

## ESTIMATES PRIOR TO ELECTION

**Fergus Falls School District, ISD 544**

**July 10, 2024**

**Analysis of Tax Impact for Potential Bond Issue**

**November 2024 Election**

|   | Question 1          | Question 2       |
|---|---------------------|------------------|
| <b>Authorized Bond Amount (2 Bond Issues)</b> | <b>\$48,840,000</b> | <b>\$910,000</b> |
| <b>Average Interest Rate</b>                  | <b>5.00%</b>        | <b>5.00%</b>     |
| <b>Number of Years/Tax Levies</b>             | <b>22</b>           | <b>22</b>        |

| Type of Property   | Estimated Market Value | Estimated Tax Impact Payable 2025 Compared to 2024* |         |        |         |
|--|------------------------|---|---------|--------|---------|
|  |                        | Annual  | Monthly | Annual | Monthly |
| Residential<br>Homestead   | \$50,000               | \$13  | \$1     | \$1    | \$0     |
|  | 100,000                | 16  | 1       | 1      | 0       |
|  | 150,000                | 39  | 3       | 2      | 0       |
|  | 200,000                | 63  | 5       | 3      | 0       |
|  | 225,000                | 74  | 6       | 4      | 0       |
|  | 250,000                | 86  | 7       | 4      | 0       |
|  | 275,000                | 98  | 8       | 5      | 0       |
|  | 300,000                | 109   | 9       | 5      | 0       |
|  | 400,000                | 156   | 13      | 7      | 1       |
| 500,000  | 212                    | 18  | 9       | 1      |         |
| Commercial/<br>Industrial  | \$50,000               | \$32  | \$3     | \$1    | \$0     |
|  | 100,000                | 64  | 5       | 3      | 0       |
|  | 250,000                | 182   | 15      | 8      | 1       |
|  | 500,000                | 396   | 33      | 18     | 2       |
| Agricultural<br>Homestead**<br>(average value per acre<br>of land & buildings)     | \$3,000                | \$0.19  | \$0.02  | \$0.01 | \$0.00  |
|  | 4,000                  | 0.26  | 0.02    | 0.01   | 0.00    |
|  | 5,000                  | 0.32  | 0.03    | 0.01   | 0.00    |
|  | 6,000                  | 0.39  | 0.03    | 0.02   | 0.00    |
| Agricultural<br>Non-Homestead**<br>(average value per acre<br>of land & buildings) | \$3,000                | \$0.39  | \$0.03  | \$0.02 | \$0.00  |
|  | 4,000                  | 0.51  | 0.04    | 0.02   | 0.00    |
|  | 5,000                  | 0.64  | 0.05    | 0.03   | 0.00    |
|  | 6,000                  | 0.77  | 0.06    | 0.03   | 0.00    |
| Seasonal<br>Recreational<br>Residential  | \$100,000              | \$43  | \$4     | \$2    | \$0     |
|  | 200,000                | 86  | 7       | 4      | 0       |
|  | 300,000                | 128   | 11      | 6      | 1       |
|  | 400,000                | 171   | 14      | 8      | 1       |
|  | 500,000                | 214   | 18      | 10     | 1       |

\* Estimated tax impact includes principal and interest payments on the new financing. The amounts 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. Owners of homestead property may qualify for a refund, based on their income and total property taxes. This will decrease the net effect of the proposed financing for those property owners.

\*\* For all agricultural property, estimated tax impact includes a 70% 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. If the property includes a home, then the tax impact on the house, garage, and one acre of land will be calculated in addition to the taxes per acre, on the same basis as a residential homestead or non-homestead property. If the same property owner owns more than approximately \$3.5 million of agricultural homestead land and buildings, a portion of the property will be taxed at the higher non-homestead rate.