

HOUSE RESEARCH

Bill Summary

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Overview

School districts use a state mandated process to certify their school district property tax levies. The process begins in the late summer and continues through December of each year. A part of that process is called Truth-In-Taxation (TnT), which requires each district to have a levy limit, a proposed levy and a certified levy.

Each school district's levy limit is prepared by the Department of Education. The department uses the most current data and computes the levy limits for each of the state's 340 school districts. These levy limits are sent to school districts by September 8.

A school board must then set its proposed levy for each category and report the results to the County Auditor by September 30 and to the Department of Education by October 7. While most school districts simply use the levy limit as the proposed levy, some boards do set a lower levy amount. The school board has relatively little time to set its proposed levy. The county auditor then includes the proposed levies in the parcel specific TnT notices which must be mailed to taxpayers between November 10 and November 24.

The process is concluded in December when the school board holds its TnT hearing. After receiving public testimony on its school district levies, the school district then certifies the levy that will be spread the following year to both the County Auditor and the Department of Education.

Section

The 2006 omnibus tax bill authorized Rochester to delay reporting its proposed levy by one week (from September 30 to October 8) for taxes payable in 2007 only (see Laws 2006, chapter 259, article 4, section 24).

This bill authorizes the Rochester school district, upon agreement of the Olmsted County Auditor, to permanently delay the reporting of its proposed levy until October 31 of each year. The bill grants the school district more time to determine its proposed levy and gives the county less time to process the information needed for the parcel specific notices.

- 1 **Property tax certification; Rochester school district.**** Authorizes the Rochester school district, upon agreement of the Olmsted County Auditor, to delay the reporting of its proposed levy until October 31 of each year.