

## 2005 PROPERTY TAX DATA

This insert supplements the annual property tax report published in this issue of *Minnesota Cities* magazine. This insert includes a comparative data table that allows you to compare tax and aid data from your city with similar groups of cities.

Again this year, data on tax capacities and market values by property type can be found in a separate table available on the LMC web site at: [www.lmnc.org](http://www.lmnc.org) (click on “Library” then “Policy Research Division”). Also featured with the online version of the 2005 Property Tax Report and the 2005 Property Tax Data Table are the following documents: *Property Taxation 101*, *Fiscal Disparities 101*, *Market Value Homestead Credit 101*, and the *Property Tax Calculator Glossary*.

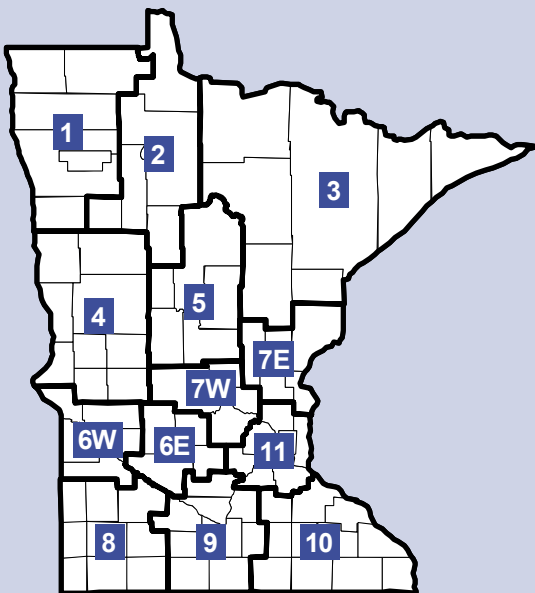
If you have any questions or suggestions on other information you would like highlighted in future reports, please contact Policy Research Assistant Rachel Walker at [rwalker@lmnc.org](mailto:rwalker@lmnc.org) or (651) 281-1236; or Policy Research Manager Eric Willette at [willette@lmnc.org](mailto:willette@lmnc.org) or (651) 281-1245.



# COMPARATIVE

	2005 TAX BASE DATA					2005 NET TAX CAPACITY RATES						
	Total Tax Capacity	Captured TIF Tax Capacity	Fiscal Disp Contrib Tax Capacity	Taxable Tax Capacity	Fiscal Disp Distrib Tax Capacity	State Levy Tax Capacity	JOBZ/BIO Tax Capacity	Average County Tax Rate	Average City Tax Rate	Average School Tax Rate	Average Special Tax Rate	Average Total NTC Tax Rate
<b>1</b> All cities	3,633,751,601	230,145,203	259,326,371	3,144,250,287	257,229,602	1,063,805,925	623,145	42.58%	38.34%	22.77%	5.50%	109.19%
All townships	1,016,207,988	2,123,287	4,335,436	1,009,628,827	6,434,051	159,806,376	23,249	52.64%	16.38%	20.32%	1.88%	91.22%
State totals/avgs	4,649,959,589	232,268,490	263,661,807	4,153,879,114	263,663,653	1,223,612,301	646,394	45.01%	32.98%	22.15%	4.63%	104.78%
Average city	4,259,967	269,807	304,017	3,686,108	301,559	1,247,135	731	42.58%	38.34%	22.77%	5.50%	109.19%
<b>City averages by region</b>												
Region 1	267,102	12,554	-	254,548	-	86,159	-	75.94%	78.21%	22.96%	6.40%	183.51%
Region 2	512,235	18,256	-	493,979	-	247,222	-	69.77%	46.35%	28.81%	1.65%	146.58%
Region 3	1,646,943	123,433	21,261	1,502,166	24,158	542,439	65	64.19%	44.11%	13.03%	3.69%	125.02%
Region 4	693,484	40,770	-	652,714	-	241,237	102	54.62%	44.50%	20.55%	2.06%	121.73%
Region 5	963,027	41,784	2,186	919,057	1,089	421,730	142	43.72%	41.27%	19.49%	0.85%	105.33%
Region 6e	862,611	29,330	-	833,281	-	257,493	-	62.65%	57.02%	17.39%	1.72%	138.78%
Region 6w	261,177	6,520	-	254,657	-	86,290	-	57.78%	76.04%	15.24%	2.23%	151.30%
Region 7e	1,068,135	55,488	-	1,012,550	-	303,723	821	59.57%	46.63%	28.49%	1.17%	135.86%
Region 7w	3,431,274	195,282	820	3,235,147	1,036	991,836	-	43.83%	39.60%	25.71%	2.41%	111.55%
Region 8	385,226	27,443	-	357,783	-	125,886	4,604	53.91%	65.20%	24.59%	1.30%	145.00%
Region 9	1,155,823	62,996	-	1,092,827	-	366,226	173	48.42%	50.06%	14.22%	0.63%	113.33%
Region 10	2,267,493	79,178	-	2,188,314	-	658,618	1,913	48.69%	43.64%	23.60%	0.95%	116.89%
Region 11	20,002,039	1,345,161	1,867,360	16,789,380	1,851,161	5,704,977	-	39.33%	35.70%	23.28%	6.82%	105.12%
<b>City averages by cluster</b>												
GMN High Income (ghi)	4,376,192	211,401	2,053	4,162,739	1,649	1,295,524	-	44.78%	39.70%	25.66%	2.09%	112.24%
GMN Moderate Growth (gmg)	1,426,971	85,596	1,122	1,340,252	624	333,974	74	51.15%	48.13%	22.44%	0.71%	122.42%
GMN Major Cities (gmj)	57,084,540	3,343,433	-	53,741,107	-	20,068,106	53,039	55.79%	35.89%	18.61%	2.58%	112.87%
GMN Regional Center (grc)	9,799,307	493,935	17,585	9,287,531	25,744	3,316,475	1,728	51.38%	42.09%	21.50%	1.52%	116.49%
GMN Subregional Center (gsb)	2,675,781	192,810	17,035	2,465,937	5,902	1,317,973	174	51.36%	51.56%	18.80%	1.38%	123.09%
GMN Small Cities (gsm)	83,559	1,383	230	81,944	258	24,067	-	53.24%	61.91%	17.58%	1.89%	134.62%
GMN Established (ges)	607,353	28,531	2,788	576,028	4,173	154,513	1,842	56.97%	66.97%	17.72%	1.87%	143.52%
GMN Urban Fringe (guf)	6,242,829	152,993	-	6,089,524	-	1,440,717	3,201	43.45%	35.05%	31.16%	2.05%	111.71%
<b>Total GMN</b>	<b>1,221,637</b>	<b>62,256</b>	<b>2,281</b>	<b>1,157,085</b>	<b>2,475</b>	<b>386,740</b>	<b>872</b>	<b>51.68%</b>	<b>45.74%</b>	<b>21.36%</b>	<b>1.81%</b>	<b>120.58%</b>
Metro Diversified (mdv)	17,500,909	1,287,620	2,223,174	13,989,985	1,143,195	6,942,092	-	43.44%	33.13%	20.56%	7.20%	104.32%
Metro High Growth (mhg)	15,891,919	800,404	1,086,348	14,005,030	1,393,522	3,174,194	-	33.81%	33.41%	24.73%	5.22%	97.18%
Metro High Income (mhi)	5,744,535	11,195	118,546	5,614,468	142,665	393,540	-	40.64%	21.44%	20.00%	6.95%	89.03%
Metro Large Cities (mlc)	75,579,664	3,499,239	8,774,142	63,305,805	5,183,408	24,008,634	-	39.63%	30.53%	21.57%	7.65%	99.38%
Metro Older Cities (mol)	19,105,421	1,549,747	1,545,590	16,010,084	2,528,830	4,878,955	-	41.15%	38.59%	23.24%	6.74%	109.72%
Metro Small Cities (msm)	3,174,664	208,439	211,199	2,755,026	425,246	670,313	-	39.91%	41.48%	21.56%	6.39%	109.34%
Metro Central Cities (msp)	270,586,107	33,698,161	24,956,714	211,931,233	37,087,502	92,587,496	-	41.73%	49.69%	27.37%	7.08%	125.88%
<b>Total Metro</b>	<b>20,002,039</b>	<b>1,345,161</b>	<b>1,867,360</b>	<b>16,789,380</b>	<b>1,851,161</b>	<b>5,704,977</b>	<b>-</b>	<b>39.33%</b>	<b>35.70%</b>	<b>23.28%</b>	<b>6.82%</b>	<b>105.12%</b>

## COUNTIES BY REGION



## COMPARATIVE DATA TABLE

Table S-1 follows the layout of the tax information contained in the 2005 Property Tax Report. Table S-1 contains averages for subgroups of cities by cluster and by region. The table allows you to compare the information for your city from the 2005 Property Tax Report with averages of cities from the same cluster or from the same geographic region. The column at the end of the Table S-1 shows the number of cities in each category.

To look at the relative shares of tax base or levies, or aids in a particular category (region or cluster), multiply the average by the number of cities for the category to get the total for the category. Compare that number to the total for all cities (line 1) to see the relative share in your category.

# DATA TABLE S - I

2005 MV TAX RATES			2005 AID AND LEVY DATA							
Average County MV Tax Rate	Average City MV Tax Rate	Average School MV Tax Rate	Certified City LGA	Certified City Levy	Fiscal Disp Levy	City Net Levy	MVHC Cut	Yield on Levies after MVHC Cut	Number of Cities	2004 Population
0.03962%	0.03281%	0.11546%	436,718,087	1,310,303,345	104,848,805	1,205,454,540	17,549,411	1,292,753,934	853	4,148,220
0.04976%	0.02559%	0.10686%		165,726,179	1,193,238	164,532,941	-	165,726,179	n/a	996,886
0.04510%	0.03236%	0.10951%	436,718,087	1,476,029,524	106,042,043	1,369,987,481	17,549,411	1,458,480,113	n/a	5,145,106
0.03962%	0.03281%	0.11546%	511,979	1,536,112	122,918	1,413,194	76,304	1,459,808		4,863
0	0	0.22087%	231,729	199,070	-	199,070	-	199,070	56	888
0	0	0.04255%	252,601	228,981	-	228,981	18	228,963	22	1,097
0	0.04639%	0.07000%	870,629	682,586	20,019	662,566	679	681,907	68	3,001
0	0.03524%	0.15492%	302,299	290,437	-	290,437	128	290,309	83	1,413
0	0.01747%	0.07311%	192,055	380,440	1,115	379,325	5,137	375,303	64	1,109
0	0	0.13299%	375,122	475,146	-	475,146	1	475,144	40	1,806
0	0.10279%	0.12117%	236,429	193,646	-	193,646	-	193,646	37	808
0.02539%	0.01981%	0.04743%	167,166	472,128	-	472,128	19	472,109	39	1,677
0	0.02558%	0.08521%	429,287	1,281,720	531	1,281,188	10,440	1,271,280	55	4,453
0.01235%	0	0.13458%	251,409	233,279	-	233,279	-	233,279	79	1,018
0	0	0.11241%	514,000	547,068	-	547,068	-	547,068	71	2,247
0.00050%	0.07623%	0.10249%	591,440	954,962	-	954,962	3,893	951,069	101	3,488
0.00666%	0.02209%	0.12694%	1,098,733	6,742,371	749,181	5,993,191	117,357	6,625,014	138	19,402
0	0.03035%	0.08027%	321,704	1,653,599	831	1,652,768	15,742	1,637,857	25	4,886
0	0.09246%	0.06956%	351,304	645,315	296	645,019	1,313	644,002	60	2,324
0	0	0.09982%	14,128,718	19,286,152	-	19,286,152	-	19,286,152	3	81,464
0.00050%	0.02095%	0.10633%	4,270,207	3,928,505	19,009	3,909,496	17,873	3,910,633	22	17,512
0.02539%	0.02930%	0.05455%	535,969	1,275,816	4,421	1,271,395	4,151	1,271,665	27	3,508
0.09308%	0	0.12422%	36,258	50,971	243	50,727	90	50,881	359	213
0.08760%	0.08674%	0.12140%	433,246	389,569	3,820	385,749	-	389,569	209	1,639
0	0.02031%	0.07373%	160,518	2,134,627	-	2,134,627	34,441	2,100,186	10	6,588
<b>0.08093%</b>	<b>0.05424%</b>	<b>0.11320%</b>	<b>398,731</b>	<b>531,267</b>	<b>2,045</b>	<b>529,223</b>	<b>1,894</b>	<b>529,373</b>	<b>715</b>	<b>2,057</b>
0.00660%	0.02037%	0.13247%	74,108	5,019,308	385,058	4,634,250	95,379	4,923,929	15	13,678
0.00660%	0.02417%	0.12298%	29,033	5,175,156	495,626	4,679,530	166,670	5,008,486	35	15,860
0.00660%	0	0.14788%	4,198	1,238,143	34,501	1,203,643	20,790	1,217,353	20	3,094
0.00660%	0.01402%	0.13916%	37,500	21,078,749	1,753,247	19,325,502	655,092	20,423,657	12	60,931
0.00660%	0.02870%	0.12719%	623,355	7,238,974	1,060,906	6,178,068	28,689	7,210,285	13	22,724
0.00660%	0.03126%	0.11667%	179,733	1,324,289	181,438	1,142,851	6,860	1,317,429	41	3,875
0	0.02393%	0.08095%	66,745,412	123,958,390	18,652,210	105,306,180	-	123,958,390	2	334,905
<b>0.00666%</b>	<b>0.02209%</b>	<b>0.12690%</b>	<b>1,098,733</b>	<b>6,742,371</b>	<b>749,181</b>	<b>5,993,191</b>	<b>117,357</b>	<b>6,625,014</b>	<b>138</b>	<b>19,402</b>

## 1. STATE TOTALS

The first line in Table S-1 contains totals and averages for all 853 cities in the state as a group. The second line shows totals and averages for all 1,790 townships in the state as a group. The third line contains statewide totals and averages, including data from townships and unincorporated areas. The fourth line contains data representing the average Minnesota city, in other words, the totals for all cities divided by 853.

## 2. REGIONAL TOTALS

The second section contains averages by economic development region. There are 13 economic development regions. The data for each region represent the average city; that is, totals for that region divided by the number of cities in that region.

## 3. CLUSTER TOTALS

The third section contains averages by city cluster. Cities were grouped into 15 relatively homogeneous groups by population in 2000, population change 1990-2000, median household income in 1999, and commercial/industrial tax base per capita in 2002. The data for each cluster represent the average for the cluster; in other words, total for that cluster divided by the number of cities in that cluster.

## LIMITED MARKET VALUE PROGRAM

The Limited Market Value (LMV) program, established in 1993, places limits on the annual market value increases of agricultural, residential, and cabin properties. For these kinds of properties, any increase in market value that exceeds a specific threshold is not subject to property taxation. As the table below shows, total LMV grew rapidly in the late 1990s and early 2000s as property values increased significantly.

PAYABLE YEAR	LMV (\$ BILLIONS)
1996	\$1.6
1997	\$2.0
1998	\$2.5
1999	\$3.4
2000	\$5.6
2001	\$10.6
2002	\$21.0
2003	\$30.9
2004	\$34.9
2005	\$33.1

Source: Minnesota Department of Revenue,  
Limited Market Value Report 2005

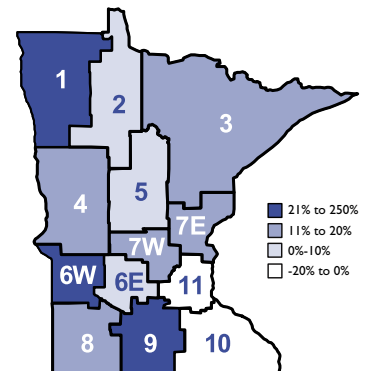
The program was scheduled to gradually phase-out for taxes payable in 2008, but the 2005 Legislature extended the phase-out by two more years. For taxes payable in 2010, therefore, all market value of all property types will be estimated at full market value.

In payable 2005, more than \$33 billion of property value was untaxed due to the effects of the LMV program. The impacts of the gradual phase-out of LMV are seen in the change in LMV from 2004-05. Statewide, LMV decreased for the first time by 5.4 percent or \$1.9 billion. Looking at the change by type of property reveals some interesting trends. Residential property LMV fell by about 16 percent, but agricultural property LMV rose 25 percent. Cabin property LMV increased by about 13 percent. The majority of LMV is outside city boundaries in every region except in the metro area. Overall, LMV in cities fell by 16.5 percent between 2004-05 but LMV in townships grew slightly more than 14 percent during that time.

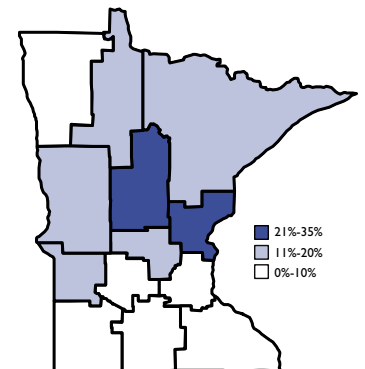
The maps below show the trends in LMV by economic development region. Looking at the data regionally disguises some of the diversity within each region. The areas with the most growth in LMV between 2004-05 are region 7W in the central part of the state, the western part of the state (regions 1, 4, 6W, 8, and 9), and the northeast (regions 3 and 7E). Most of the central and southeastern regions (2, 5, 6E, 10, 11) saw slower growth or decreases in total LMV.

In regions 5 and 7E, total LMV is equal to more than 20 percent of taxable market value. In the areas surrounding these two regions, the central and northeast parts of the state, LMV is equal to 10 percent to 20 percent of taxable market value. In areas of the state with higher shares of LMV, the gradual phase-out of the LMV program will have a greater impact on taxable market value. Generally, this will be in cities in the metro area and in townships in greater Minnesota. Properties that do not currently benefit from the LMV program will see tax relief as the program is phased-out and the tax base expands.

MAP A:  
LIMITED MARKET VALUE  
CHANGE 2004-05



MAP B:  
LIMITED MARKET VALUE  
AS A SHARE OF TAXABLE  
MARKET VALUE 2004-05



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