



**CITY OF MONTICELLO
PRESS RELEASE**

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City Council Approves Preliminary 2024 City Tax Levy

Monticello, MN – On Monday, Sept. 25, the Monticello City Council approved a preliminary 2024 city tax levy of \$13,134,000. This is a 9% increase from the city tax levy in 2023.

The majority of the tax levy goes into the City's General Fund. This fund supports many of the basic functions of local government, including public safety, snow and ice removal, planning and zoning, and more. While evaluating the budget for next year, the City Council considered the rising cost for local law enforcement, the administration of three elections in 2024, and the maintenance needs for assets like the local pathways.

The preliminary levy also included an allocation for the fund used to finance larger projects. In 2024, this will include completing the Downtown Roadway and Pedestrian Improvements, the city contribution to the Wright County pavement project on East Broadway, and intersection improvements on School Boulevard.

Funding for Minnesota cities is reliant on property taxes. However, Monticello frequently seeks other funding sources, including state and federal grants, to limit greater impact on local taxpayers. In 2024, this will include use of the local public safety aid granted by the MN legislature.

The decision by the City Council on Monday night included the part of local property taxes they can control: the size of the levy. There are other factors that influence changes in a property tax bill, including any changes to the property value.

Finance Director Sarah Rathlisberger explains it like a pizza: the Council decides what size of pizza to order; the property type and value tells you how big of a slice you get. There are four key classifications affected by the levy in Monticello: residential, commercial & industrial, apartments, and the nuclear generating plant.

Unlike most other municipalities, the presence of the nuclear generating plant significantly impacts Monticello's tax base. The facility's value is determined by the State of Minnesota each year. While the plant was once responsible for the majority of the City's tax base, the facility's property value received more modest increases in value than other properties in the city and in 2024 the value is projected to decrease by 4.6%. This shifts more of the local tax responsibility to residential, apartments, and commercial & industrial properties.

The proposed increase of 9% would mean a residential property with a taxable market value of \$300,000 in 2023 and an average 10.9% market value increase would see an increase in City taxes of approximately \$132.

Understanding the challenges this creates, the City Council addressed the increase noting that between law enforcement costs, rising prices for fuel and materials, and the City's responsibility for providing essential services, there's not a lot of ability to reduce the levy amount needed for the budget in 2024.

However, setting the preliminary levy is simply the first step in a longer process. The information will be used by Wright County to compile the Truth-in-Taxation notices mailed to properties in November.

Following the notices, residents will have an opportunity to speak about the proposed tax levy and voice their opinions to City Council at the Truth-in-Taxation Public Hearing on Monday, December 11, 2023 during the regular Council meeting at 6:30 p.m. Following the public hearing, the City Council will adopt the final 2024 property tax levy and 2024 budget.

To learn more about the City of Monticello's budget process, how the levy is determined, and what property taxes are used for, visit the City's website.

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