

2009 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 2009 Property Tax Report and the 2009 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.

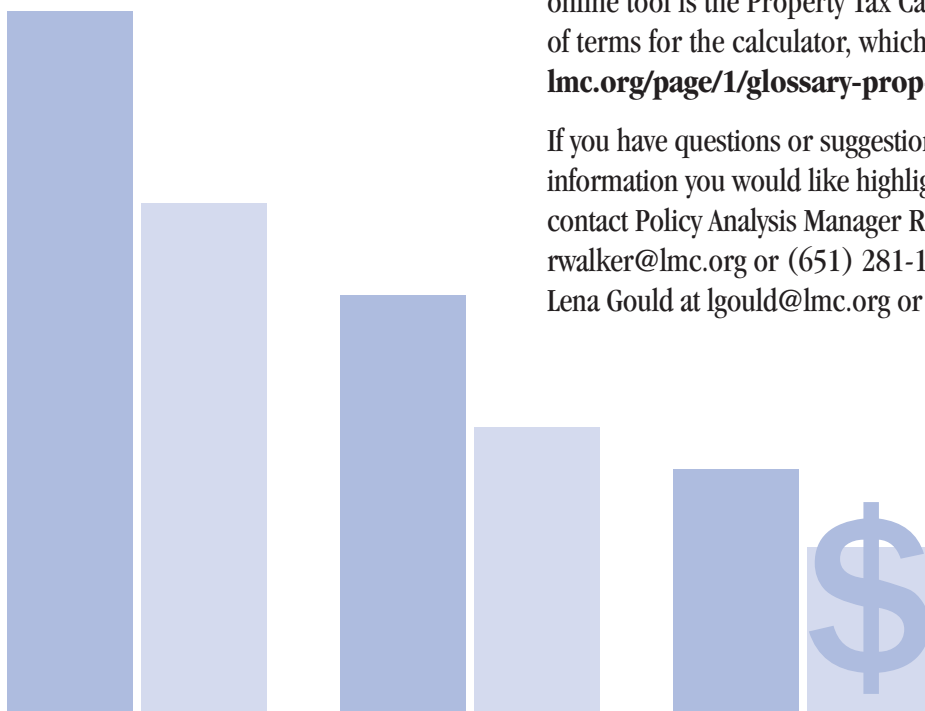
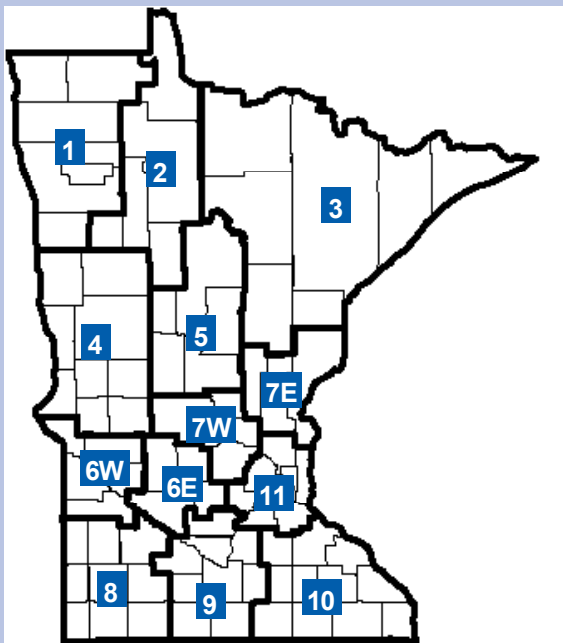


TABLE S - 1 : COMPAR

	2009 TAX BASE DATA						2009 NET TAX CAPACITY RATES					
	Total Tax Capacity	Captured TIF Tax Capacity	Fiscal Dis Contrib Tax Capacity	Taxable Tax Capacity	Fiscal Dis 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	4,931,682,497	302,499,802	394,097,243	4,235,055,184	392,245,896	1,523,812,155	7,832,052	39.32%	36.96%	21.97%	5.48%	103.73%
All Townships	1,536,594,985	1,445,223	6,156,607	1,528,885,348	8,025,413	283,315,728	652,375	46.02%	13.21%	17.86%	1.68%	78.77%
Cities and Townships	6,468,277,482	303,945,025	400,253,850	5,763,940,532	400,271,309	1,807,127,883	8,484,427	36.67%	27.33%	18.60%	3.99%	86.59%
Average City	5,768,050	353,801	460,932	4,953,281	458,767	1,782,236	9,160	39.32%	36.96%	21.97%	5.48%	103.73%
City Averages by Region												
Region 1	363,895	10,925	-	352,970	-	112,542	733	57.02%	74.88%	15.72%	6.98%	154.61%
Region 2	756,926	21,951	-	734,975	-	368,270	3,101	56.27%	50.06%	24.76%	3.39%	134.48%
Region 3	2,189,001	110,311	42,121	2,036,481	50,198	694,815	2,223	48.52%	64.89%	13.08%	1.70%	128.20%
Region 4	1,007,883	56,304	-	951,580	-	356,430	9,999	46.82%	56.38%	15.86%	2.97%	122.04%
Region 5	1,492,246	41,304	3,386	1,447,557	2,196	714,083	7,757	43.17%	43.80%	16.29%	0.62%	103.87%
Region 6E	1,150,736	28,304	-	1,122,431	-	348,781	15,311	51.74%	74.97%	13.43%	1.53%	141.66%
Region 6W	342,133	4,767	-	337,366	-	126,152	6,905	51.51%	80.53%	10.94%	2.39%	145.38%
Region 7E	1,572,174	61,114	-	1,510,946	-	454,743	9,840	54.78%	39.61%	21.27%	0.81%	116.47%
Region 7W	4,903,825	204,107	939	4,698,753	2,426	1,506,752	12,070	44.69%	42.44%	25.40%	1.36%	113.89%
Region 8	491,111	31,663	-	459,448	-	162,570	15,684	47.04%	85.08%	14.25%	0.86%	147.22%
Region 9	939,180	38,245	-	900,935	-	243,475	17,335	40.59%	66.47%	10.02%	0.47%	117.55%
Region 10	2,991,430	85,698	-	2,905,733	-	906,902	18,414	47.62%	57.03%	19.86%	0.67%	125.18%
Region 11	26,923,674	1,841,408	2,792,605	22,289,529	2,775,418	8,185,167	-	34.69%	33.71%	22.10%	5.92%	96.41%
City Averages by Population Size												
Greater MN, Under 500	115,947	2,261	328	113,357	454	35,135	1,135	48.65%	61.58%	15.28%	2.09%	127.61%
Greater MN, 500-2,499	780,958	28,590	3,708	748,656	4,407	253,555	6,388	47.38%	69.98%	15.59%	1.56%	134.51%
Greater MN, 2,500-4,999	2,619,904	105,331	11,306	2,503,204	16,935	736,289	17,429	47.92%	50.57%	19.46%	1.20%	119.15%
Greater MN, 5,000-9,999	5,626,067	227,150	35,631	5,363,286	24,821	2,096,815	29,387	49.47%	50.86%	21.16%	1.51%	123.00%
Greater MN, 10,000-24,999	12,318,048	497,960	16,231	11,803,615	27,129	3,863,602	102,353	45.65%	41.62%	24.24%	1.81%	113.32%
Greater MN, 25,000+	40,453,644	1,538,072	-	38,915,573	-	13,804,927	178,420	44.52%	30.89%	17.89%	2.36%	95.66%
Metro, Under 2,500	1,748,776	54,378	109,160	1,585,238	143,196	316,536	-	33.08%	34.28%	19.59%	5.42%	92.37%
Metro, 2,501-4,999	7,787,628	187,179	509,466	7,090,713	413,264	1,381,062	-	34.14%	29.49%	22.96%	5.25%	91.84%
Metro, 5,000-9,999	11,234,761	514,990	686,267	10,033,347	863,484	2,039,391	-	36.46%	35.19%	24.06%	5.95%	101.66%
Metro, 10,000-24,999	22,110,550	1,728,268	1,955,884	18,426,242	2,703,158	5,670,869	-	35.07%	34.65%	22.99%	6.26%	98.97%
Metro, 25,000-49,999	47,674,251	3,040,692	4,954,812	39,678,747	4,609,195	14,648,668	-	35.73%	34.11%	22.86%	6.60%	99.30%
Metro, 50,000-99,999	97,003,575	3,666,120	12,612,408	80,724,607	8,168,241	33,700,877	-	34.28%	31.08%	22.01%	6.68%	94.06%
Metro, 100,000+	380,880,271	49,642,010	38,736,487	292,501,774	53,865,236	133,944,285	-	41.37%	44.72%	23.63%	7.48%	117.19%

Data for Blue Earth County not available from the Department of Revenue at press time; totals, therefore, do not include those cities or townships.

COUNTIES BY REGION



COMPARATIVE DATA TABLE

Table S-1 follows the layout of the tax information contained in the 2009 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 2009 Property Tax Data Table with averages of cities from the same geographic region or population size category. The column at the end of Tables S-1 shows the number of cities in each category.

ACTIVE DATA

2009 MV TAX RATES			2009 AID AND LEVY DATA							
Average County MV Tax Rate	Average City MV Tax Rate	Average School MV Tax Rate	Certified City LGA	Actual City LGA	Certified City Levy	Fiscal Disp Levy	City Net Levy	Yield on Levy After MVHC Cut	2008 Population	Number of Cities
0.031%	0.029%	0.162%	526,141,547	481,521,933	1,709,498,109	143,334,445	1,566,163,664	1,689,917,723	4,315,637	855
0.000%	0.000%	0.122%	0	0	203,215,555	1,223,664	201,991,891	200,715,556	938,451	
0.001%	0.007%	0.155%	526,141,547	481,521,933	1,912,713,664	144,558,109	1,768,155,555	1,890,633,279	5,254,088	
0.031%	0.029%	0.162%	615,370	563,184	1,999,413	167,643	1,831,770	1,976,512	5,048	
0	0	0.285%	298,302	285,291	218,742	0	218,742	218,742	881	56
0	0	0.078%	262,518	246,385	319,455	0	319,455	319,455	1,115	22
0	0.051%	0.077%	1,064,524	1,012,131	864,864	38,513	826,350	864,247	2,995	68
0	0.024%	0.202%	353,667	332,112	402,603	0	402,603	402,416	1,481	83
0	0.014%	0.109%	227,339	214,540	505,901	2,056	503,845	500,825	1,137	64
0	0	0.179%	437,255	409,175	610,605	0	610,605	610,605	1,834	40
0	0.104%	0.233%	268,148	254,882	256,672	0	256,672	256,672	787	37
0.018%	0.015%	0.078%	225,458	199,757	663,051	0	663,051	661,449	1,916	39
0	0.037%	0.122%	511,966	449,565	1,816,144	990	1,815,154	1,803,713	4,922	55
0.071%	0.018%	0.266%	300,108	285,241	300,917	0	300,917	300,917	1,006	79
0	0.052%	0.184%	630,848	591,276	511,645	0	511,645	511,632	2,283	71
0.005%	0.059%	0.182%	694,165	634,788	1,292,451	0	1,292,451	1,292,451	3,628	101
0.005%	0.018%	0.148%	1,317,124	1,164,728	8,680,795	1,003,782	7,677,013	8,549,003	19,903	140
0.044%	0.000%	0.186%	40,383	40,255	63,361	392	62,970	63,251	206	356
0.044%	0.089%	0.177%	315,429	300,539	407,603	3,805	403,798	407,042	1,110	234
0.044%	0.050%	0.134%	832,578	772,515	1,165,231	13,751	1,151,480	1,163,560	3,424	63
0.000%	0.000%	0.123%	1,454,948	1,338,326	2,589,850	17,523	2,572,327	2,578,194	7,044	28
0.005%	0.016%	0.141%	2,904,689	2,675,296	4,860,136	15,490	4,844,646	4,840,611	14,960	27
0.000%	0.007%	0.184%	11,705,712	10,775,519	14,157,440	0	14,157,440	14,157,440	54,165	7
0.005%	0.000%	0.142%	99,913	86,992	506,607	64,599	442,008	505,438	980	40
0.000%	0.026%	0.144%	113,507	93,765	1,859,810	135,802	1,724,008	1,837,621	3,887	19
0.000%	0.009%	0.142%	133,514	94,412	3,349,504	305,990	3,043,514	3,306,235	7,233	22
0.005%	0.022%	0.163%	594,308	460,998	7,301,481	940,218	6,361,263	7,191,509	18,345	30
0.005%	0.015%	0.165%	363,805	271,617	14,403,366	1,548,017	12,855,349	14,045,326	34,660	15
0.005%	0.014%	0.163%	52,853	-	27,162,909	2,493,263	24,669,646	26,466,172	63,817	12
0.000%	0.000%	0.161%	75,693,215	68,909,708	162,485,847	23,643,792	138,842,055	162,485,847	339,093	2

STATE TOTALS

The first line in Table S-1 contains totals and averages for the 855 cities in the state as a group. The second line shows totals and averages for all 1,790 townships and all unincorporated areas in the state as a group. The third line contains statewide totals and averages, including data from cities, townships, and unincorporated areas. The fourth line contains data representing the average Minnesota city—in other words, the totals for all cities divided by 855.

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.

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.

RESIDENTIAL HOMESTEAD MARKET VALUE DECLINES

Last year, the League of Minnesota Cities property tax report featured an analysis of the trends in residential homestead market value in order to highlight the challenges faced by cities in the midst of the collapse of the housing market. That analysis focused on the steadily declining growth rate of total residential homestead market value in cities, culminating in only a 5 percent increase between 2007 and 2008. The analysis that follows builds on that from last year.

The housing market has continued to struggle because of the ongoing foreclosure crisis and economic recession. In fact, for the first time in many years, residential homestead market value in cities overall actually declined in 2009. From 2008 to 2009, residential homesteads in cities overall lost slightly less than 1 percent in total market value. While not a sharp decline, it is a marked change from the peak of more than 14 percent growth that occurred between 2004 and 2005. That was the beginning of the current slowdown in residential homestead market value growth (see the chart below).

From 2004 to 2005, total city market value grew by 13 percent. Over the most recent year, however, the growth rate has been only 1.5 percent. In the seven-county metro area, total city market value grew by less than six-tenths of 1 percent over the last year.

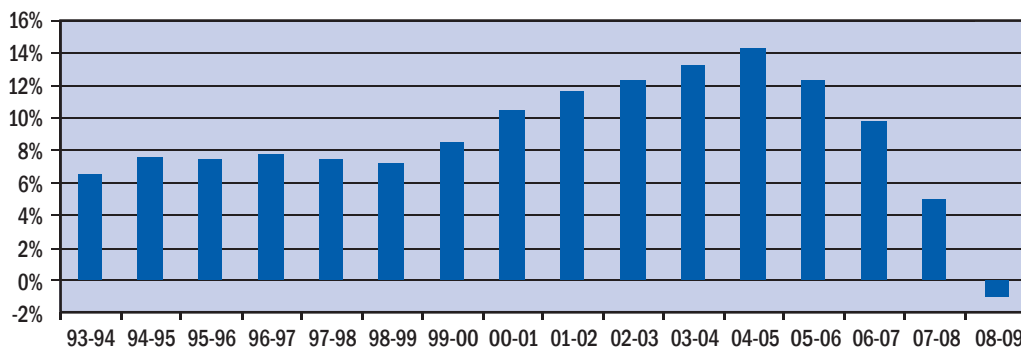
Generally, larger cities have tended to see more pronounced slowdowns in homestead market value growth. Cities with

populations over 10,000 as a group saw nearly a 2 percent decline between 2008 and 2009. More than 60 percent of cities in this population category (57 of 93 cities) experienced a loss of homestead market value over the last year. None of them experienced a decrease in 2005, 2006, or 2007. Only 2 percent of them saw a loss in homestead market value in 2008.

Statewide, 274 cities (32 percent) saw a decline in homestead market value. At least a quarter of cities in all population categories saw a loss. Two regions of the state lost residential homestead market value for 2009—region 7E (east central) and the seven-county metro area. A few other regions had very low rates of homestead market value growth, namely region 6E (southwest) at 1.2 percent, region 9 (south central) at 1.6 percent, and region 6W (upper Minnesota valley) at 1.9 percent.

Falling homestead market values pose a serious challenge for cities. Resistance to the property tax grows as homeowners see their assessed values go down and/or perceive their homes to be worth much less, but receive bigger tax bills. Cities must balance those concerns with the pressures put on city budgets caused by sharp reductions in local government aid and market value homestead credit reimbursement as well as other stresses.

Growth Rate of Residential Market Value in Cities



Source: Department of Revenue



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