

Aitkin County Board of Commissioners  
Request for County Board Action/Agenda Item Cover Sheet



To: Chairperson, Aitkin County Board of Commissioners Date: 9-5-12

Via: Patrick Wussow, County Administrator

From: Patrick Wussow, County Administrator

Title of Item:

Set 2013 Budget Hearing Date

Requested Meeting Date: 9-11-12 Estimated Presentation Time: \_\_\_\_\_

Presenter: Patrick Wussow, County Administrator

**Type of Action Requested** (check all that apply)

- For info only, no action requested
- For discussion only with possible future action
- Let/Award Bid or Quote (attach copy of basic bid/quote specs or summary of complex specs, each bid/quote received & bid/quote comparison)
- Approve/adopt proposal by motion
- Authorize filling vacant staff position
- Request to schedule public hearing or sale
- Request by member of the public to be heard
- Item should be addressed in closed session under MN Statute \_\_\_\_\_
- Approve under Consent Agenda
- Adopt Ordinance Revision
- Approve/adopt proposal by resolution (attach draft resolution)
- Other (please list) \_\_\_\_\_

**Fiscal Impact** (check all that apply)

- Is this item in the current approved budget? Yes \_\_\_\_\_ No \_\_\_\_\_ (attach explanation)
- What type of expenditure is this?  Operating  Capital  Other (attach explanation)
- Revenue line account # that funds this item is: \_\_\_\_\_
- Expenditure line account # for this item is: \_\_\_\_\_

**Staffing Impact** (Any yes answer requires a review by Human Resources Manager before going to the board)

- Duties of a department employee(s) may be materially affected.  Yes  No
- Applicable job description(s) may require revision.  Yes  No
- Item may impact a bargaining unit agreement or county work policy.  Yes  No
- Item may change the department's authorized staffing level.  Yes  No



**Supporting Attachment(s)**

- Memorandum Summary of Item
- Copy of applicable county policy and/or ordinance (excerpts acceptable)
- Copy of applicable state/federal statute/regulation (excerpts acceptable)
- Copy of applicable contract and/or agreement
- Original bid spec or quote request (excluding complex construction projects)
- Bids/quotes received (excluding complex construction projects, provide comparison worksheet)
- Bid/quote comparison worksheet
- Draft County Board resolution
- Plat approval check-list and supporting documents
- Copy of previous minutes related to this issue
- Other supporting document(s) (please list) MN Dept of Revenue Report/Instructions

**Provide (1) copy of supporting documentation NO LATER THAN Wednesday at Noon to make the Board's agenda for the following Tuesday. (If your packet contains colored copies, please provide (4) paper copies of supporting documentation as we do not have a color printer or copier.) Items WILL NOT be placed on the Board agenda unless complete documentation is provided for the Board packets.**

# AITKIN COUNTY ADMINISTRATION

**Aitkin County Courthouse**  
217 Second Street N.W. Room 130  
Aitkin, MN 56431  
218-927-7276  
Fax: 218-927-7374

**TO: Aitkin County Board of Commissioners**

**FROM: Patrick Wussow, Aitkin County Administrator**

**RE: Setting Budget Hearing "Public Meeting Date" for 2013 Budget**

**DATE: September 5, 2012**

For your review staff has included a copy of a report from the MN Department of Revenue relating to setting the 2013 budget hearing. The 2009 Legislature significantly changed the Truth in Taxation laws. For the past three years the County Board has held the Budget hearing with a starting time of 6:05 p.m. This special meeting must be held sometime between November 27 and December 26, but for working purposes in the County Auditor's office the earlier we hold the meeting, the better.

At Tuesday's meeting the Board needs to schedule the Public Hearing for an evening meeting. It is staff's recommendation to hold the meeting on Thursday, December 6<sup>th</sup> at 6:05 p.m. in the County Boardroom.

As a reminder, this year's AMC Annual Conference is scheduled for Monday, December 3<sup>rd</sup> and Tuesday, December 4<sup>th</sup> in St. Cloud.



## **Calendar for Proposed Property Taxes, Public Meetings, and Final Property Taxes for Payable 2013**

**On or Before September 15, 2012 (effectively September 17 for 2012)**

Each city over 500 population certifies to the county auditor the date that it has selected for its public meeting. If not certified by this date, the county auditor will assign the meeting date.

**On or Before September 15, 2012 (effectively September 17 for 2012)**

Each "taxing authority" other than a school district adopts a proposed budget for payable 2013 and certifies its proposed (or, in the case of a township, its final) property tax levy for payable 2013 to the county auditor. "Taxing authority other than a school district" includes all counties, all cities regardless of their population, all towns, and all special taxing districts. No local units of government except school districts are exempt from this requirement. (See the requirement for school districts below).

Non-school taxing authorities still negotiating an agreement for the sharing, merger, or consolidation of services must include with the proposed levy certification a notification of the specific service or services involved in the agreement that is not yet finalized.

**On or Before September 30, 2012 (effectively October 1 for 2012)**

Each school district certifies to the county auditor the date that it has selected for its public meeting.

**On or Before September 30, 2012 (effectively October 1 for 2012)**

Each school district certifies its proposed property tax levy for payable 2013 to the county auditor. School districts still negotiating an agreement for the sharing, merger, or consolidation of services must include with the proposed levy certification a notification of the specific service or services involved in the agreement that is not yet finalized.

Note: This deadline may be extended until October 7 if a school district reaches an agreement with their home county auditor to the extension.

**On or Before October 5, 2012**

In the case of a school district, a city, or a special taxing district located in two or more counties, the home county auditor must certify the proposed local tax rate to the other county auditor(s).

Note: This deadline is extended until October 10 in the case of a school district located in two or more counties granted an extension to submit their proposed levy.

**On or Before October 7, 2012 (effectively October 8 for 2012)**

Each school district who agreed to an extension with their home county auditor certifies its proposed property tax levy for payable 2013 to the county auditor.

**On or Before October 10, 2012**

Taxing authorities still negotiating an agreement for the sharing, merger, or consolidation of services at the time that the proposed levy had to be certified must certify the amended portion of their proposed property tax levies at this time to reflect the result of the negotiated agreement.

**On or Before October 10, 2012**

In the case of a school district located in two or more counties granted an extension to submit their proposed levy, the home county auditor must certify the proposed local tax rate to the other county auditor(s).

**After November 10, 2012  
(effectively November 12  
for 2012) and on or Before  
November 24, 2012  
(effectively November 26  
for 2012)**

The county auditor prepares and the county treasurer delivers a parcel specific notice of proposed property taxes by first class mail to each property owner at the address listed on the county's assessment roll for the taxes payable year 2013. The date, time, and place for the scheduled public meeting for the county, school district, metropolitan special taxing districts, and city (if the property is located within a city over 500 population) will be shown along with other information. The Department of Revenue is to prescribe the form of the parcel specific notice to be used.

**November 25 (effectively  
November 27 for 2012)  
Through December 26,  
2012**

Counties, school districts, cities over 500 population, and metropolitan special taxing districts hold their public meetings on their proposed total budgets (current school year budget in the case of school districts) and proposed property tax levies for the taxes payable year 2013. The meeting may be part of a taxing authority's regularly scheduled meeting but the meeting must be held after 6:00 PM.

**No Later Than December  
28, 2012**

Counties, school districts, cities over 500 population, and metropolitan special taxing districts must adopt their final payable 2013 property tax levies and (except for school districts) their payable 2013 budgets.

**On or Before 5 Business  
Days After December 20,  
2012**

Counties, school districts, cities of any size, metropolitan special taxing districts, and other special taxing districts certify their final adopted payable 2013 property tax levies to the county auditor (towns certify their final property tax levies by September 15, 2012). The final property tax certified by a county, school district, city, or metropolitan special taxing district cannot exceed its proposed property tax except for several "add-on" levies authorized for an event occurring after the proposed tax was certified. If a town board modifies the town's final property tax at a special town meeting after September 15, the town board must certify its modified final property tax at this time. If a county, school district, city of any size, town, or special taxing district has not certified its final property tax by this time, its property tax for payable 2013 shall be the amount levied by it in the preceding year.

**(On or Before December  
28, 2012)**

Note: A city of 500 population or less or a special taxing district (other than a metropolitan special taxing district) may notify the county auditor at the time that it certifies its proposed property tax levy for taxes payable in 2013 that its proposed levy is also its final levy, in which case no further certification to the county auditor is required.

# MINNESOTA REVENUE

## INSTRUCTIONS AND EXPLANATION DETAIL FOR Truth in Taxation (TNT) Payable in 2013

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### ■ Section I Date, Time, and Place for the Public Meeting

1. **Public Meeting Requirements:** In lieu of the eliminated formal TNT hearing, counties, cities over 500 population, 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 between November 27 and December 26 and be held after 6:00 PM. This meeting may be part of a regularly scheduled meeting. If a regular meeting is not scheduled between November 27 and December 26 after 6:00 PM then it will be necessary to schedule a special meeting for this purpose.
2. **Public Meeting Announcement:** Counties, cities over 500 population, school districts, and metropolitan special taxing districts are required to announce, at the meeting in which the proposed levy is certified, the time and place of its subsequent regularly scheduled meeting at which the budget and levy will be discussed and the public allowed to speak. For taxing authorities required to publish a summary of proceedings in an official newspaper in accordance with M.S. §§ 123B.09, 375.12, or 412.191, the time and place of the public meeting must also be included in the publication.
3. **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.
4. **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.

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### ■ Section II Adoption of Proposed Property Tax Levy

1. **Deadline for Counties and Cities to Certify Proposed Levy:** The county board and the governing body of each city (including cities of 500 population or less) must adopt its proposed property tax levy for the taxes payable year 2013 and certify that amount to the home county auditor on or before September 15 (effectively September 17 for 2012). 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 M.S. Chapter 398A must be included with the county's proposed levy and must be discussed at that county's public meeting.

2. **Deadline for School Districts to Certify Proposed Levy:** Each school district must adopt its proposed property tax for the taxes payable year 2013 and certify that amount to the home county auditor on or before **September 30, 2012 (effectively October 1, 2012)**. If a school district has agreed with its home county to delay certification, the deadline is **October 7, 2012 (effectively October 8, 2012)**. 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 M.S. § 126C.48, subd. 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, including those referendum levies based on market value as well as those based on net tax capacity.

**Note:** Joint powers boards established under M.S. §§ 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, but otherwise they are treated as special taxing districts since they are exempt from the public meeting requirements under Truth in Taxation.

3. **Deadline for Towns (Townships) to Certify Proposed Levy:** All townships must have their proposed property tax levies certified to the county auditor on or before September 15 (effectively September 17 for 2012), but they are exempt from the public meeting requirements under Truth in Taxation. No extension of this deadline will be granted. In most cases this certification will be the certification of the levy that was adopted at the annual town meeting in March, and will be the final levy as well as the proposed levy for the township.
4. **Deadline for Special Taxing Districts to Certify Proposed Levy:** All special taxing districts must have their proposed property tax levies certified to the county auditor on or before September 15 (effectively September 17 for 2012), but they are exempt (except for the three metropolitan special taxing districts and regional library districts) from the public meeting requirements under Truth in Taxation. No extension of this deadline will be granted.
5. **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 TNT notices.
6. **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.
7. **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 October 10 of the levy year to reflect the result of the negotiated agreement.

When the county auditor sends the Department of Revenue the preliminary levy survey under M.S. § 275.07, subd. 4, a copy of the notices from the taxing authorities negotiating an agreement is to accompany the levy survey. Then when the amended proposed levies have been certified by these taxing authorities, the county auditor is to certify the amended proposed levies for these taxing authorities to the Department of Revenue as soon as possible after October 10.

8. **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 **October 5** (October 10 for a school district reaching an agreement with the county auditor to certify their proposed levy on or before October 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.

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▪ **Section III Preparation and Mailing of Parcel Specific Notices (Counties)**

1. **Due Date for Mailing:** Parcel specific notices must be prepared by the county auditors in all 87 counties, and must be mailed by the county treasurers by first class mail to the property owners in each county **after November 12, 2012 but no later than November 26, 2012.**
2. These notices will inform the property owners that their county, school district, city (if the property is located within a city over 500 population), 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 2013 (current school year budgets in the case of school districts).

**Market Values:** Each parcel specific notice must clearly inform the taxpayers of the years to which the taxable market values shown on the notice apply, and that these market values are final values. The payable 2012 final taxable market values shown must be the market values after (1) any Green Acres Law deferment, if applicable; (2) any Rural Preserves Law deferment, if applicable; (3) any Open Space Law deferment, if applicable; (4) any Aggregate Resource Preservation Law deferment, if applicable; (5) any market value exclusions under M.S. § 273.11, subd. 16, for "This Old House" improvements made to the property, if applicable; (5) any market value limitation for vacant land, if applicable; (6) any market value exclusions under M.S. § 273.11, subsd. 19 and 20, for "This Old Business Property" improvements made to qualifying commercial and industrial property, if applicable; (7) any exclusions under M.S. § 273.13, subd. 34, for a homestead of a disabled veteran; (8) any mold damage exclusion; and (9) any lead hazard exclusion. The payable 2013 final taxable market values shown must be after all of the reductions above as well as the market value homestead exclusion. As such, the market values to be shown are the market values used in determining net tax capacity for computing property taxes for the two taxes payable years.

3. **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 2012 or a subsequent year which 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 December 1 of the levy year of the notice may request by December 15 of the levy year that the property be reclassified to the appropriate homestead classification. If satisfactory documentation is provided, the county assessor must reclassify the property to the appropriate homestead classification for taxes payable in the following year.

4. **Contamination Tax:** For a parcel subject to contamination taxes in 2013, a note must be computer printed in the text area of the notice stating that the payable 2013 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 2013.
5. **Lake Improvement District:** If the county levy includes an amount for a lake improvement district as defined under M.S. §§ 103B.501 to 103B.581, the amount for that purpose must be separately stated from the rest of the levy.
6. **Public Safety Communication System:** If the county incurs debt pursuant to M.S. § 373.47 (part of the Minnesota Anti-Terrorism Act of 2002), the levy to pay the principal and interest on the capital improvement bonds or capital notes issued under this law may be shown separately from the remaining county levy on the parcel specific notice. This is not mandatory. It is a county option. The debt incurred under this law would be for public safety communication system infrastructure and equipment for use on the statewide, shared public safety radio system
7. **Anoka County:** Anoka County may choose to show its levy for bonds or notes issued to finance the cost of certain communication system infrastructure and equipment under Laws 2002, chapter 390, section 27, as a separate line item on the parcel specific notice between the county tax and the city or town tax.
8. **City of Minneapolis:** For Hennepin County, the parcel specific notices prepared for the City of Minneapolis must show separate lines of tax data for the Library Board, the Park Board, and the remainder of the city tax.
9. **Ramsey County (City of St. Paul):** For Ramsey County the parcel specific notice 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."
10. **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.
11. **School District Tax Breakdown:** The parcel specific notice of proposed property taxes for the taxes payable year 2013 must show, for both 2012 and 2013, the required breakdown for school district taxes. This includes the "Voter approved levies" and the "Other local levies." Voter approved levies" means school district taxes approved at referendums for both (a) operating purposes, and (b) debt, including those referendum levies based on market value as well as those based on net tax capacity.

12. **School District Operating Referendum:** If the school district has certified under M.S. § 126C.17, subd. 9, that it will be holding 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 stating that a referendum is pending and that, if approved by the voters, the school tax amount for 2013 may be higher than the amount shown on the notice. This notification must not be pre-printed on the parcel specific notices.
13. **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 for the metropolitan special taxing districts as defined above.
14. **Two Columns; Increase/Decrease:** The parcel specific notice of proposed property taxes for the taxes payable year 2013 is to show two columns. These columns are (1) "2012 Property Tax" and (2) "Proposed 2013 Property Tax."
15. **Percentage Change:** The only percentage change to be shown on the parcel specific notice of proposed property taxes for the taxes payable year 2013 is the percentage change for the total proposed property tax compared to the total actual property tax for the current year. Percentage changes for each taxing authority are not to be shown.
16. **County Tax Rate Differential Abatement:** For an eligible county that has a pending county economic development tax abatement (county tax rate differential abatement) under M.S. § 375.194 to one or more eligible parcels of commercial and/or industrial property within the county for the taxes payable year 2013, the proposed tax rates for all affected taxing jurisdictions must be calculated without regard to the potential county tax abatement which is pending. 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.
17. **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 M.S. §§ 469.1812 to 469.1815. The tax amounts shown on the parcel specific notice are to be before the reduction for any economic development tax abatements that will be granted on the property.
18. **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) in case taxpayers have questions related to the notice or want to comment on the proposed taxes. If a local taxing jurisdiction does not maintain a public office the county auditor will leave the telephone number blank.
19. **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.

20. **Electronic Parcel Specific Notices:** Upon written request by the taxpayer, the treasurer may send the notice in electronic form or by electronic mail instead of on paper or by ordinary mail.
21. **Supplemental Information:** No additional information is to be mailed with the notice, except that a governing body of a county, city, or school district may, with the consent of the county board, include supplemental information with the statement of proposed property taxes about the impact of state aid decreases and on the level of services provided in the jurisdiction. The information may pertain to the following year, current year, and as many preceding years as deemed appropriate by the jurisdiction. The information may only include regarding:
- 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 and 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 also be sent to the Department of Revenue.

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▪ **Section IV Apportioning the Costs of Parcel Specific Notices**

1. **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 the Truth in Taxation Law) to the school districts within the county, to the cities and towns within the county, and to the county government itself.

**One-third** of these costs must be absorbed by the **county government** itself.

**One-third** of these costs may be allocated to the **school districts** within the county. These costs are to be apportioned among the school districts in 2012 based upon the number of parcels within each school district within the county.

The remaining **one-third** of these costs may be allocated to the **cities and towns** within the county, including the cities of 500 population or less. These costs are also to be apportioned among the cities and towns in 2012 based upon the number of parcels within each city or town within the county.

2. **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.
3. **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).

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▪ **Section V Delivery of Parcel Specific Notice by Owners of Rental Housing**

1. **Deadline for Delivery/Posting:** 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 **November 27, 2012 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.
2. **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 effect their rent payments, and to provide an opportunity for tenants to voice their opinions to public officials about the proposed increases or decreases.

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▪ **Section VI Action Required at Public Meeting**

1. **Discuss Budget and Proposed Property Tax:** The proposed property tax levy for the taxes payable year 2013 and the proposed budget for the taxes payable year 2013 (current school year budget in the case of school districts) must be discussed at the public meeting.
2. **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.
3. **City of 500 Population 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 of 500 population or less may revise its levy from the September 15 proposed amount and adopt a final property tax levy at either a regular city council meeting or at a special public meeting held after September 15, 2012. If a city of 500 population or less revises its property tax levy from the September 15, 2012 proposed amount, such revised or final levy may also be less than the proposed levy but must not exceed the proposed property tax levy except for the allowable "add-on" levies discussed below.

4. **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.

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▪ **Section VII Allowable "Add-on" Levies**

1. 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 and result in a final levy that is greater than the proposed levy:
  - (a) **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.
  - (b) **Bond Referendums:** The amount of a levy to pay the principal and interest on bonds approved by the voters under M.S. § 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 M.S. § 475.58.
  - (c) **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.
  - (d) **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 ten 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.
  - (e) **Non-School Levy Limitation Increase:** The amount of an increase in the levy limitation (for whatever purpose) for a county or a city over 2,500 population or for a metropolitan special taxing district, certified by the Commissioner of Revenue after the proposed levy was certified.
  - (f) **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.
  - (g) **School Districts; Default Avoidance:** The amount necessary in accordance with M.S. § 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.

- (h) **Emergency Debt Certificates:** The amount necessary in accordance with M.S. § 475.55 to pay emergency debt certificates authorized and issued after the proposed levy was certified.
- (i) **Recertification Due to Unallotment:** The amount necessary in accordance with M.S. § 275.07, subd. 6, to cover the increase of the proposed levy due to unallotments occurring after September 1 of the levy year.

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▪ **Section VIII Certification of Final Property Tax Levy**

1. **Deadline for Certifying Final Levy:** The county board, each school district within the county, each city over 500 population within the county, and each metropolitan special taxing district must certify its final payable 2013 property tax levy to the county auditor no later than 5 working days after December 20 (December 28, 2012). Cities of 500 population or less, towns, and other special taxing districts must also certify their final payable 2013 property tax levies by this time if the "proposed levy" certified by September 15, 2012 is not also their "final levy." No exceptions or extensions will be granted, except as provided below.
2. **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.
3. **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.
4. **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 future late unallotment occurs, an effected taxing authority is allowed to recertify its final levy as late as two business days after January 15<sup>th</sup> (of the payable year). The taxing authority is permitted to increase the final levy to exceed the proposed levy in this case.

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▪ **Section IX Penalty for Violation of Truth in Taxation**

1. **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 the Truth in Taxation Law. Examples of serious violations are as follows: (a) failure to hold a public meeting, (b) failure to allow the public to speak at the public meeting, and (c) failure to complete and submit a Truth in Taxation compliance form (Form TNT) to the Department of Revenue.

2. **Explanation of Penalty:** The penalty for a serious violation of the Truth in Taxation Law for payable 2013 is to reduce the taxing authority's property tax levy for the taxes payable year 2013 to the sum of:
  - (a) the amount of its certified levy for the taxes payable year 2012; and
  - (b) 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 2013 would be its final payable 2012 certified levy amount.

3. **County Auditor's Responsibility:** If the penalty is imposed, the county auditor must use the sum of the taxing authority's payable 2012 final certified property tax levy and the additional debt service amounts mentioned above when determining the taxing authority's payable 2013 tax rates under M.S. § 275.08. If the taxing authority's final certified levy for the taxes payable year 2013 is equal to or less than the sum of its certified levy for the taxes payable year 2012 and its additional debt service amounts mentioned above, no penalty is imposed.
4. **Possible Remedial Action to Avoid Penalty:** If a county, school district, city over 500 population, 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.