



TRUTH IN TAXATION HEARING

Tuesday, December 1, 2020

6:00 PM



KITTSON COUNTY OFFICIALS

- Board of Commissioners:
 - Corey Wikstrom
 - Theresia Gillie
 - Loren Younggren
 - Leon Olson
 - Darrel Johnson

- County Administrator
 - Dillon Hayes



TRUTH IN TAXATION

Meeting Purpose:

- Minnesota Statute 275.065 Subdivision 3 states that counties must hold a meeting to allow for public input prior to the final budget and levy determination.
 - The hearing must occur after November 24th and must not be held before 6:00 PM.
 - The public must be allowed to speak at the meeting.

Meeting Agenda:

- Presentation on the 2021 budget.
- Public hearing to receive input on the 2021 budget.
- *Questions or concerns regarding **property value** must be addressed with the Kittson County Assessor's Office during normal business hours.*



BUDGET PROCESS

- May – September: County Administrator and Department Heads work on draft budgets and present them to the County Board for review.
- October:
 - October 6th: Preliminary budget approved and Truth in Taxation hearing set for December 1st.
- November: Truth in Taxation Statements are mailed to residents.
- December:
 - **December 1st: Truth in Taxation hearing.**
 - December 15th: Final review and adoption of the 2021 budget.



BUDGETARY REQUIREMENTS

- Counties were created as political subdivisions of the State of Minnesota.
- Counties are required by Federal and State law to deliver a number of mandated services.
- In some cases there is no compensation provided by the Federal or State governments to implement and provide these services; what compensation is provided is often subject to change.



BUDGETARY REQUIREMENTS

CHAPTER 10.

AN ACT TO AMEND SECTION ONE (1) OF CHAPTER FORTY-SIX (46) OF THE GENERAL LAWS OF ONE THOUSAND EIGHT HUNDRED AND SIXTY-SIX (1866), DEFINING THE BOUNDARIES OF BELTRAMI COUNTY, AND TO DEFINE THE BOUNDARIES AND ORGANIZE THE COUNTIES OF KITTSOON AND MARSHALL.

Be it enacted by the Legislature of the State of Minnesota:

SECTION 1. That section one (1) of chapter forty-six (46) of the general laws of one thousand eight hundred and sixty-six (1866), be amended so as to read as follows:

Section 1. That so much territory as is comprised within the following described limits, coincident with lines of the United States land surveys when run and marked, be, and the same is hereby established as the county of Beltrami:

Boundaries of
Beltrami
county.

Beginning at the point where the line between ranges thirty-eight (38) and thirty-nine (39) intersects the line between townships one hundred and forty-two (142) and one hundred and forty-three (143); thence northwardly on said range line to the boundary line between the United States and British Possessions; thence eastwardly and along said boundary line to its intersection with the line between ranges twenty-nine (29) and thirty (30); thence southwardly on said range line to the centre of the main channel of the Mississippi river; thence up the centre of the main channel of said river to its intersection with the line between townships one hundred and forty-two (142) and one hundred and forty-three (143); thence westwardly along said township line to the place of beginning.

Kittson county

SEC. 2. The county of Kittson is established and bounded as follows: Beginning at a point where the line between townships one hundred and fifty-eight (158) and one hundred and fifty-nine (159) intersects the centre of the channel of the Red River of the North; thence east along said line produced to the point where said produced line intersects the line between ranges thirty-eight (38) and thirty-nine (39); thence northwardly along said range line to the boundary line between the United States and British Possessions; thence westerly along the said boundary line to the middle of the main channel of the Red River of the North; thence up said river, along the middle thereof, to the place of beginning.

Chapter 10. An act to amend section one (1) of Chapter forty-six (46) of the general laws of one thousand eight hundred and sixty-six (1866), defining the boundaries of Beltrami County, and to define the Boundaries and organize the Counties of Kittson and Marshall.

Minnesota Session Laws - 1879



BUDGET COMPARISON

2020

- Total Budget: \$12,286,910
- Revenue: \$7,721,235
- Program Aid: \$467,503
- Tax Levy: 4,098,172
- Use of Reserves: \$140,000
- Net Levy: \$3,958,172

2021

- Total Budget: \$11,161,717
- Revenue: \$6,589,635
- Program Aid: \$473,843
- Tax levy: \$4,098,239
- Use of Reserves: \$0
- Net Levy: \$4,098,239

Levy Increase: \$140,067
3.38%



BUDGET COMPARISON

2020

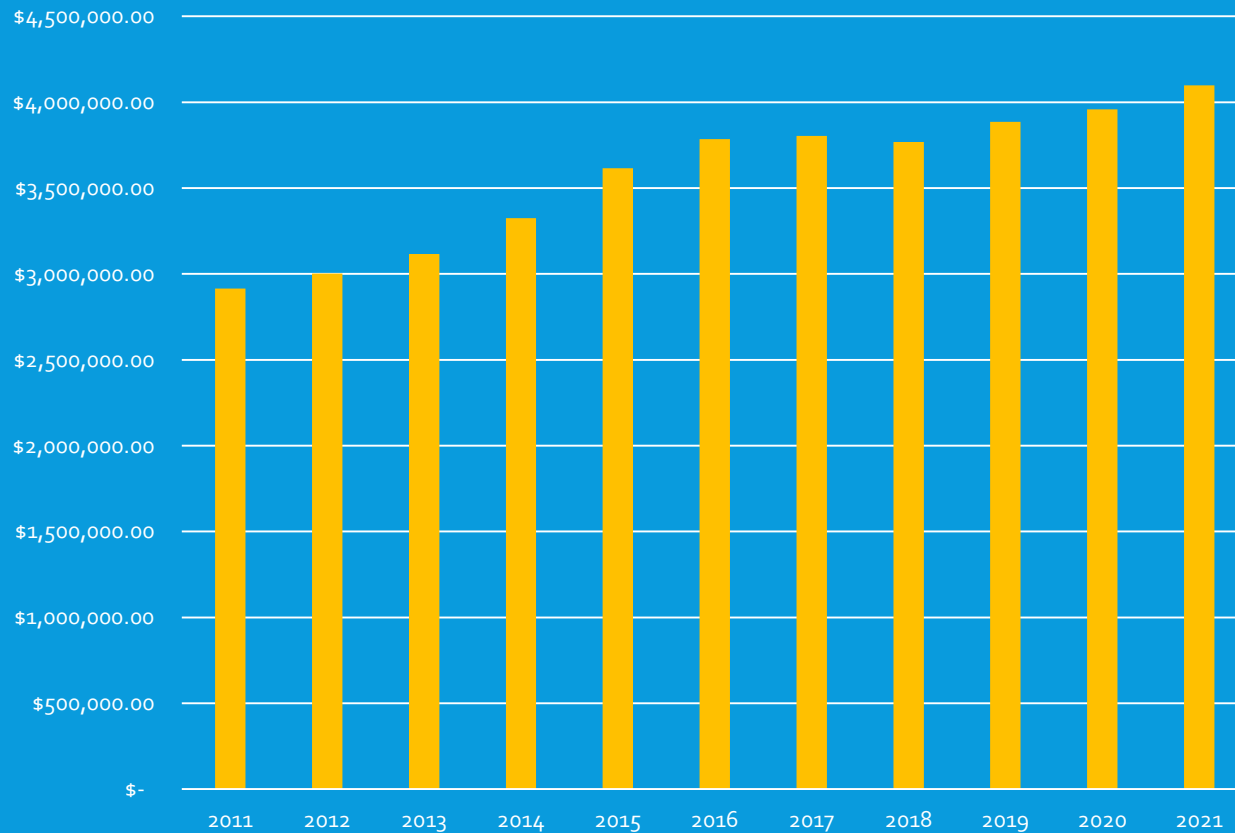
- Revenue Fund – Net:
 - \$(3,047,364)
- Road & Bridge Fund – Net:
 - \$(843,222)
- Social Services Fund – Net:
 - \$(674,530)

2021

- Revenue Fund – Net:
 - \$(3,020,340)
 - **0.89% Decrease**
- Road & Bridge Fund – Net:
 - \$(1,003,611)
 - **19.02% Increase**
- Social Services Fund – Net:
 - \$(548,131)
 - **18.99% Decrease**



BUDGET COMPARISON

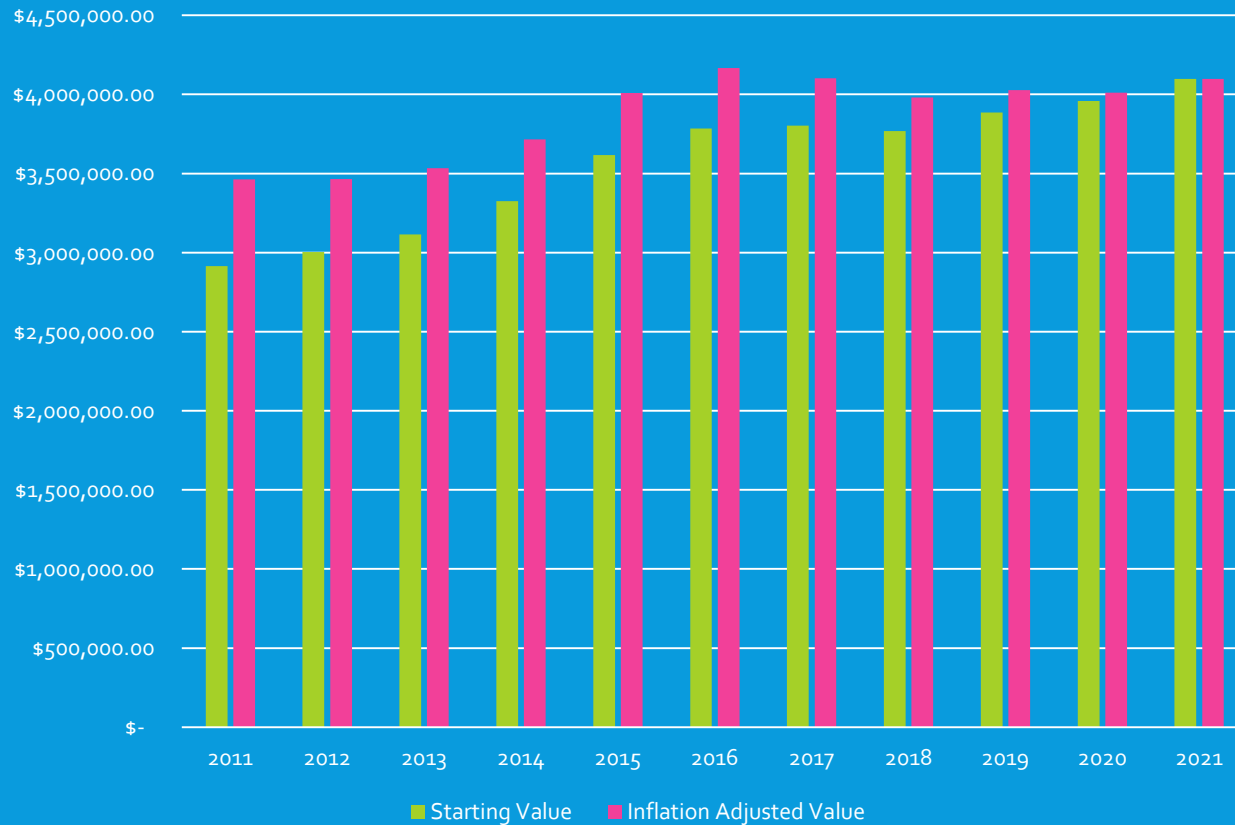


Kittson County Levy History

- 2011 to 2021



BUDGET COMPARISON

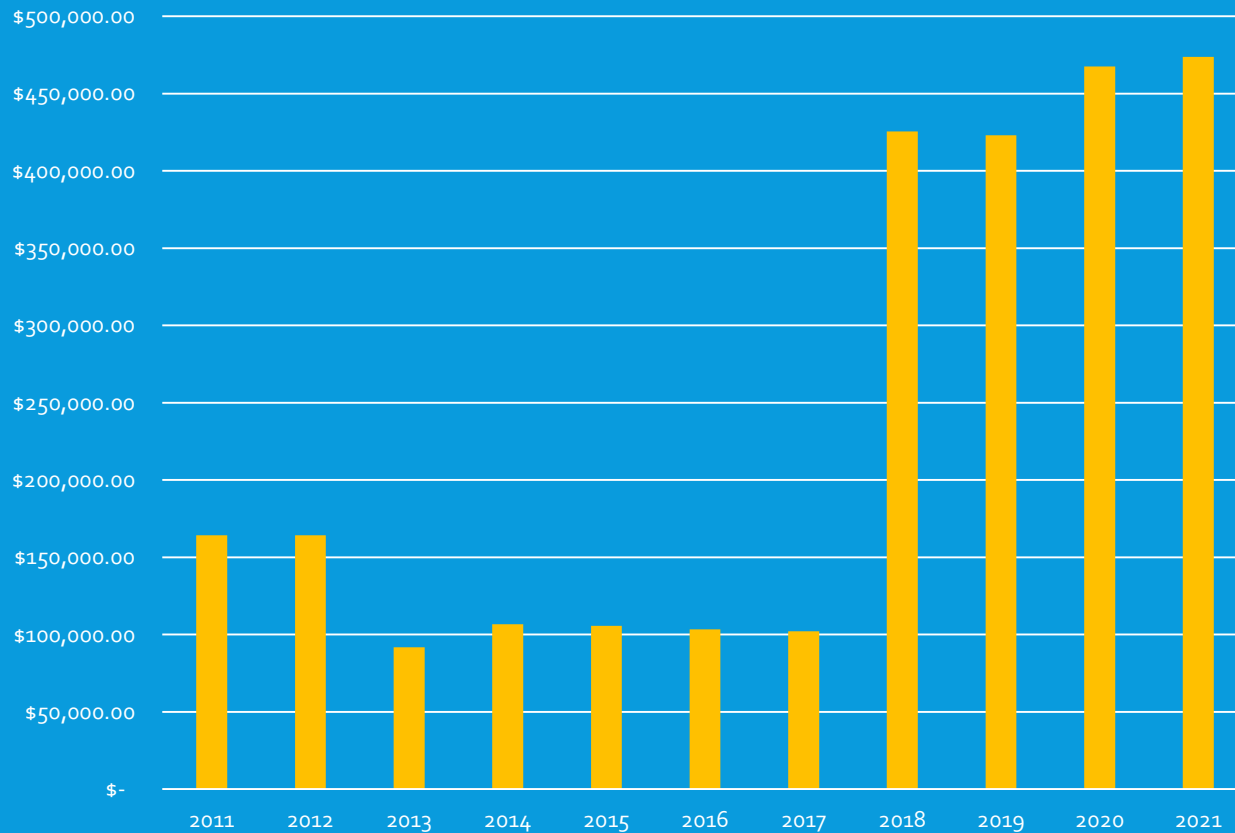


Kittson County Levy History

- 2011 to 2021
- Adjusted for Inflation
- 2020 Dollar Values



BUDGET COMPARISON

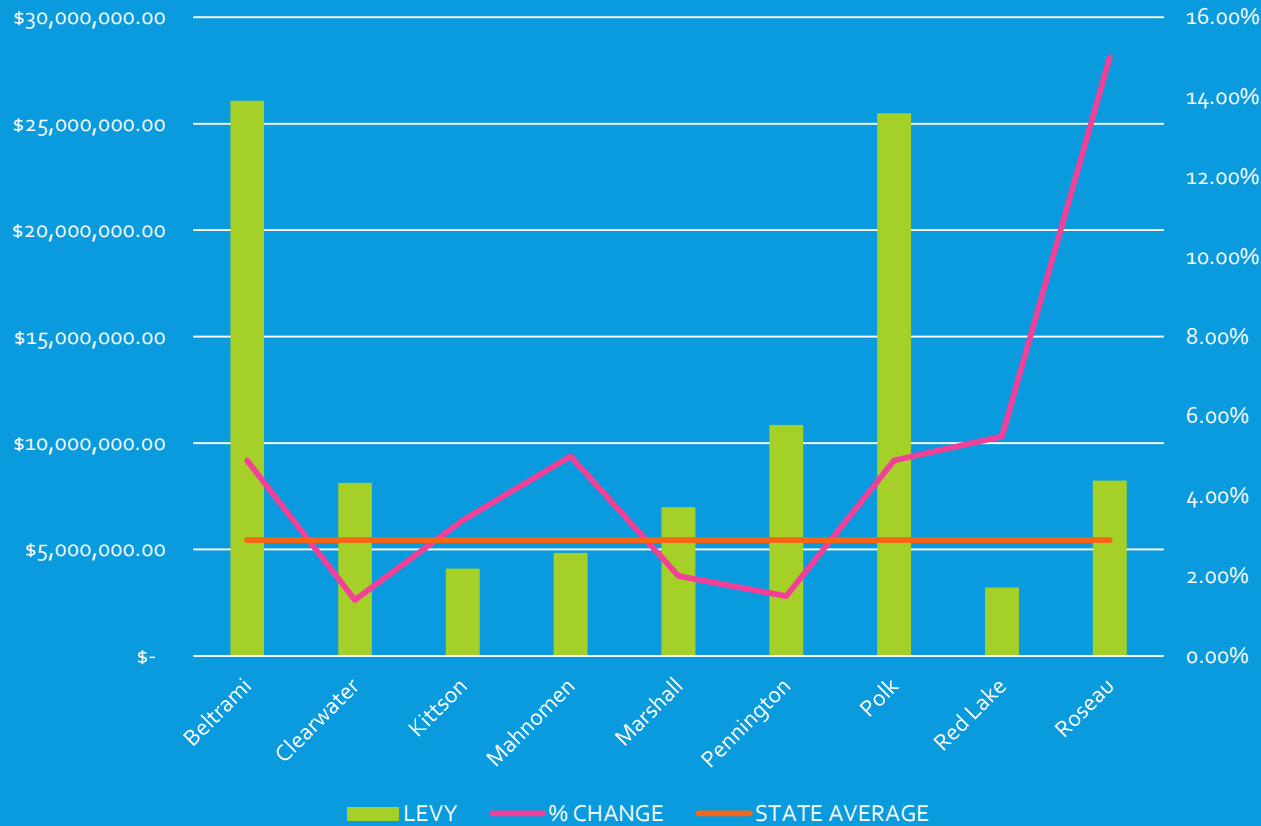


County Program Aid History

- 2011 to 2021



BUDGET COMPARISON



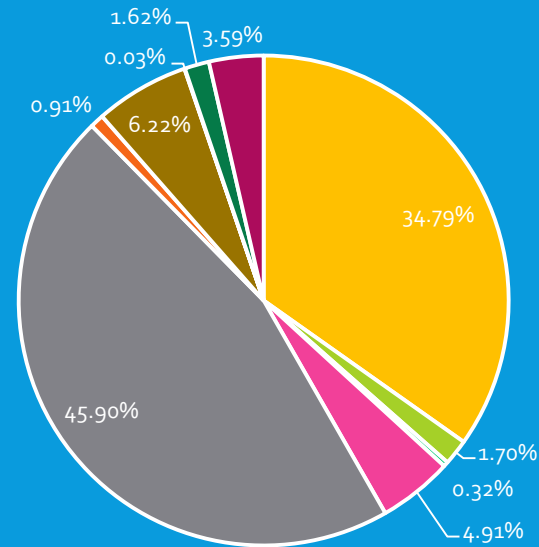
Regional Levy Comparison 2021

- State Average Levy Increase: 2.9%
- State Average levy: \$40,436,856



COUNTY REVENUE

County Revenue- 2021

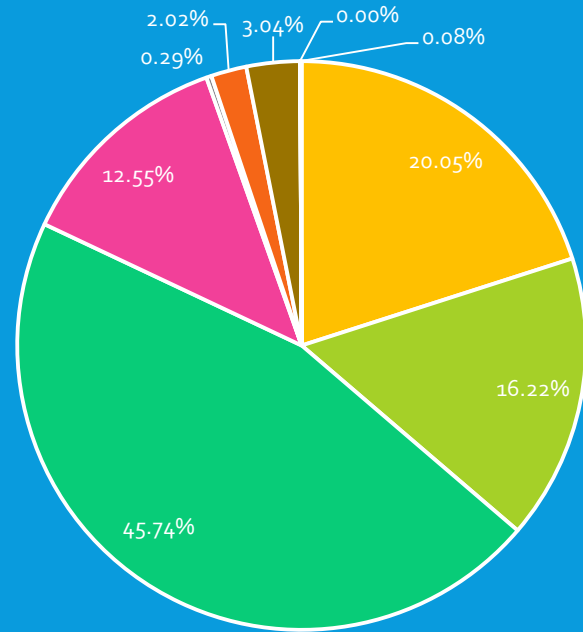


- County Portion of Tax Levy
- State-Paid Portion of Tax Levy
- Licenses & Permits
- Intergovernmental Revenues - Federal
- Intergovernmental Revenues - State
- Intergovernmental Revenues - Other
- Charges for Services
- Fines & Forfeitures
- Interest on Investments
- Miscellaneous



COUNTY EXPENDITURES

County Expenditures - 2021



- General Government
- Public Safety
- Highway & Streets
- Human Services
- Health
- Culture & Recreation
- Natural Resources
- Debt Service
- Other/Unallocated (ED)



COUNTY APPROPRIATIONS

APPROPRIATIONS	2021	2020
Ambulance	\$ 26,640.00	\$ 26,640.00
Hospice Care	\$ 8,000.00	\$ 8,000.00
Kittson Historical Society	\$ 65,405.00	\$ 62,000.00
Agricultural Society	\$ 22,500.00	\$ 22,500.00
Soil & Water	\$ 51,500.00	\$ 49,550.00
Agricultural Inspection	\$ 12,900.00	\$ 12,500.00
Fire Departments	\$ 5,000.00	\$ 5,000.00
Veterans Organizations	\$ 500.00	\$ 500.00
Economic Development	\$ 10,000.00	\$ 10,000.00
Northwest Regional Library	\$ 68,340.00	\$ 67,000.00
TOTAL	\$ 270,785.00	\$ 263,690.00

County Appropriations have been increased by 2.69% from 2020.

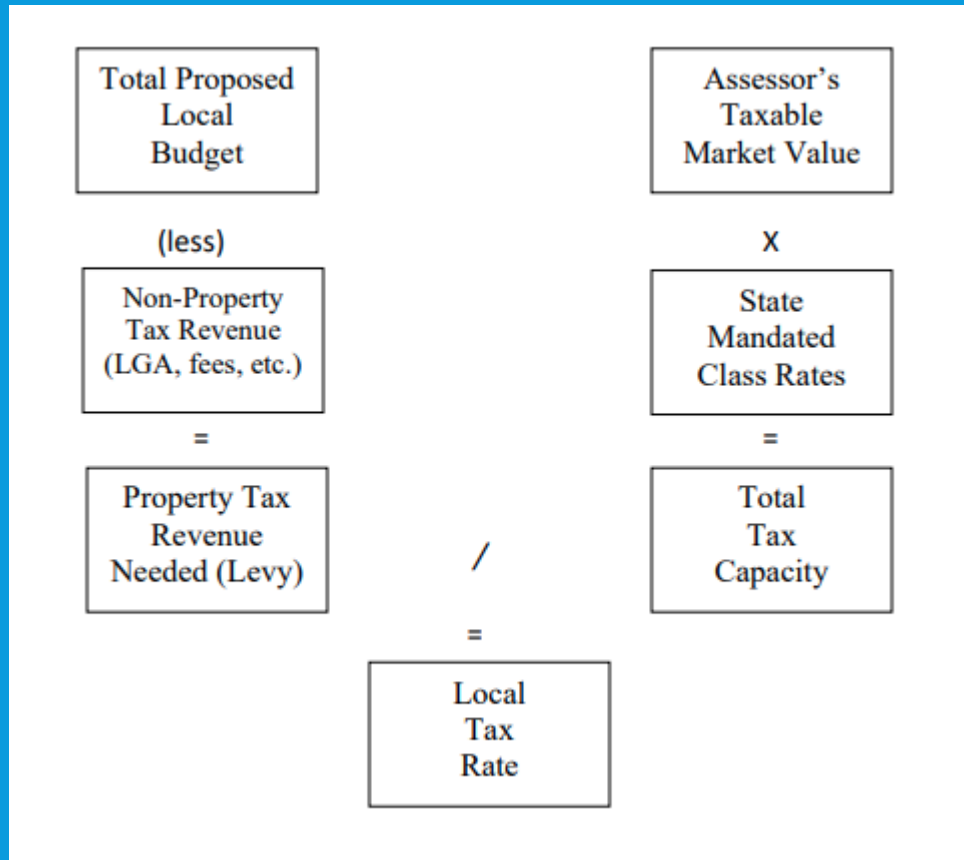


LEVY INCREASE

- What is driving the levy increase for 2021?
 1. No use of reserves – the 2021 levy increase (\$140,067) is nearly equal to the amount of reserve funding used in 2020 (\$140,000).



PROPERTY TAXES



How are property taxes calculated?

Local market value and tax capacity affects the tax rate:

Levy = \$4,098,239

Total Tax Capacity = \$13,964,104

Local Tax Rate = 29.35%



PROPERTY TAXES

2020

- Beltrami: 63.73%
- Clearwater: 60.59%
- **Kittson: 29.15%**
- Mahnomen: 70.41%
- Marshall: 29.90%
- Pennington: 71.15%
- Polk: 46.21%
- Red Lake: 45.79%
- Roseau: 53.46%

2021

- Beltrami: -
- Clearwater: -
- **Kittson: 29.35%**
- Mahnomen: 66.83%
- Marshall: 29.74%
- Pennington: 73.14%
- Polk: -
- Red Lake: 45.92%
- Roseau: 56.20%



PROPERTY TAXES

$$\begin{array}{|c|} \hline \text{Taxable} \\ \text{Market Value} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Classification} \\ \text{Rate} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Local Tax} \\ \text{Rate} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Base Tax} \\ \text{(before} \\ \text{credits)} \\ \hline \end{array}$$

Base Tax (before credits)

—

Applicable Credits

Operating Referendum Tax

+

Bonding Referendum Tax

+

State General Tax

=

TOTAL PROPERTY TAX

Example:

Taxable Market Value: \$100,000

Classification Rate: 1%

Local Tax Rate: 29.35%

Base Tax Before Credits:

$$\$100,000 \times 1\% \times 29.35\% = \mathbf{\$293.50}$$

QUESTIONS & COMMENTS

END