

12% Property Tax cut – Teacher Pay Proposal

Governor Dugaard is proposing \$40 million in property tax relief, as part of his teacher pay proposal.

- The sales tax increase to 4.5% generates **\$107.4 million**.
- Schools receive **\$67.4 million**.
- The remaining **\$40.0 million** is used for property tax relief.

How much property tax pay for K-12 education today?

- In 2016, property taxpayers contributed **\$328,338,264** to schools through the general education levy.
- Broken out by property class:

Agricultural	\$1.568 per \$1000 of valuation	\$57,516,422 total
Owner-occupied	\$4.075 per \$1000 of valuation	\$113,966,994 total
Commercial	\$8.727 per \$1000 of valuation	\$156,854,847 total

Impact of \$40 million in property tax relief

- Funds a **12% reduction** in the general education levy across all classes, in proportion to what each class pays. Levies decrease as follows:

Agricultural	\$0.198 per \$1000 of valuation	\$7,006,972 savings
Owner-occupied	\$0.454 per \$1000 of valuation	\$13,884,095 savings
Commercial	\$0.972 per \$1000 of valuation	\$19,108,933 savings
- Note: The \$19 million in property taxes currently paid through the pension levy will also be merged into the general education levy. This has a net-neutral statewide impact on property taxpayers.