

City of Princeton

2021 Truth in Taxation Information Meeting

December 10, 2020

Introduction

The City of Princeton is required to conduct a Truth in Taxation Information Meeting prior to setting the budget and levy for 2021. The City must present information about the proposed budget and levy. The public must be given reasonable time to ask questions and comment on the information presented.

How the Property Tax System Works

- Assessor sets proposed property values as of January 1 for the following year taxes based on comparable sales.
- The values are sent to the County Auditor who sends out property-specific notices to owners notifying them of the valuation.
- City Council conducts Board of Review meeting in the spring of each year which is when the residents can question and dispute the valuation.
- Values are then finalized and used for calculating the taxes.
- The City and other jurisdictions set the preliminary levy in September, the County sends out parcel tax info based on these preliminary levies and cities and other jurisdictions hold the Truth in Taxation Information Meeting prior to finalizing the levy.
- The City and other jurisdictions adopt their levy and budgets in December. Tax rates are calculated by the County based on the levies adopted and the valuations set earlier.

Factors that influence the Total Tax Levy

- Property Market Value (Established by actual sales & assessors)
- The Total Tax Capacity of the Jurisdictions
- Property Class Rates (Set by the State and used to calculate the Tax Capacity from the Property Market Value)
- State Aid (Set by the State)
- County Budget and Tax Levy
- School District Operating and Voter Approved Levies
- City Budget and Tax Levy
- Special State Laws (example the sales tax exemption)
- Commercial Property State Property Tax Levy

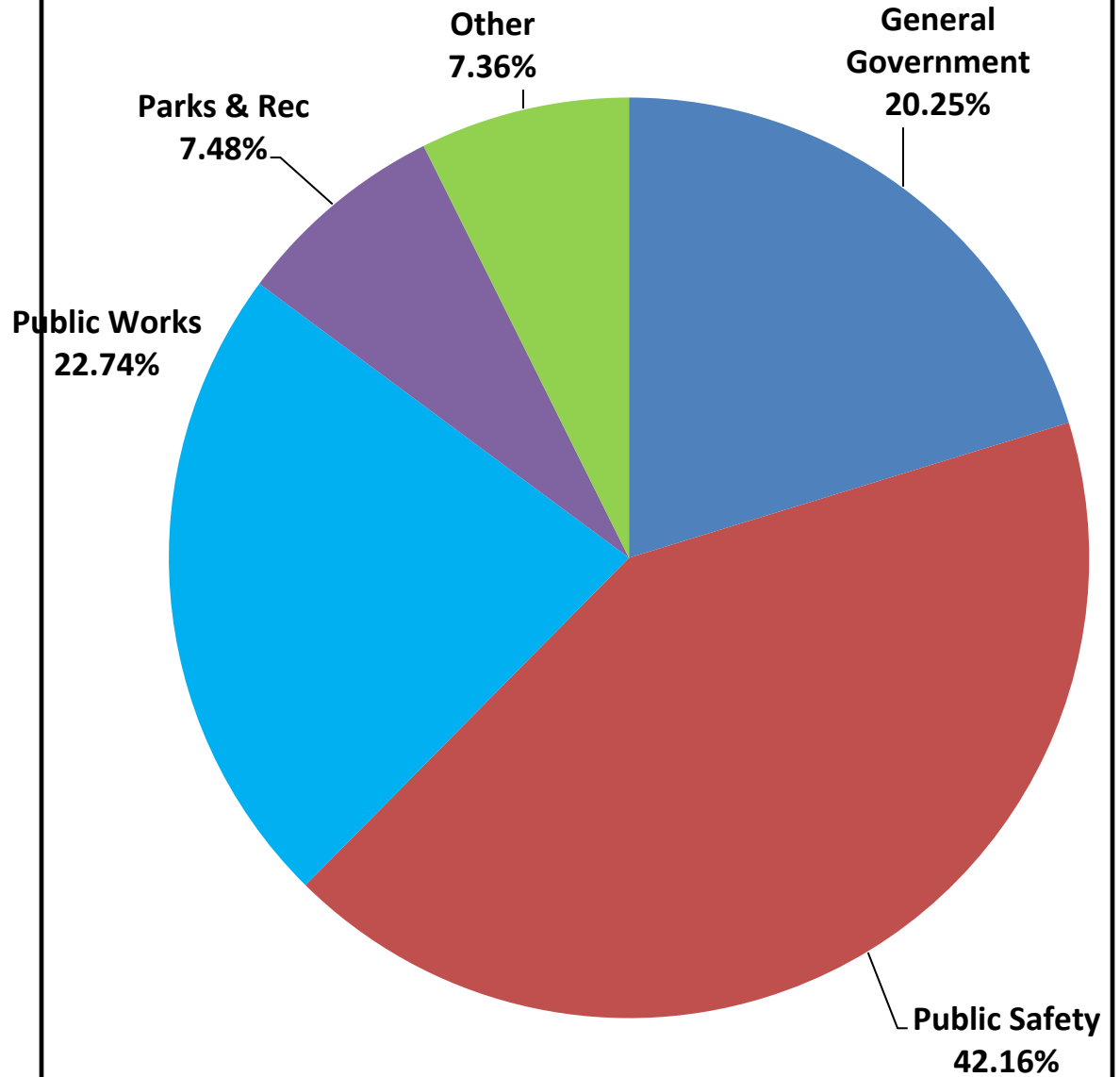
Class Rates for Taxes Payable in 2021

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Property Type	Class Rate (%)	Tax Code^(a)
Disabled Homestead up to \$50,000 ^(b)	0.45	R
Residential Homestead ^(b)		
Up to \$500,000 ^(c)	1.0	R
Over \$500,000	1.25	R
Residential Nonhomestead		
Single unit:		
Up to \$500,000	1.0	R
Over \$500,000	1.25	R
2-3 unit and vacant land	1.25	R
Apartments (4 or more units)	1.25	R
Low-income apartments		
Up to \$162,000 per unit	0.75	R
Over \$162,000 per unit	0.25	R
Agricultural Homestead		
House, garage, and one acre (HGA)	^(d)	^(d)
Other land and buildings:		
Up to \$1,900,000 ^(e)	0.5	
Over \$1,900,000 ^(e)	1.0	
Agricultural Nonhomestead	1.0	
Rural Vacant Land Nonhomestead	1.0	
Managed Forest Land	0.65	
Commercial-Industrial-Public Utility		
Electric generation machinery	2.0	R
Other:		
Up to \$100,000	1.5	R
\$100,000 - \$150,000	1.5	S1, R
Over \$150,000	2.0	S1, R
Noncommercial Seasonal-Recreational (Cabins)		
Up to \$500,000	1.0	S2
Over \$500,000	1.25	S2
Homestead resorts		
Owner's residence	^(d)	^(d)
Other land and buildings:		
Up to \$600,000	0.5	R
\$600,000 - \$2,300,000	1.0	R
Over \$2,300,000	1.25	S2, R
Nonhomestead resorts		
Up to \$500,000	1.0	S2, R
Over \$500,000	1.25	S2, R

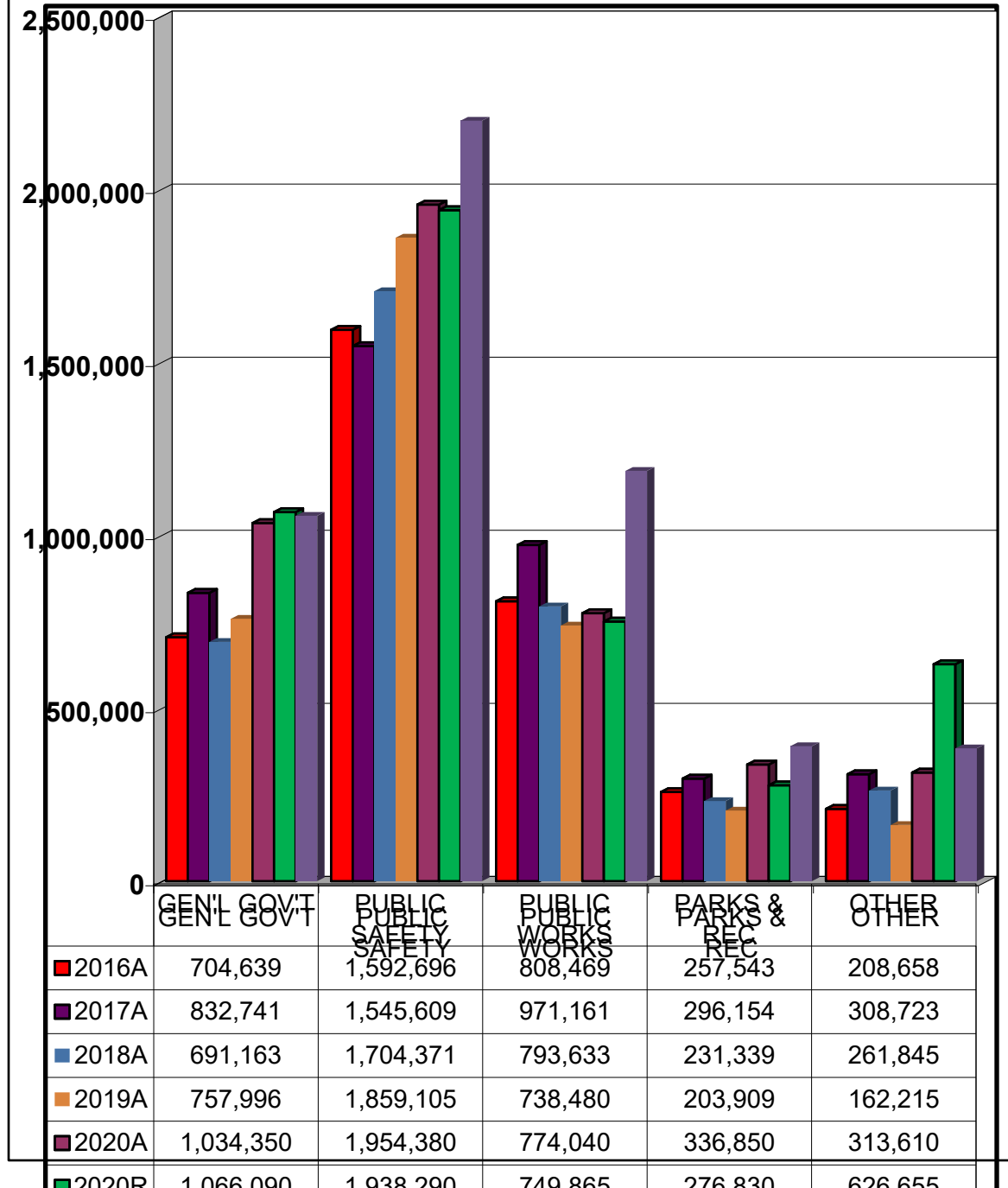
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**2021 GENERAL
FUND TOTAL
EXPENDITURES BY
DIVISION**



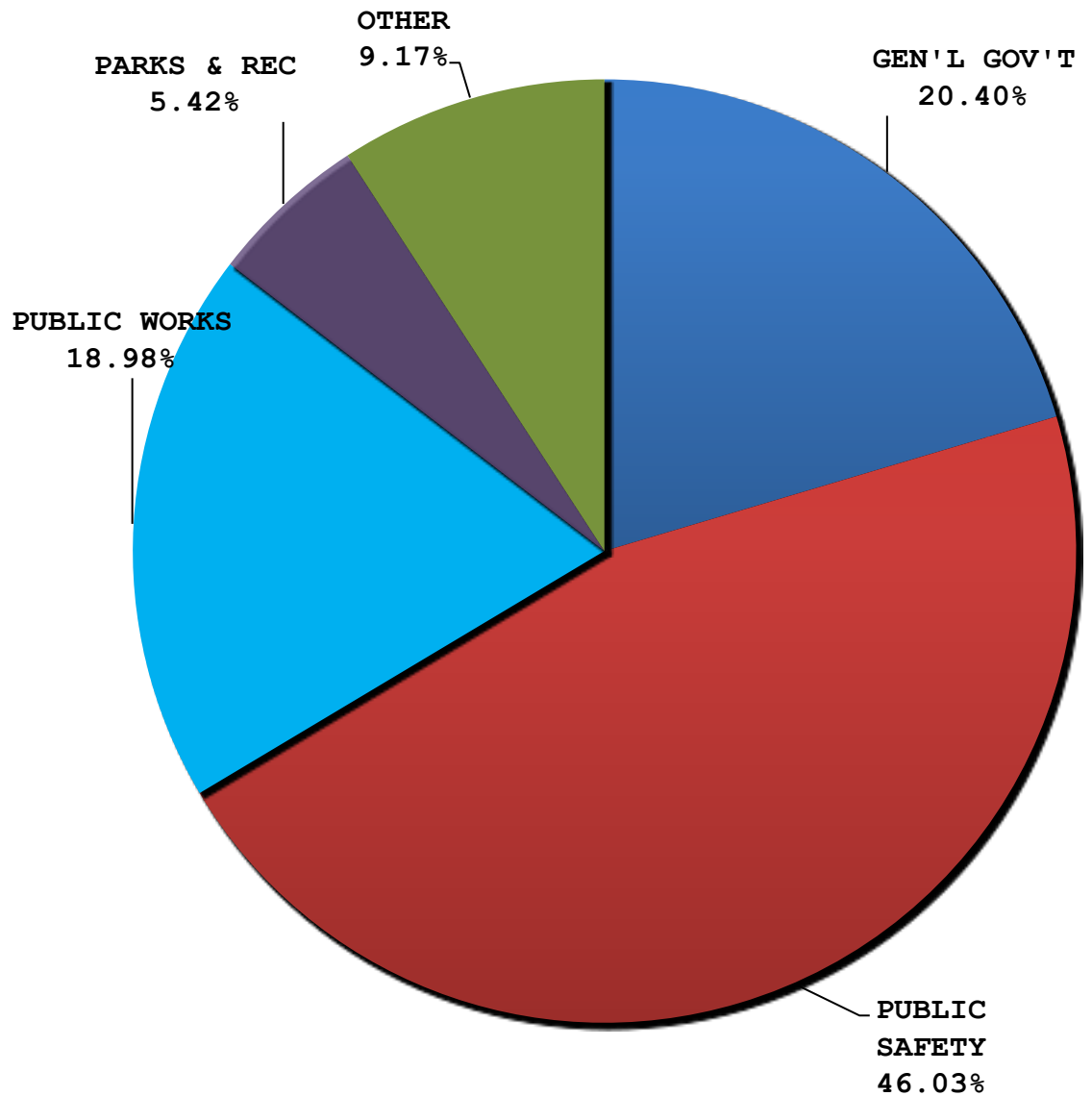
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**GENERAL FUND
 TOTAL
 EXPENDITURES BY
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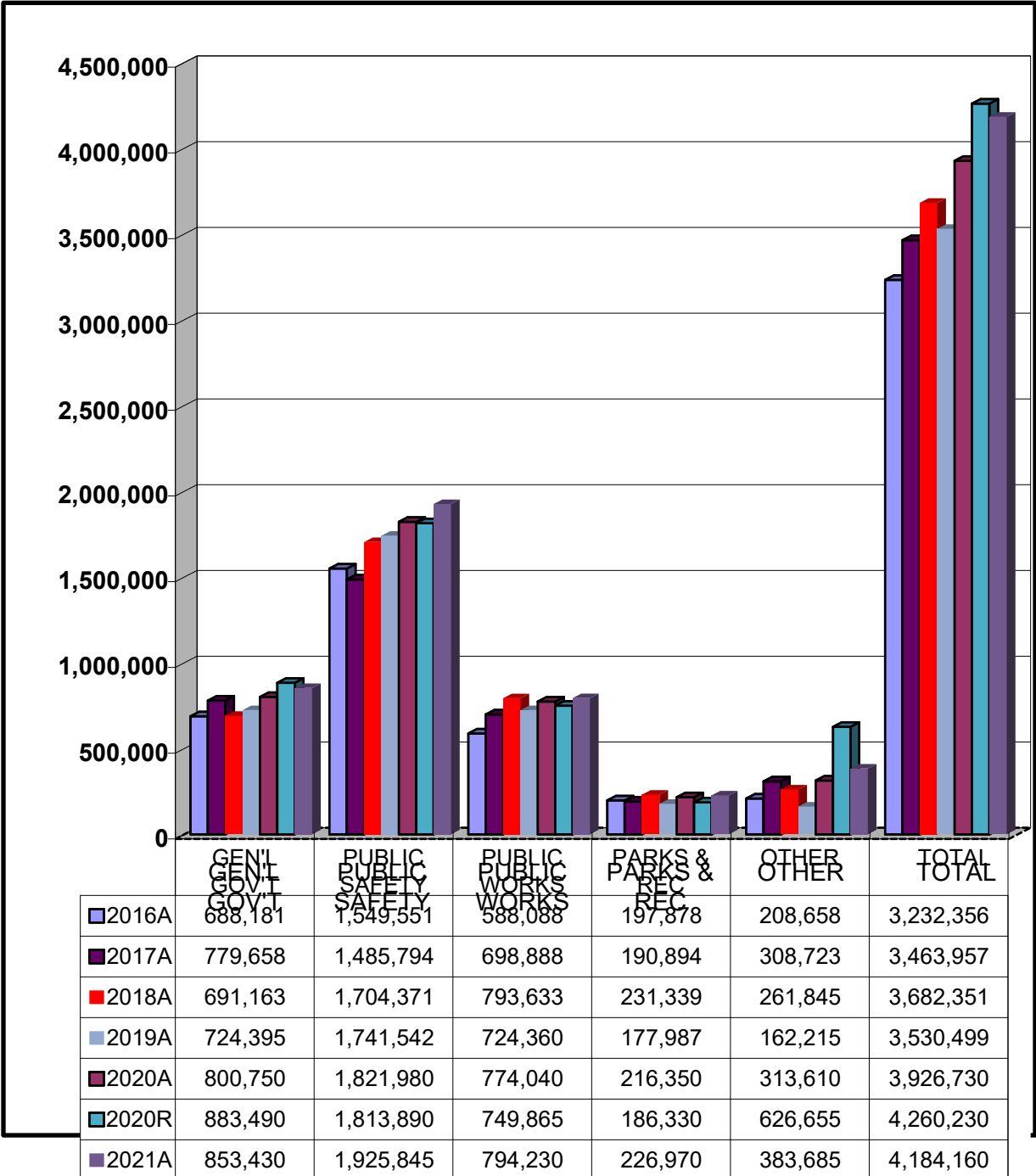
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**2021 GENERAL
FUND OPERATING
EXPENDITURES BY
DIVISION**



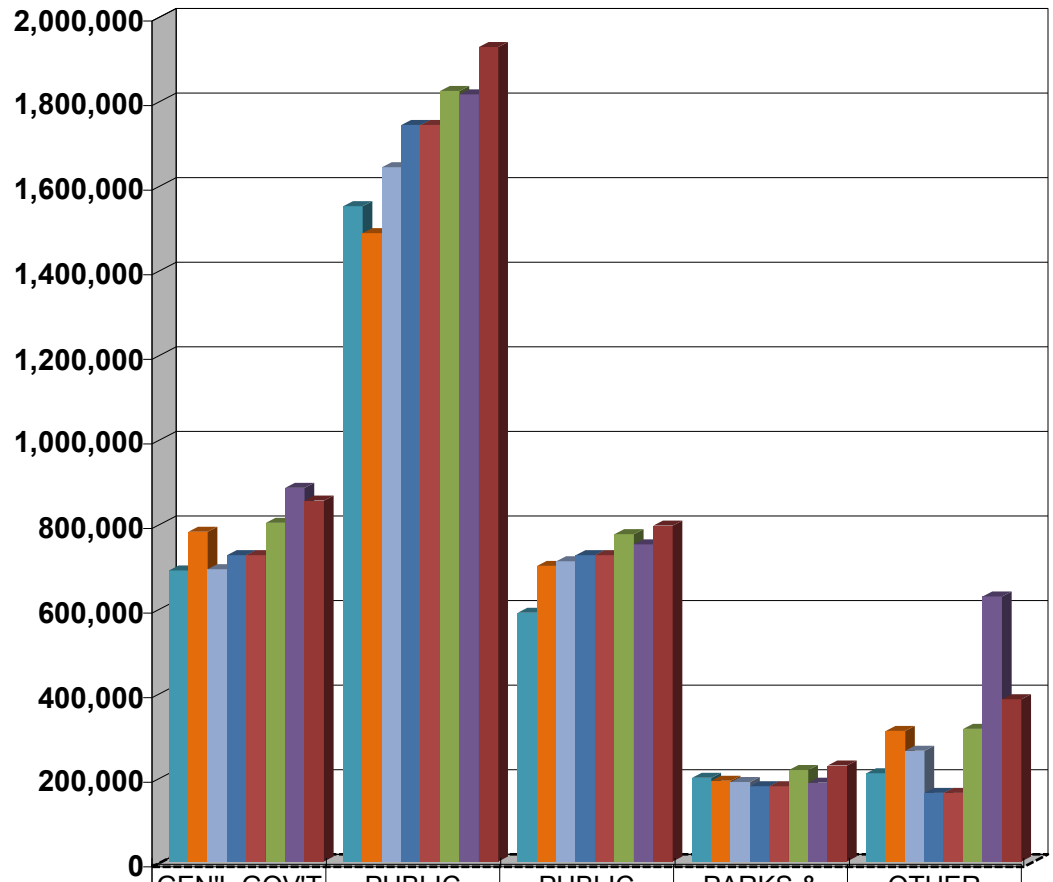
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**GENERAL FUND
 OPERATING
 EXPENDITURES BY
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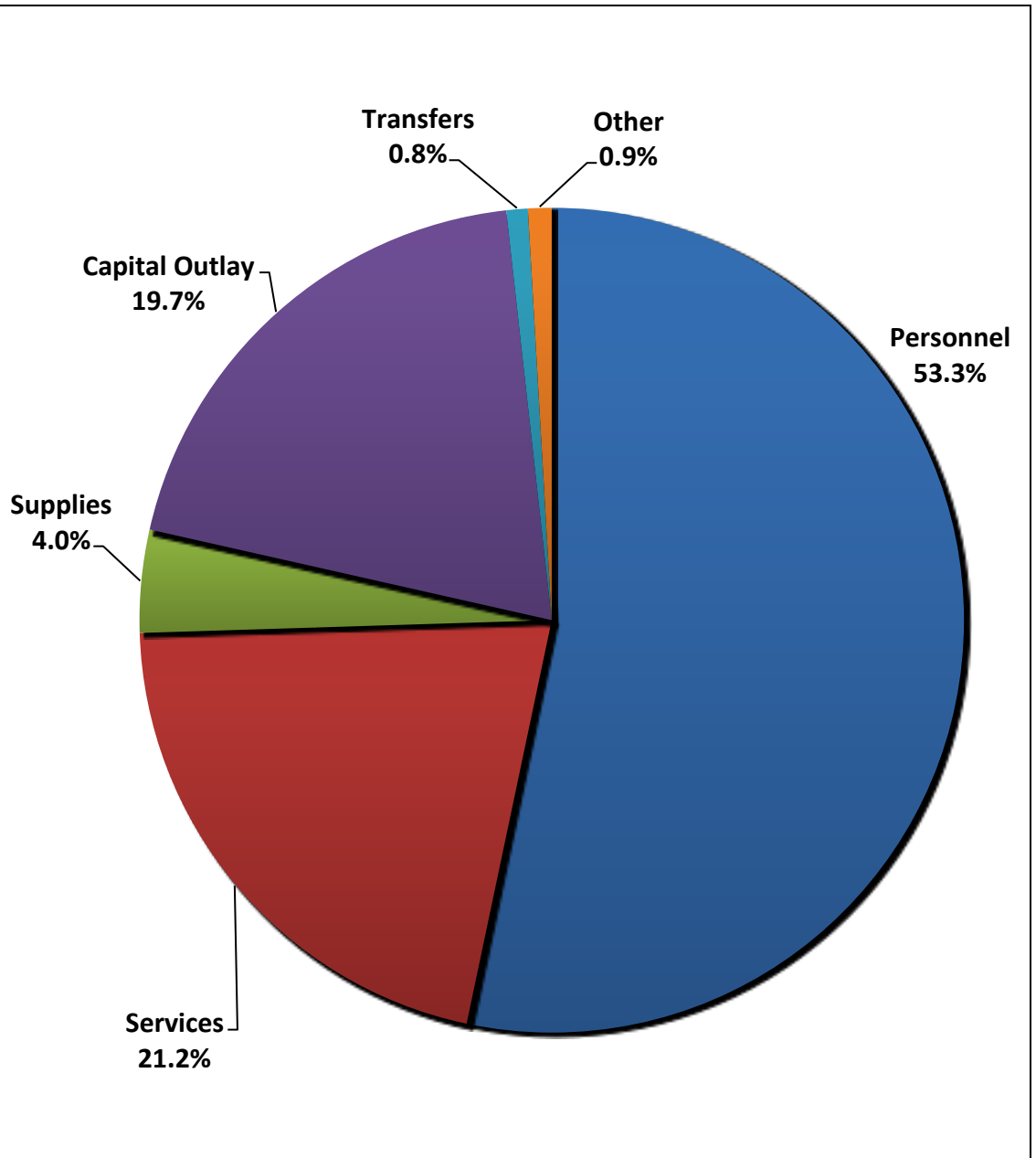
**GENERAL FUND
 OPERATING
 EXPENDITURES BY
 DIVISION WITHOUT
 TOTALS**



	GEN'L GOV'T	PUBLIC SAFETY	PUBLIC WORKS	PARKS & REC	OTHER
2016A	688,181	1,549,551	588,088	197,878	208,658
2017A	779,658	1,485,794	698,888	190,894	308,723
2018A	691,163	1,641,679	709,966	187,971	261,845
2019A	724,395	1,741,542	724,360	177,987	162,215
2019A	724,395	1,741,542	724,360	177,987	162,215
2020A	800,750	1,821,980	774,040	216,350	313,610
2020R	883,490	1,813,890	749,865	186,330	626,655
2021A	853,430	1,925,845	794,230	226,970	383,685

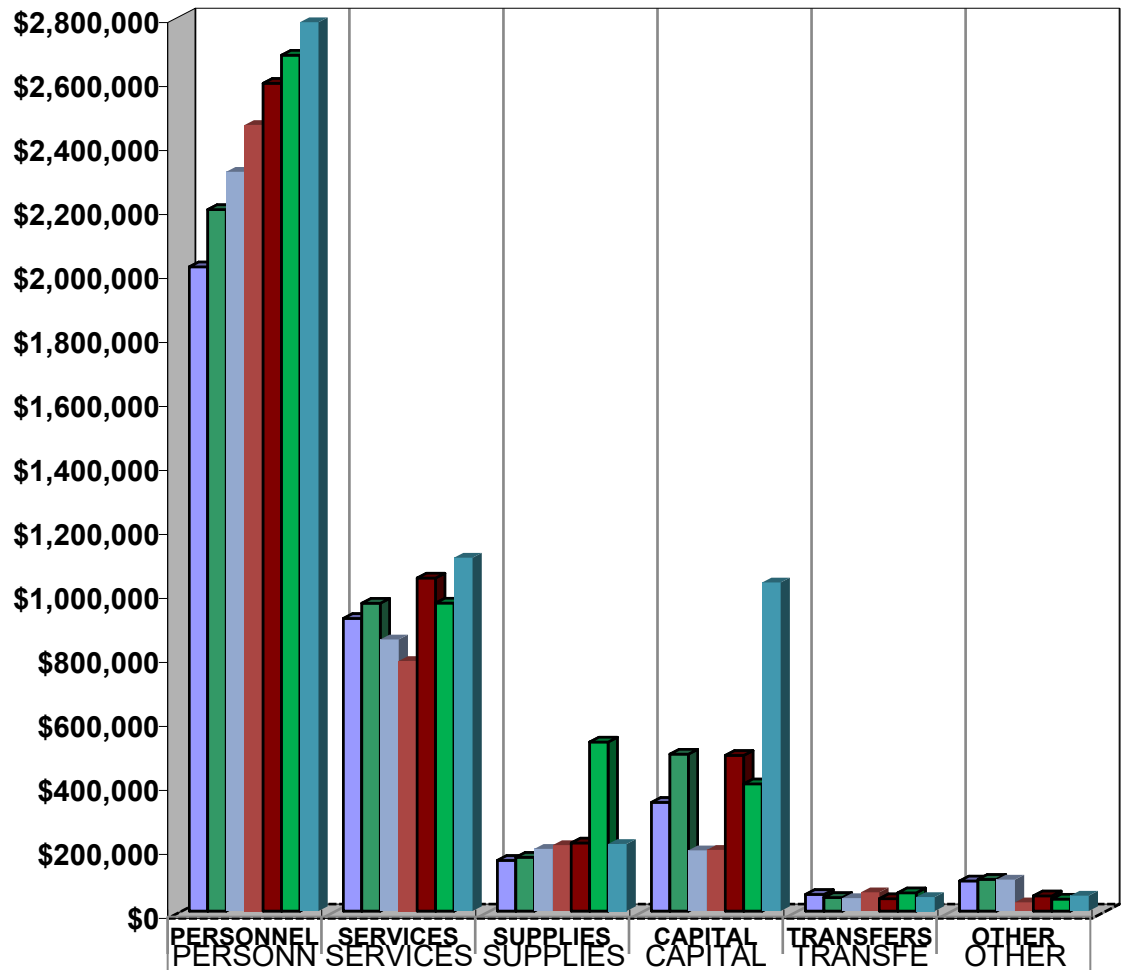
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**2021 GENERAL FUND
TOTAL EXPENDITURES
BY TYPE**



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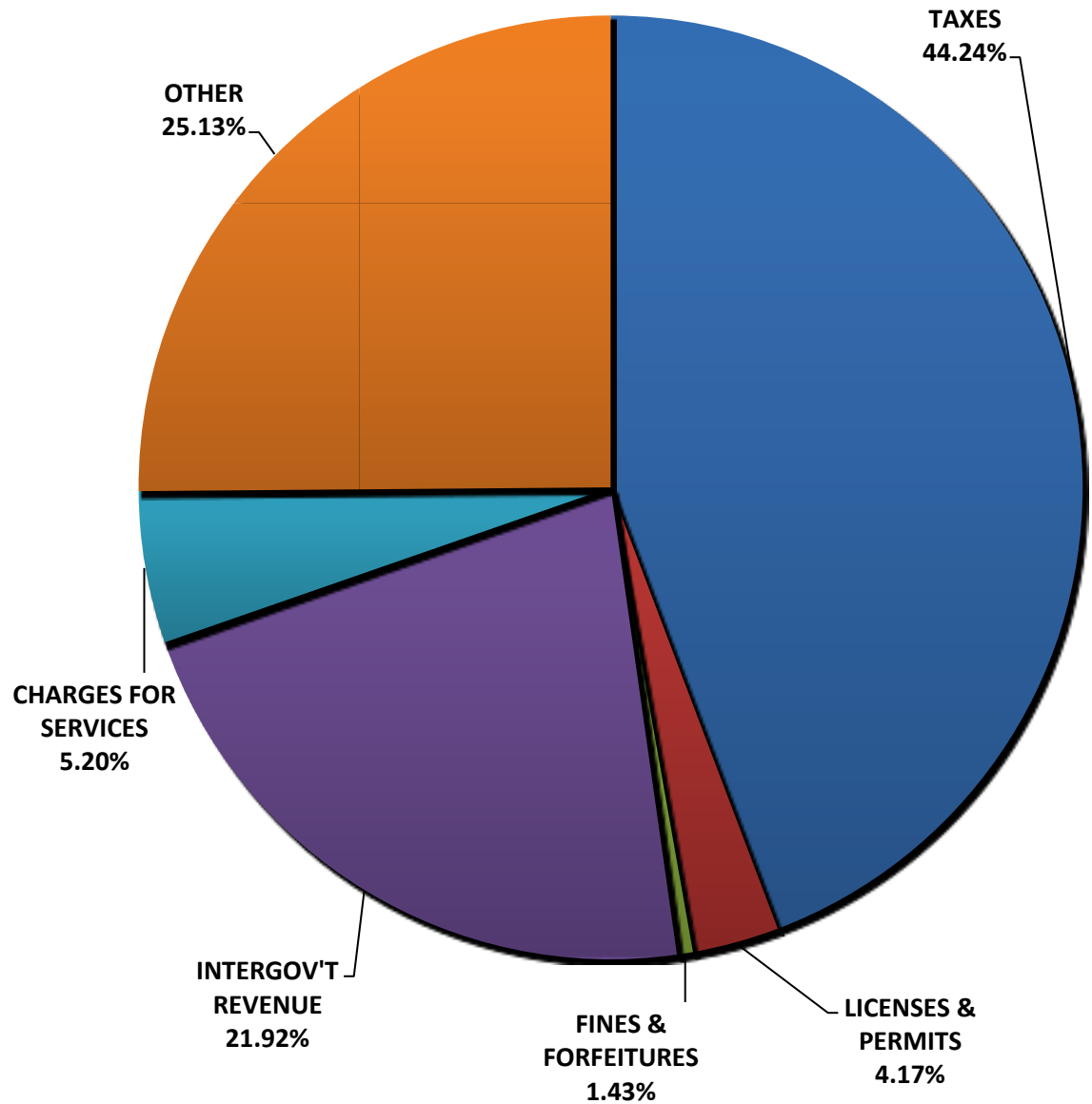
**GENERAL FUND
 TOTAL
 EXPENDITURES BY
 TYPE**



	PERSONNEL	SERVICES	SUPPLIES	CAPITAL	TRANSFERS	OTHER
2016A	2,019,471	914,589	158,318	339,649	51,945	94,033
2017A	2,192,533	962,072	168,017	490,431	42,300	99,035
2018A	2,310,587	848,909	194,380	189,727	40,478	98,270
2019A	2,456,922	781,602	206,107	191,206	58,630	27,238
2020A	2,587,145	1,040,870	212,780	486,500	38,500	47,435
2020R	2,674,975	962,615	528,305	397,500	56,950	37,385
2021A	2,778,125	1,104,480	209,670	1,027,000	43,785	48,100

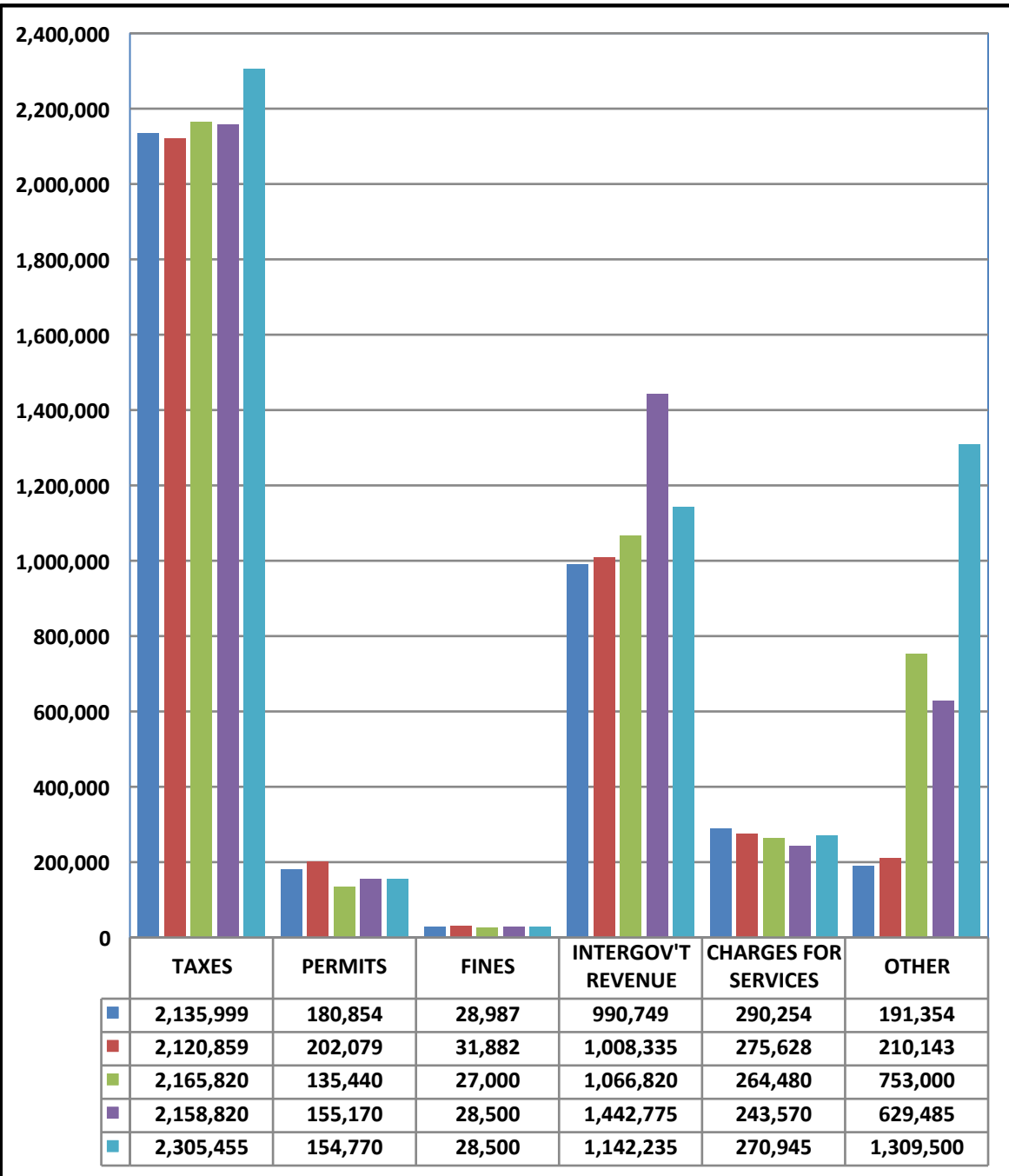
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**2021 GENERAL
FUND REVENUE
SUMMARY**



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**GENERAL FUND
 REVENUES BY
 SOURCE**



Comparison of 2021 and 2020 Property Tax Levy

	2021	2020
General Fund Levy	\$2,237,085	\$2,163,785
Tax Abatement	35,000	35,000
Capital Improvement Fund	175,600	175,600
Debt Service Levy	<u>113,200</u>	<u>123,500</u>
Total City Activity Levy	\$2,560,885	\$2,497,885
EDA Levy	<u>17,895</u>	<u>17,895</u>
Total Levy	\$2,578,780	\$2,515,780
Anticipated Tax Rates	61.67	64.47

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LEVY ANALYSIS

	2016	2017	2018	2019	2020 Final	2021 Preliminary
GENERAL FUND	1,920,005	1,954,085	2,045,015	2,106,485	2,163,785	2,237,085
CAPITAL IMPROVEMENT	175,600	175,600	175,600	175,600	175,600	175,600
EDA	17,895	17,895	17,895	17,895	17,895	17,895
WEST BRANCH PROJECT	33,500	33,500	33,500	33,500	33,500	33,500
WEST SIDE PROJECT - 503	90,000	90,000	90,000	90,000	90,000	0
TAX ABATEMENT LEVY	35,000	35,000	35,000	35,000	35,000	114,700
TOTAL CERTIFIED LEVY	2,272,000	2,306,080	2,397,010	2,458,480	2,515,780	2,578,780
AMOUNT OF PROPERTY TAXES	2,272,000	2,306,080	2,397,010	2,458,480	2,515,780	2,578,780
INC (DEC) FROM PRIOR YEAR	2.91%	1.50%	3.94%	2.56%	2.33%	2.50%
AMOUNT OF LGA	843,730	843,730	888,630	891,888	970,993	1,027,000
TOTAL LGA & GENERAL FUND AND CIP LEVY	2,992,230	3,026,310	3,162,140	3,226,868	3,363,273	3,572,280
ESTIMATED NET TAX CAPACITY	2,975,143	3,129,807	3,341,591	3,496,379	3,902,338	4,181,689
ESTIMATED TAX CAPACITY RATE	76.37	73.68	71.73	70.32	64.47	61.67
PERCENTAGE CHANGE	2.43%	-3.52%	-2.64%	-1.98%	-8.15%	-4.34%
± TAX CAPACITY INCREASE/ (DECREASE)	0.46%	5.20%	6.77%	4.63%	11.61%	7.16%

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% TAX CAPACITY INCREASE/(DECREASE)	0.46%	5.20%	6.77%	4.63%	11.61%	7.16%