

# REFERENDUM BASICS

# What is an Operating Referendum?

- A levy referendum is an election in which voters can approve or disapprove an increase in the school district's revenue.
- The revenue can be used for anything.
- Different than a bond.
- Bonds are for Buildings – Levy is for Learning.

# Current Operating Levy

- The current levy in place will expire June 30, 2020.
- This levy generates \$1,806,782 or \$176.88 per resident pupil unit for the 2019-2020 school year.
- When this expires, the district loses the levy authority to generate the additional money needed to operate.
- The School Board is asking to renew the levy authority for \$460.00 for ten years and include the inflationary factor language.

# How does the Operating Levy generate revenue?

- **\$176.88 Per Pupil Unit**
- **X APU (Adjusted Pupil Units) 1,711.00 X Equalizing Factors = \$1,806,782 for 2019-2020.**
- **Levy = \$1,267,950 70% Based on APU**
- **State Aid = \$538,832 30% Based on RPU (Resident Pupil Units)**
- **This total amount includes Equity Revenue and Local Optional Revenue.**

# What has changed since the last election in 2011? – Changes in Pupil Weighting

- Legislative Changes in 2013
- Changed the way the resident pupil units are weighed or counted. Which changed the amount of referendum allowance from \$727.36 to \$900.88. Effective for the 2014-2015 Fiscal Year.
- Maintained the same level of funding. There was no increase in revenue or taxes. Only the way the pupil units are counted.
- Adjusted Pupil Units – APU

# **What has changed since the last election in 2011? – Board Approved Authority**

- **In 2014 and 2019, the Legislators approved \$724.00 in Local Optional Levy Authority for all districts in the State.**
- **The \$724.00 LOR then reduces the amount of voter approved levy authority.**
- **Reduces the GSL Levy Authority to \$176.88.**

# How do these changes affect GSL?

- **\$727.36**



**2011 Levy Authority**

- **\$900.88**



**2013 Pupil Unit Changes**

- **No Change in Revenue or Taxes**

# How do these changes affect GSL?

- **\$724.00**



**LOR -  
Local Optional Revenue**

- $\$900.88 - \$724.00 =$

- **\$176.88**



**Current Levy Authority**



# How do these changes affect GSL?

- **\$283.12**

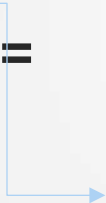
Asking voters to Increase  
To maximize State Aid

- $\$283.12 + \$176.88 =$

- **\$460.00**

Potential New Authority

# How do these changes affect GSL?

- $\$460.00 + \$724.00 =$
- **\$1,184.00**  **Taxable Levy Authority**
- \$727.36 – 2011 Voter Approved Authority
- \$460.00 – 2021 Voter Approved Authority

# What will happen to my Taxes?

- Will be a slight increase in Taxes.
- Operating levies or Referendum Revenue is spread on the Referendum Market Value of the District.
- Only One Rate Classification – All property is taxed the same. Same value between residential, commercial, farm home. No Ag land.
- Inflationary factor beginning the second year.
- Inflationary rate is only applied to the \$460.00 amount.

# What will happen to my Taxes?

## PRELIMINARY INFORMATION - FOR DISCUSSION ONLY

### Glencoe-Silver Lake School District, ISD 2859

Analysis of Tax Impact for Potential Referendum Levy  
June 24, 2019

Year Taxes are Payable	2019	2020	NET CHANGE
	Expired Authority	Proposed Authority	
Revenue per Pupil Unit	-\$176.88	\$460.00	\$283.12
Est. Net Change in Ref. Rev.	-\$302,642	\$798,744	\$496,102
Est. Market Value Tax Rate	-0.02644%	0.08481%	0.03837%

Type of Property	Estimated Market Value	Estimated Taxes for Referendum Levy Only*		
	\$100,000	-\$26	\$65	\$39
	125,000	-33	81	48
	150,000	-40	97	57
	175,000	-46	113	67
	200,000	-53	130	77
	225,000	-59	146	87
	250,000	-66	162	96
	300,000	-79	194	115
Residential	350,000	-93	227	134
Homesteads,	400,000	-106	259	153
Apartments,	450,000	-119	292	173
and Commercial-	500,000	-132	324	192
Industrial Property	600,000	-159	388	230
	700,000	-185	454	269
	800,000	-212	518	306
	900,000	-238	583	345
	1,000,000	-264	648	384
	1,250,000	-331	810	479
	1,500,000	-397	972	575
	2,000,000	-529	1,296	767

\* The figures in the table are based on school district taxes for the referendum levy only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the Minnesota Homestead Credit Refund ("Circuit Breaker") program. Many owners of homestead property will qualify for a refund, based on their income and total property taxes. This will decrease the net effect of the referendum levy for many property owners.

**NOTE:** Agricultural property will pay taxes for the proposed referendum based only on the value of the house, garage and one acre. Seasonal recreational residential property (i.e., cabins) will pay no taxes for the proposed referendum.

# Is Agricultural Farmland Taxed?

- **No. Legislative changes have exempted Ag land from being taxed as part of the Operating levy. Ag homestead taxes are based on the house, garage and one acre of land.**
  - **In addition, Ag land now receives an Ag credit on all school building bonds and abatement bonds that have been approved by the voters. In 2020, the tax credit will be 50% and by 2023 the credit will be 70%.**
- **Seasonal recreational property (cabins) are also exempt from the Referendum taxes.**

# Length of Referendum

- 10 years.
- Referendums can be any length up to 10 years.
  - Cost of Election
  - Financial Planning
  - State Funding


# Special Election Ballot

## Independent School District No. 2859 (Glencoe-Silver Lake Public Schools)

November 5, 2019

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### Instructions to Voters:

To vote, completely fill in the oval(s) next to your choice(s) like this .

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To vote for a question, fill in the oval next to the word "Yes" on that question.  
To vote against a question, fill in the oval next to the word "No" on that question.

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### School District Question Approval of School District Referendum Revenue Authorization

The board of Independent School District No. 2859 (Glencoe-Silver Lake Public Schools ) has proposed to increase its general education revenue by \$ 460 per pupil. A portion of this proposed referendum revenue authorization would replace the \$ 176.88 per pupil portion of the school district's prior authorization which expires after taxes payable in 2019. The proposed referendum revenue authorization would increase each year by the rate of inflation and be applicable for ten years, beginning with taxes payable in 2020 , unless otherwise revoked or reduced as provided by law.

☐

**Yes**

☐

**No**

Shall the increase in the revenue proposed by the board of Independent School District No. 2859 be approved?

**BY VOTING "YES" ON THIS BALLOT QUESTION, YOU  
ARE VOTING FOR A PROPERTY TAX INCREASE.**

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# Election Information

- **Vote – November 5, 2019**
- **Polling Places**
  - **Glencoe City Center**
    - **1107 11<sup>th</sup> Street East, Glencoe, MN**
    - **10:00 a.m. – 8:00 p.m.**
- **Absentee Ballots**
  - **Available in the District Office beginning September 20<sup>th</sup> until November 4<sup>th</sup>. Between the hours of 8:00 a.m. – 4:00 p.m.**



# Referendum Informational Meeting Dates

- Thursday, September 19 – Glencoe – 7:30 – **GSL School Room #443**
- Monday, September 23 – New Auburn – 7:30 – **Community Center**
- Wednesday, October 2 – Biscay – 6:00 – **Neisen's Bar**
- Monday, October 14 – Glencoe – 6:00 – **GSL School Room #443/444**
- Tuesday, October 15 – Silver Lake – 7:30 – **Lakeside Elementary**
- Tuesday, October 22 – Plato – 6:30 – **Fire Hall**
- Wednesday, October 23 – Brownton – 7:30 – **Brownton Community Center – (Downtown)**