

Northfield School District No. 659

**Analysis of Tax Impact for Potential Bond Issue
November 6, 2018 Election**

July 23, 2018

Estimated Project Costs	\$38,810,000
Bond Issue Amount	\$40,975,000
Number of Years	20
Estimated Capitalized Interest	\$2,600,000
Estimated Total Tax Levies Over 20 Years	\$60,304,551
Estimated Debt Service Tax Rate Payable in 2019*	
Existing Debt Only	18.72%
With Proposed New Issue	<u>19.86%</u>
Estimated Tax Capacity Rate Change	1.14%

Type of Property	Estimated Market Value	Estimated Annual Impact on Taxes Payable in 2019*
Residential Homestead	\$100,000	\$8
	125,000	11
	150,000	14
	175,000	18
	200,000	21
	250,000	27
	300,000	33
	350,000	39
	400,000	45
	500,000	57
Commercial/Industrial +	600,000	71
	\$250,000	\$48
	500,000	105
	1,000,000	219
Agricultural Homestead** (average value per acre of land & buildings)	2,000,000	447
	\$4,000	\$0.14
	5,000	0.17
	6,000	0.21
	7,000	0.24
Agricultural Non-Homestead** (average value per acre of land & buildings)	8,000	0.27
	\$4,000	\$0.27
	5,000	0.34
	6,000	0.41
	7,000	0.48
	8,000	0.55

* Estimated tax impact includes principal and interest payments on the new bonds. The figures in the table are based on school district taxes for bonded debt levies only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the homeowner's 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 proposed bond issue for many property owners.

+ For commercial-industrial property, the tax impact estimates above are for property in Rice and Goodhue counties. For commercial-industrial property in Dakota county, the tax impact would be less than shown above, due to the impact of the Twin Cities Fiscal Disparities program.

** For agricultural property, estimated tax impact includes 40% reduction due to the School Building Bond Agricultural Credit. Average value per acre is the total estimated market value of all land & buildings divided by total acres. Homestead examples exclude the house, garage, and one acre, which has the same tax impact as a residential homestead.