

2008 PROPERTY TAX DATA

This insert supplements the annual property tax report published in this issue of *Minnesota Cities* magazine. The insert includes a comparative data table that allows you to compare tax and other 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 on the League of Minnesota Cities (LMC) web site at www.lmc.org/page/1/property-tax-reports.jsp. You will also find the online versions of the 2008 Property Tax Report and the 2008 Property Tax Data Table on the League web site. In addition, several other property tax documents are available at www.lmc.org/page/1/property-tax-state-funding-fiscal-issues.jsp. These include *Property Taxation 101*, *Property Tax Statement 101*, *Fiscal Disparities 101*, *State Homeowner Property Tax Relief Programs 101*, and *Market Value Homestead Credit 101*. Another helpful online tool is the Property Tax Calculator and a glossary of terms for the calculator, which you can find at www.lmc.org/page/1/glossary-prop-tax-calc.jsp.

If you have questions or suggestions about other information you would like highlighted in future reports, contact Policy Analysis Manager Rachel Walker at rwalker@lmc.org or (651) 281-1236; or Policy Analyst Lena Gould at lgould@lmc.org or (651) 281-1245.

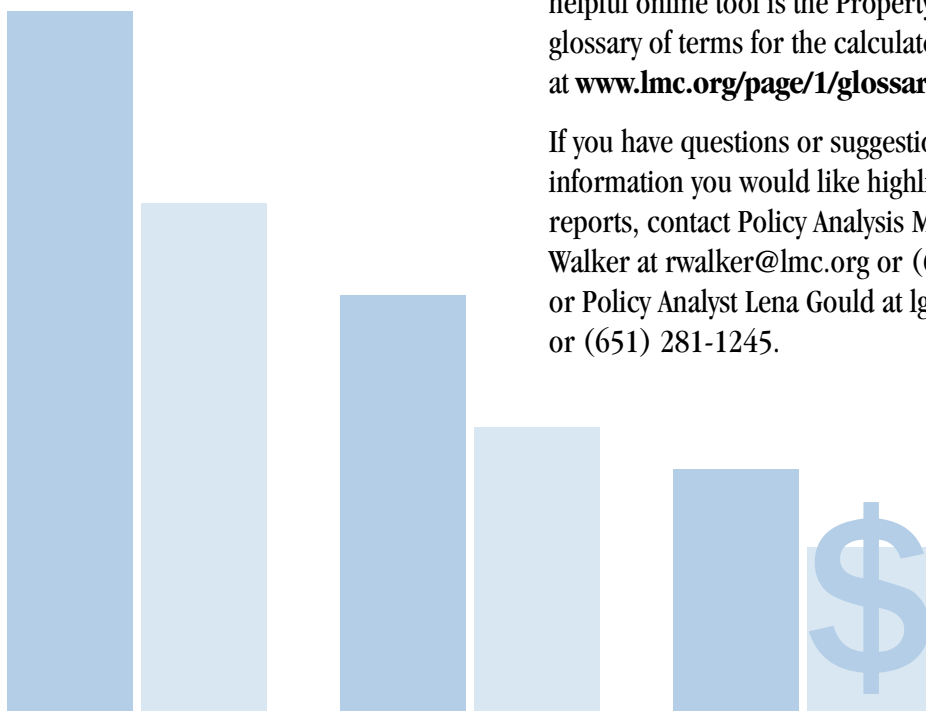
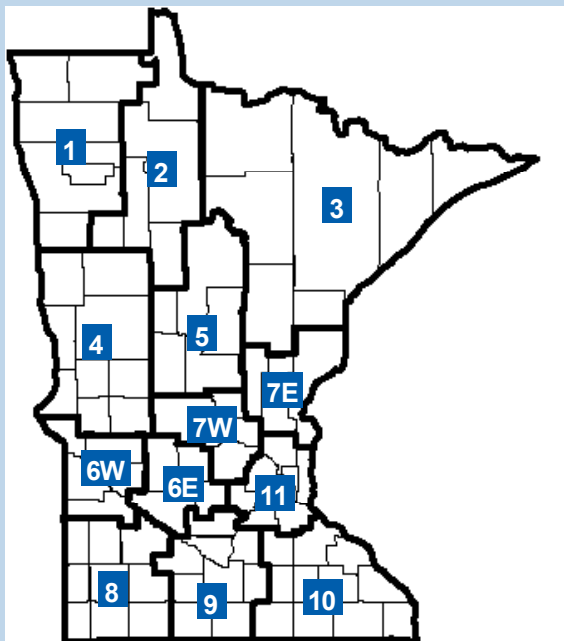


TABLE S - 1 : COMPAR

	2008 TAX BASE DATA							2008 NET TAX CAPACITY RATES				
	Total Tax Capacity	Captured TIF Tax Capacity	Fiscal Disp Contrib Tax Capacity	Taxable Tax Capacity	Fiscal Disp Distrib Tax Capacity	Total State Tax Capacity (cabin & c/i)	JOBZ/BIO Tax Capacity	Average County Tax Rate	Average City Tax Rate	Average School Tax Rate	Average Special Tax Rate	Average Total NTC Rate
All cities	4,865,131,722	303,511,000	344,916,743	4,216,672,115	343,178,150	1,442,437,172	5,481,013	37.98%	36.29%	21.13%	5.58%	100.98%
All townships	1,458,124,283	1,404,708	5,360,018	1,451,247,475	7,099,897	249,795,081	530,719	46.47%	13.47%	18.36%	1.70%	80.00%
Cities & townships	6,323,256,005	304,915,708	350,276,761	5,667,919,590	350,278,047	1,692,232,253	6,011,732	40.15%	30.45%	20.42%	4.59%	95.60%
Average city	5,696,876	355,399	403,884	4,937,555	401,848	1,689,037	6,418	37.98%	36.29%	21.13%	5.58%	100.98%
City averages by region												
Region 1	348,726	10,380	0	338,346	0	108,468	854	68.77%	63.53%	22.20%	6.22%	160.71%
Region 2	711,762	18,600	0	693,162	0	339,969	2,927	53.03%	42.99%	22.65%	1.43%	120.10%
Region 3	2,064,155	107,003	32,567	1,924,492	38,488	641,265	1,761	55.75%	41.54%	15.44%	3.40%	116.12%
Region 4	948,459	52,023	0	896,437	0	327,914	8,423	47.59%	41.39%	22.09%	2.86%	113.94%
Region 5	1,404,329	41,796	3,197	1,359,336	1,639	655,053	6,193	35.17%	35.62%	14.49%	0.65%	85.94%
Region 6e	1,112,795	30,849	0	1,081,946	0	324,372	10,184	54.04%	53.83%	16.32%	1.99%	126.19%
Region 6w	321,874	6,712	0	315,163	0	113,156	6,907	52.23%	76.25%	14.46%	1.92%	144.87%
Region 7e	1,541,614	62,420	0	1,479,075	0	427,665	8,579	52.93%	43.62%	22.13%	0.84%	119.52%
Region 7w	4,755,885	219,495	1,092	4,535,274	2,025	1,409,176	7,872	41.34%	38.47%	25.59%	2.04%	107.44%
Region 8	461,513	30,046	0	431,468	0	147,019	12,725	48.71%	66.60%	23.79%	1.28%	140.38%
Region 9	1,472,880	69,960	0	1,402,920	0	458,884	3,902	45.47%	49.96%	15.57%	0.53%	111.53%
Region 10	2,867,625	93,804	0	2,773,821	0	825,643	14,265	46.06%	44.59%	21.55%	1.03%	113.23%
Region 11	26,706,479	1,837,753	2,463,579	22,405,007	2,448,523	7,749,690	0	34.91%	33.55%	21.34%	6.95%	96.74%
City averages by population size												
Greater MN, under 500	110,676	2,134	284	108,258	377	32,344	1,223	46.47%	55.72%	15.78%	1.64%	119.61%
Greater MN, 500-2499	762,172	28,919	3,209	730,039	3,446	234,688	2,625	43.90%	53.48%	16.75%	1.16%	115.29%
Greater MN, 2,500-4,999	2,609,811	112,393	10,029	2,487,323	12,656	711,673	16,158	47.53%	46.87%	19.77%	1.24%	115.41%
Greater MN, 5,000-9,999	5,417,927	268,257	25,881	5,123,789	19,465	1,978,060	21,401	47.12%	49.88%	20.17%	1.44%	118.61%
Greater MN, 10,000-24,999	11,945,901	507,728	11,116	11,426,798	21,323	3,613,323	67,347	42.90%	40.57%	25.04%	2.02%	110.52%
Greater MN, 25,000+	43,289,462	1,794,127	0	41,495,334	0	14,748,328	146,912	51.57%	36.28%	19.17%	2.16%	109.17%
Metro, under 2,500	1,691,219	55,918	100,464	1,534,837	129,473	304,333	0	34.69%	27.83%	17.94%	6.79%	87.25%
Metro, 2,500-4,999	7,718,327	213,540	450,672	7,053,815	355,017	1,346,076	0	34.77%	24.02%	20.38%	6.16%	85.33%
Metro, 5,000-9,999	10,807,313	501,985	608,107	9,697,052	740,427	1,892,388	0	36.27%	30.28%	20.51%	6.82%	93.87%
Metro 10,000-24,999	21,859,583	1,629,061	1,750,222	18,480,135	2,354,761	5,289,490	0	33.59%	33.82%	22.57%	6.38%	96.36%
Metro, 25,000-49,999	47,236,804	3,125,845	4,456,941	39,654,019	4,024,817	13,824,126	0	35.26%	31.26%	20.39%	7.03%	93.93%
Metro, 50,000-99,999	95,540,612	3,703,569	10,745,081	81,091,505	7,178,732	31,656,020	0	33.89%	29.43%	21.04%	7.27%	91.63%
Metro, 100,000+	378,517,079	49,060,582	34,313,382	295,143,116	47,663,088	126,626,438	0	37.03%	46.21%	22.51%	7.11%	112.85%

COUNTIES BY REGION



COMPARATIVE DATA TABLE

Table S-1 follows the layout of the tax information contained in the 2008 Property Tax Data Table. Table S-1 contains averages for subgroups of cities by region and population size. The table allows you to compare the information for your city from the 2008 Property Tax Data Table with averages of cities from the same geographic region or population size category. The column at the end of Table S-1 shows the number of cities in each category.

ACTIVE DATA

2008 MV TAX RATES			2008 AID AND LEVY DATA					2007 Population	Number of Cities
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			
0.0250%	0.0296%	0.1660%	484,148,487	1,654,242,828	124,047,845	1,530,194,983	4,278,799	854	
0.0326%	0.0111%	0.1557%	0	196,512,605	1,098,867	195,413,738	945,761		
0.0291%	0.0285%	0.1589%	484,148,487	1,850,755,433	125,146,712	1,725,608,721	5,224,560		
0.0250%	0.0296%	0.1660%	566,919	1,937,052	145,255	1,791,797	5,010		
0	0	0.2740%	275,303	214,942	0	214,942	885	56	
0	0	0.0835%	249,519	297,995	0	297,995	1,106	22	
0	0.0556%	0.0746%	972,458	829,471	30,107	799,364	2,990	68	
0	0.0252%	0.2044%	328,308	371,058	0	371,058	1,466	83	
0	0.0136%	0.1000%	213,409	485,927	1,672	484,255	1,136	64	
0	0	0.1554%	417,023	582,465	0	582,465	1,835	40	
0	0.1074%	0.2319%	258,663	240,314	0	240,314	793	37	
0.0145%	0.0148%	0.0691%	202,622	645,208	0	645,208	1,818	39	
0	0.0389%	0.1106%	472,974	1,745,364	827	1,744,537	4,845	55	
0.0788%	0.0180%	0.2578%	287,742	287,338	0	287,338	1,011	79	
0	0.0723%	0.1752%	592,147	700,878	0	700,878	2,281	71	
0.0004%	0.0609%	0.1801%	659,490	1,236,859	0	1,236,859	3,604	101	
0.0047%	0.0171%	0.1557%	1,184,585	8,392,920	876,605	7,516,316	19,865	139	
0.0600%	0	0.1878%	38,876	60,639	323	60,317	208	356	
0.0476%	0.0916%	0.1607%	298,379	393,259	2,858	390,400	1,124	236	
0.0495%	0.0543%	0.1262%	759,119	1,176,262	10,407	1,165,855	3,435	62	
0	0.0325%	0.1133%	1,350,155	2,570,145	14,170	2,555,974	6,987	27	
0.0004%	0.0164%	0.1338%	2,751,629	4,649,496	14,165	4,635,331	14,825	27	
0	0.0771%	0.1280%	11,060,034	15,053,100	0	15,053,100	53,739	7	
0.0047%	0	0.1504%	92,089	485,295	58,151	427,144	985	40	
0	0.0229%	0.1389%	119,666	1,812,563	118,033	1,694,530	3,862	18	
0	0.0096%	0.1410%	100,168	3,187,731	251,880	2,935,851	7,176	22	
0.0047%	0.0203%	0.1697%	438,078	7,065,185	814,462	6,250,724	18,252	30	
0.0047%	0.0145%	0.1688%	267,416	13,742,894	1,348,322	12,394,571	33,969	15	
0.0047%	0.0136%	0.1817%	37,500	26,035,765	2,170,145	23,865,620	63,474	12	
0	0.0247%	0.1113%	69,506,268	156,959,888	20,577,824	136,382,064	337,845	2	

1. STATE TOTALS

The first line in Table S-1 contains totals and averages for the 854 cities in the state as a group. The second line contains statewide totals and averages, including data from townships and unincorporated areas. The third line shows totals and averages for all 1,790 townships and all unincorporated areas in the state as a group. The fourth line contains data representing the average Minnesota city—in other words, the totals for all cities divided by 854.

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. POPULATION GROUP TOTALS

The third section contains averages by population size category. There are 13 population size categories; six categories are for greater Minnesota cities and seven are for metro area cities. The data for each size category represent the average city; that is, totals for that category divided by the number of cities in that category.

Note: The tax rate data for local governments in Jackson County are preliminary.

RESIDENTIAL HOMESTEAD MARKET VALUE

The foreclosure crisis and related downturn in the housing market are significant issues for cities. Many media reports have focused on the effects of this two-pronged problem on housing values. Falling home values, an increased number of vacant homes, and less new construction can create serious revenue and cost problems for cities. Cities have experienced delinquent utility bills, property maintenance problems, increased demands for public safety, and delinquent property taxes.

While total residential homestead market value did increase from 2007 to 2008, the rate of increase slowed dramatically. Residential homestead market value increased just 5 percent over 2007. That is nearly 50 percent slower than over the previous year. As the chart below shows, the rate of growth from 2007 to 2008 was the lowest since 1993 to 1994. The peak growth rate occurred between 2004 and 2005, the height of the real estate boom.

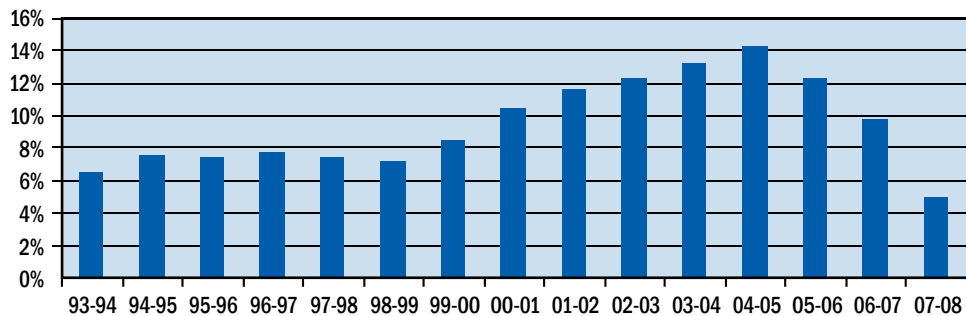
While the chart shows the change in market value for Minnesota cities overall, there are some differences by region and city size. Both metro and greater Minnesota cities have experienced a slowdown in annual percentage growth over the last five years. Prior to 2008, annual growth had been greater for metro cities. In 2008, the percentage increase in total market value was slightly

greater in non-metro cities overall than in the metro area (5.5 percent versus 4.8 percent). Growth in metro cities from 2007 to 2008 was 52 percent slower than over the previous year.

Some of the growth is attributed to the inclusion of market value in Scandia and Columbus—two new cities. When these cities are excluded, growth over 2007 was 56 percent slower in the metro area. In greater Minnesota cities overall, total market value growth was 41 percent slower than from 2006 to 2007. This slowdown is most pronounced in the east central, southeast, and central regions (65 percent, 62 percent, and 49 percent slower, respectively). While annual growth has been slowing in most of the greater Minnesota regions since 2005, the slowdown began one year later in the northwest, Headwaters, southwest central, and southwest regions.

Overall, greater Minnesota cities with populations under 5,000 have seen the least slowdown in annual growth. Large metro cities showed the lowest percentage growth over 2007 (4 percent). The greatest annual growth over 2007 was observed in small metro cities when Scandia and Columbus are included and in small non-metro cities when they are excluded (14 percent and 7 percent, respectively).

Growth Rate of Residential Market Value in Cities



Source: Department of Revenue



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