounts include market value based referendum taxes (based on referendums held prior to Sept. 15) certified by the county board, the city or town, the school district, or special taxing districts. These amounts should not include special assessments.

State general property tax. The proposed state general property tax for 2017 should be determined by the county auditor for each parcel of property subject to this tax. The county auditor applies the tax rate certified by the Department of Revenue by Oct. 1, 2016, to the net tax capacity of the property for state tax purposes.

Contamination tax. For a parcel subject to contamination taxes in 2017, a note must be computer printed in the text area of the notice. The note should state the payable 2017 property taxes shown on the notice do not include the contamination tax resulting from a market value reduction for contamination of the property. This note **must not** be printed for a parcel that is not subject to contamination taxes for the taxes payable year 2017.

Lake improvement district. If the county levy includes an amount for a lake improvement district as defined under Minnesota Statutes 103B.501 to 103B.581, the amount must be separately stated from the rest of the levy.

Public safety communication system. If the county incurs debt for public safety communication system infrastructure and equipment for use on the statewide, shared public safety radio system, the county may report the levy to pay the principal and interest on the capital improvement bonds or capital notes as a separate line item on the property tax statement. It may also be listed separately on the parcel-specific notice. (Minnesota Statutes 373.47)

Regional rail authorities. For the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, the tax data for the county must include any levies made by the regional rail authority within the county.

Anoka County. Anoka County may choose to show its levy for funding public safety capital improvements or equipment projects approved by the Anoka County Joint Law Enforcement Council or for paying principal and interest on bonds or notes issued to finance the cost of certain communication system infrastructure and equipment as a separate line item on the parcel-specific notice. It should appear on the notice between the county tax and the city or town tax. (Minnesota Statutes 383E.21)

Hennepin County (City of Minneapolis). For Hennepin County, the parcel-specific notices prepared for parcels located within the City of Minneapolis must list separately, under the City of Minneapolis, the tax information for Minneapolis Park and Recreation and the remainder of the city tax.

Ramsey County (City of St. Paul). For Ramsey County, the parcel-specific notices prepared for parcels located within the City of St. Paul must list separately, under the City of St. Paul, the tax information for the St. Paul Library Agency and the remainder of city tax.

Ramsey County. The parcel-specific notice prepared for parcels located within Ramsey County may list separately the amount levied by Ramsey County for library purposes.

TIF and fiscal disparities. Tax increment net taxes and fiscal disparity net taxes, if they exist, should be shown separately from “special taxing districts.” Tax increment net taxes and fiscal disparity net taxes are not special taxing district net taxes.

County tax rate differential abatement. For an eligible county that has a pending county economic development tax abatement (county tax rate differential abatement) under Minnesota Statutes 375.194 to one or more eligible parcels of commercial and/or industrial property within the county for the taxes payable year 2017, the proposed tax rates for all affected taxing jurisdictions must be calculated without regard to the potential county tax abatement. The potential value affected by the pending abatement agreement must be included in the tax base of the affected taxing jurisdictions. The proposed property taxes shown for the parcel(s) of commercial and/or industrial property affected by the pending abatement agreement must also be the proposed tax amounts before any potential abatement.

Economic development tax abatements. The proposed property taxes of a county, city, town, or school district must include the estimated amount of all current year economic development tax abatements granted under Minnesota Statutes 469.1812 to 469.1815. The tax amounts shown on the parcel-specific notice should be before the reduction for any economic development tax abatements that will be granted on the property.

School district tax breakdown. School district net taxes must be broken down to two lines: one line for “Voter-approved levies” and one line for “Other local levies.” “Voter-approved levies” means school district taxes approved at referendums for both operating purposes and debt. This includes those referendum levies based on market value and net tax capacity. The commissioner of education certifies levy limits to school districts by Sep. 8 each year (Minnesota Statutes 126C.48).

The school district tax amounts are to include tax amounts for any cooperative secondary facilities districts that may apply in addition to regular school district taxes. Taxes for cooperative districts are not to be included with special taxing districts.

Special School District No. 1, Minneapolis. If Special School District No. 1, Minneapolis, or the city of Minneapolis, make additional employer contributions to the Teachers Retirement Association described in Minnesota Statutes 354.435 in whole or in part by a levy, the levy may be classified as a special taxing district on the parcel-specific notice.

School district operating referendum. If the school district has certified under Minnesota Statutes 126C.17, subdivision 9, that it will hold a referendum on a proposed property tax increase (for operating purposes, **not** bonds) at the November general election, a note must be computer printed directly under the school tax amounts. The note must state a referendum is pending and that, if approved by the voters, the school tax amount for 2017 may be higher than the amount shown on the notice. Both examples of the parcel-specific notice show the language to use for this computer printed notification and its location (directly underneath the school district tax amounts). This notification must **not** be preprinted on the parcel-specific notices.

Metropolitan special taxing districts. The parcel-specific notices prepared by the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington must show, under special taxing districts, a separate line of combined tax data, labeled “Metro Special Taxing Districts” or “Metro Spec. Tax. Dists.” for the following metropolitan special taxing districts: the Metropolitan Council, the Metropolitan Airports Commission, and the Metropolitan Mosquito Control District.

Also for the metro counties, the combined net taxes for all other special taxing districts (excluding the taxes for the metropolitan special taxing districts listed above and excluding regional rail authorities) must be shown on a separate line for “Other Special Taxing Districts” or “Other Spec. Tax. Dists.”

Percentage change. The only percentage change to be shown on the parcel-specific notice of proposed property taxes for the taxes payable year 2017 is the percentage change for the total proposed property tax compared to the total actual property tax for the current year. Do not show percentage changes for each taxing authority. The percentage of increase or decrease in the proposed total property tax for all taxing authorities combined should be carried out no further than one decimal place, as shown on the examples of the payable 2017 parcel-specific notice. Any decreases in the overall percentage of decrease should be preceded by the negative sign (-).

Apportioning the Costs of Parcel-Specific Notices

Apportionment formula. The law allows a county auditor to apportion the cost of preparing and mailing parcel-specific notices (as well as the costs of other county auditor services under truth-in-taxation) to the school districts within the county, to the cities and towns within the county, and to the county government itself. (Minnesota Statutes 275.065, subdivision 4)

- One-third of these costs is allocated to the county.
- One-third of these costs is allocated to the cities and towns within the county, including the cities of 500 population or less. This amount must be apportioned among the cities and towns based upon the number of parcels within each city or town within the county.
- One-third of these costs is allocated to the school districts within the county. This amount must be apportioned among the school districts based upon the number of parcels within each school district within the county.

Joint school districts and cities. If an apportionment of these costs is made to the school districts and to the cities and towns within the county, the school districts and cities that are partially within the county as well as those that are entirely within the county are to be included in the apportionment.

Special taxing districts exempt. The law does not provide for allocating any of these costs to special taxing districts (including the metropolitan special taxing districts).

Delivery of Parcel-specific Notice by Owners of Rental Housing

Purpose. The purpose of this requirement is to notify tenants of proposed increases or decreases in the property tax on the premises they occupy which may affect their rent payments, and to provide an opportunity for tenants to voice their opinions to public officials about the proposed increases or decreases.

Deadline for delivery/posting – Nov. 24, 2016. Owners of rental property (class 4 residential property used as a residence for lease or rental periods of 30 days or more) are required to deliver a copy of their parcel-specific notice to their tenants or post a copy in a conspicuous place on the premises occupied by the tenants. This must be done by Nov. 24, 2016, or within three calendar days of the receipt of the notice from the county, whichever is later. Owners of rental property are allowed to notify the county treasurer of the address of the taxpayer, agent, caretaker, or manager of the premises to which the parcel-specific notice should be mailed. However, the law does not require county treasurers to comply with such requests.

Action Required at Public Meeting

Discuss budget and proposed property tax. The proposed property tax levy for the taxes payable year 2017 and the proposed budget for the taxes payable year 2017, or current school year budget in the case of school districts, must be discussed at the public meeting.

Public comment and questions. The public must be given a reasonable amount of time to comment on the proposed property tax levy and budget and to ask questions. Robert's Rules of Order may be used to govern the conduct of the meeting.

Allowable “Add-on” Levies

The following levies, by statutory authorization, may be “added on” to the county's, school district's, city's, metropolitan special taxing district's, or regional library district's proposed property tax levy. This may result in a final levy that is greater than the proposed levy.

1. **Voter-approved operating or capital expenditure levies.** Levy increases for operating costs or capital expenditures approved by the voters at a referendum held after the proposed levy was certified.
2. **Bond referendums.** The amount of a levy to pay the principal and interest on bonds approved by the voters under Minnesota Statutes 475.58 after the proposed levy was certified. This allowance does not apply to bonds issued after the proposed levy was certified if the bonds were issued without voter approval in accordance with Minnesota Statutes 475.58.
3. **Natural disaster costs.** The amount of a levy to pay the repair and clean-up costs due to a natural disaster that occurred after the proposed levy was certified, if the taxing authority appeals to the commissioner of revenue for the authorization to make this additional levy and receives the

commissioner's approval. The commissioner's approval may be in the amount requested or in a lesser amount determined by the commissioner based upon the information submitted in support of the appeal. The commissioner's decision is final.

4. **Tort judgment costs.** The amount of a levy to pay the costs of a tort judgment that became final after the proposed levy was certified, if the taxing authority appeals to the commissioner of revenue for the authorization to make this additional levy and receives the commissioner's approval. The amount requested cannot exceed the lesser of \$50,000 or 10 percent of the taxing authority's proposed property tax levy. The commissioner's approval may be in the amount requested or in a lesser amount determined by the commissioner based upon the information submitted in support of the appeal. The commissioner's decision is final.
5. **Non-school levy limitation increase.** The amount of an increase in the levy limitation (for whatever purpose) for a county, city over 2,500 population, or for a metropolitan special taxing district, certified by the commissioner of revenue after the proposed levy was certified.
6. **School district levy limitation increase.** The amount of an increase in a school district levy limitation (for whatever purpose) certified by the commissioner of education after the proposed levy was certified.
7. **School districts; default avoidance.** The amount necessary in accordance with Minnesota Statutes 126C.55 to pay for a potential default in payments on school district tax anticipation certificates of indebtedness, aid anticipation certificates of indebtedness, or general obligation bonds.
8. **Emergency debt certificates.** The amount necessary in accordance with Minnesota Statutes 475.55 to pay emergency debt certificates authorized and issued after the proposed levy was certified.
9. **Recertification due to unallotment.** The amount necessary in accordance with Minnesota Statutes 275.07, subdivision 6, to cover the increase of the proposed levy due to unallotments occurring after Sept. 1 of the levy year.

Certification of Final Property Tax Levy

Deadline for certifying final levy – Dec. 28, 2016. The county board, each school district within the county, each city with a population over 500, and each metropolitan special taxing district must certify its final payable 2017 property tax levy to the county auditor no later than Dec. 28, 2016. Cities with a population of 500 or less, towns, and other special taxing districts must also certify their final payable 2017 property tax levies by this time if the proposed levy certified in September 2016 is not also their final levy. No exceptions or extensions will be granted, except as provided below.

Market value taxes certified separately. Market value based referendum taxes must be certified separately from the rest of the county's, school district's, city's, town's, or special taxing district's final property tax levy.

Final property tax levy restriction. The final property tax levy certified by a town or special taxing district (except a metropolitan special taxing district) may be the same as, less than, or greater than its proposed property tax levy. For a county, school district, city, or metropolitan special taxing district, however, the final property tax levy cannot exceed the proposed property tax levy except as the result of one or more of the allowable “add-on” levies mentioned above.

Authority to recertify levies. Taxing authorities are allowed to adjust their final levies when late unallotments impact their December aid or credit payment. If a late unallotment occurs, an affected taxing authority is allowed to recertify its final levy by Jan. 15 of the payable year and recertify to the county auditor within two business days after Jan. 15 of the payable year. The taxing authority is permitted to increase the final levy to exceed the proposed levy in this case. (Minnesota Statutes 275.07, subdivision 6.)

Certification of Compliance

Deadline to certify compliance to the Department of Revenue – Dec. 28, 2016. All counties, cities with a population over 500, school districts, and three metro special taxing districts (the Metropolitan Council, the Metropolitan Airports Commission, and the Metropolitan Mosquito Control District) must complete Form TNT to certify compliance with truth-in-taxation law to the commissioner of revenue.

The form will be available by Nov. 25, 2016, at http://www.revenue.state.mn.us/local_gov/prop_tax_admin/Pages/tnt.aspx. It must be completed by the same time the final levy must be certified to the county auditor: Dec. 28, 2016.

Penalty for Violation of Truth-in-Taxation

Examples of serious TNT violations. A penalty is to be imposed if a county, school district, city over 500 population, or metropolitan special taxing district seriously violates truth-in-taxation. Examples of serious violations are:

1. Failure to hold a public meeting
2. Failure to hold public meeting at 6:00 p.m. or later. ([Minnesota Statutes 275.065](#), subdivision 3, paragraph (c))
3. Failure to allow the public to speak at the public meeting
4. Failure to complete and submit a compliance form (Form TNT) to the Department of Revenue

Explanation of penalty. The penalty for a serious violation of truth in taxation for payable 2017 is to reduce the taxing authority's property tax levy for the taxes payable year 2017 to the sum of:

1. The amount of its certified levy for the taxes payable year 2017; and
2. The additional amounts necessary to pay the principal and interest on general obligation bonds of the taxing authority if the bonds were issued before 1989.

For the purpose of this penalty, the taxing authority's certified levy for the taxes payable year 2017 would be its final payable 2016 certified levy amount.

County auditor's responsibility. If the penalty is imposed, the county auditor must use the sum of the taxing authority's payable 2016 final certified property tax levy and the additional debt service amounts mentioned above when determining the taxing authority's payable 2017 tax rates under Minnesota Statutes 275.08. If the taxing authority's final certified levy for the taxes payable year 2017 is equal to or less than the sum of its certified levy for the taxes payable year 2017 and its additional debt service amounts mentioned above, no penalty is imposed.

Possible remedial action to avoid penalty. If a county, school district, city with a population over 500, or metropolitan special taxing district inadvertently commits a significant error somewhere in the truth-in-taxation process, it is often possible to either repeat some of the steps of the process or to take some remedial action to avoid the penalty. The Department of Revenue must be contacted immediately if this situation arises. Please email PropTax.Admin@state.mn.us.