

**SECTION II**  
**PROPERTY TAX INFORMATION**

Compiled information and/or resources:

By Minnesota Department of Revenue

Information location: <http://www.taxes.state.mn.us>. Property Tax Administrators' Manual, Module 3 – Classification of Property, April 26, 2010.

By Stearns County Auditor-Treasurer's Office

Information location: 2011 Local Tax Rates. April 14, 2011.

By Stearns County Auditor-Treasurer's Office

Information location: Top Taxpayers in the County. March 25, 2011.

## PROPERTY TAX CLASSIFICATIONS RATES

The tax classification assigned to a property is based upon a system that has been around since 1913. It has evolved into many classes with several different classification rates (i.e. statutory tax rates expressed as a percentage of the taxable market value based upon a property's primary use). A complete listing of the classification rates for assessment year 2010 (taxes payable in 2011) follows:

<u>Class</u>	<u>Description</u>	<u>Class Rate</u>
1a	Residential Homestead 1 <sup>st</sup> \$500,000 Over \$500,000	1.00% 1.25%
1b	Blind/Disabled Homestead Agricultural: 1 <sup>st</sup> \$50,000 Non-Agricultural: 1 <sup>st</sup> \$50,000	0.45% 0.45%
1c	Commercial Seasonal Recreational Residential used under 250 days per year and includes Homestead (Ma & Pa Resort) 1 <sup>st</sup> \$600,000 From \$600,000 to \$2,300,000 Over \$2,300,000	0.50% 1.00% 1.25%*
1d	Migrant Housing (Structures Only) 1 <sup>st</sup> \$500,000 Over \$500,000	1.00% 1.25%
2a	Agricultural Homestead House, Garage, One Acre: 1 <sup>st</sup> \$500,000 Over \$500,000	1.00% 1.25%

<u>Class</u>	<u>Description</u>	<u>Class Rate</u>
2a	Remainder of Agricultural Homestead: Classified as 2a Productive Agricultural Land 1 <sup>st</sup> \$1,140,000 Over \$1,140,000	0.50%** 1.00%**
2b	Remainder of Agricultural Homestead: Classified as 2b Rural Vacant Land 1 <sup>st</sup> \$1,140,000 Over \$1,140,000	0.50%** 1.00%**
2a	Non-Homestead, Classified as 2a-Productive Agricultural Land	1.00%**
2b	Non-Homestead, Classified as 2b-Rural Vacant Land	1.00%**
2c	Managed Forest Land	0.65%**
2d	Private Airport	1.00%**
2e	Unmined Commercial Aggregate Deposit	1.00%**
3a	Commercial-Industrial and Public Utility 1 <sup>st</sup> \$150,000 Over \$150,000	1.50%* 2.00%*
3a	Electric Generating Public Utility Machinery	2.00%
3a	All Other Public Utility Machinery	2.00%*
3a	Real Property Owned in Fee by a Utility for Transmission Line Right-of-Way	2.00%*
3b	Employment Property Border City Zones: 1 <sup>st</sup> \$150,000 Over \$150,000	1.50%* 2.00%*
4a	Rental Housing (Apartments: Regular and Low-Income) 4 or more units, including private for-profit hospitals	1.25%
4b(1)	Residential Non-Homestead, one to three units that do not qualify for class 4bb or SRR	1.25%
4b(2)	Unclassified Manufactured Homes	1.25%

<u>Class</u>	<u>Description</u>	<u>Class Rate</u>
4b(3)	Agricultural Non-Homestead containing more than one residence but fewer than four along with the acre(s) and garage(s)	1.25%
4b(4)	Residential Non-Homestead not containing a structure (bare land)	1.25%
4bb(1)	Residential Non-Homestead single unit 1 <sup>st</sup> \$500,000 Over \$500,000	1.00% 1.25%
4bb(2)	Agricultural Non-Homestead containing Single House, Garage, One Acre 1 <sup>st</sup> \$500,000 Over \$500,000	1.00% 1.25%
4c(1)	Seasonal Recreational Residential (SRR) Commercial (Resort): 1 <sup>st</sup> \$500,000 Over \$500,000 Non-Commercial (Cabin): 1 <sup>st</sup> \$500,000 Over \$500,000	1.00%* 1.25%* 1.00%*, ** 1.25%*, **
4c(2)	Qualifying Golf Course	1.25%
4c(3)(i)	Non-Profit Community Service Oriented Organization (Non-Revenue)	1.50%
4c(3)(ii)	Non-Profit Community Service Oriented Organization (Donations)	1.50%*
4c(4)	Post Secondary Student Housing	1.00%**
4c(5)i	Manufactured Home Park	1.25%
4c(5)ii	MH Park Cooperative (Over 50% shareholder Occupied) MH Park Cooperative (50% or less shareholder Occupied)	0.75% 1.00%
4c(6)	Metro Non-Profit Recreational Property	1.25%
4c(7)	Certain Non-Commercial Aircraft Hangers and Land: Leased Land	1.50%
4c(8)	Certain Non-Commercial Aircraft Hangers and Land: Private Land	1.50%

<u>Class</u>	<u>Description</u>	<u>Class Rate</u>
4c(9)	Homesteaded Bed and Breakfast Properties, up to 5 units	1.25%
4c(10)	Seasonal Restaurant on a Lake	1.25%
4c(11)	Qualifying Marinas: 1 <sup>st</sup> \$500,000 Over \$500,000	1.00% 1.25%
4d	Qualifying Low-Income Rental Housing	0.75%
5(1)	Unmined Iron Ore and Low Grade Iron-Bearing Formations	2.00%*
5(2)	All other property not included in any other class	2.00%

\* Subject to the state general property tax.

\*\* Exempt from referendum market value based taxes.

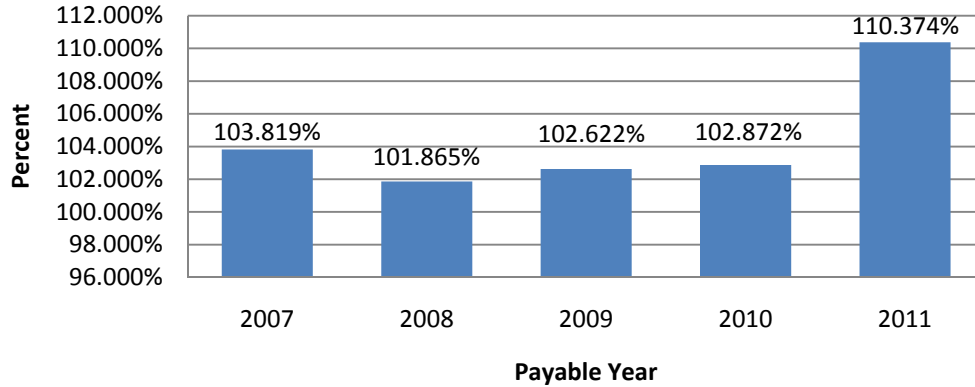
NOTE: For purposes of the state general property tax only, the net tax capacity of non-commercial class 4c(1) seasonal recreational residential property has the following class rate structure:

First \$76,000	0.40%
\$76,000 to \$500,000	1.00%
Over \$500,000	1.25%

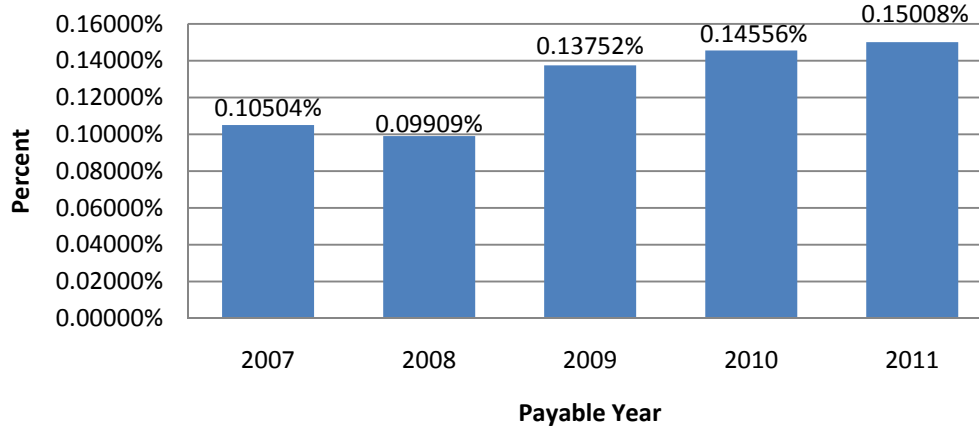
2011 TAX CAPACITY RATES FOR STEARNS COUNTY (ALL RATES EXPRESSED AS PERCENTAGES)			
COUNTY REVENUE.....			23.4497
COUNTY ROAD & BRIDGE.....			5.1868
COUNTY SOCIAL SERVICES.....			16.9120
COUNTY BUILDING.....			0.1037
COUNTY PARKS.....			0.6335
COUNTY DEBT SERVICE.....			3.7014
REGIONAL LIBRARY.....			1.6133
TOTAL.....			51.6004
2011 CITY RATES			
CITY OF ALBANY	38.2591	CITY OF LAKE HENRY #	45.5919
CITY OF AVON	67.5619	CITY OF MEIRE GROVE #	32.5740
CITY OF BELGRADE @	81.5510	CITY OF MELROSE #	60.8004
CITY OF BROOTEN ^	53.6416	CITY OF NEW MUNICH #	51.4810
CITY OF COLD SPRING #	29.1365	CITY OF PAYNESVILLE ^	33.4926
CITY OF EDEN VALLEY #	79.9770	CITY OF RICHMOND #	62.5177
CITY OF ELROSA ^ #	25.1345	CITY OF ROCKVILLE #	39.7859
CITY OF FREEPORT #	81.7837	CITY OF ROSCOE #	27.8100
CITY OF GREENWALD #	27.8958	CITY OF ST ANTHONY #	5.2926
CITY OF HOLDINGFORD	70.5090	CITY OF ST AUGUSTA	26.5311
CITY OF KIMBALL *	73.2798	CITY OF ST CLOUD #	41.3067
CITY OF ST. JOSEPH #	48.4941	CITY OF ST MARTIN #	51.4434
CITY OF ST ROSA #	25.8033	CITY OF ST STEPHEN	40.2583
CITY OF SARTELL	33.6018	CITY OF SAUK CENTRE #	59.3060
CITY OF SPRING HILL #	34.7067	CITY OF WAITE PARK #	57.7840
2011 TOWNSHIP RATES			
TOWN OF ALBANY #	33.3060	TOWN OF KRAIN #	20.8698
TOWN OF ASHLEY #	12.0491	TOWN OF LAKE GEORGE ^ #	9.0521
TOWN OF AVON	21.6397	TOWN OF LAKE HENRY ^ #	16.0619
TOWN OF BROCKWAY	19.8969	TOWN OF LESAUK #	12.0745
TOWN OF COLLEGEVILLE #	15.1971	TOWN OF LUXEMBURG * #	28.4729
TOWN OF CROW LAKE ^ @	10.6685	TOWN OF LYNDEN *	13.3333
TOWN OF CROW RIVER ^ @	18.0914	TOWN OF MAINE PRAIRIE * #	25.6963
TOWN OF EDEN LAKE ^ #	18.6954	TOWN OF MELROSE #	15.3559
TOWN OF FAIR HAVEN *	18.5549	TOWN OF MILLWOOD #	17.2782
TOWN OF FARMING #	23.8115	TOWN OF MUNSON #	12.4510
TOWN OF GETTY ^ #	13.7634	TOWN OF NORTH FORK ^	19.6704
TOWN OF GROVE #	17.2354	TOWN OF OAK #	19.3021
TOWN OF HOLDING	31.9186	TOWN OF PAYNESVILLE ^ #	16.0582
TOWN OF RAYMOND ^ #	14.8350	TOWN OF ST JOSEPH #	18.4672
TOWN OF ST MARTIN #	29.0259	TOWN OF ST WENDEL #	18.1814
TOWN OF SAUK CENTRE #	11.3134	TOWN OF SPRING HILL ^ #	21.5908
TOWN OF SPRING HILL ^ #	21.5908	TOWN OF WAKEFIELD #	14.6175
TOWN OF WAKEFIELD #	14.6175	TOWN OF ZION ^ #	36.1038
2011 SCHOOL DISTRICT RATES			
INDEPENDENT SCHOOL DISTRICTS			
0463 Eden Valley	19.3860	0741 Paynesville	17.6190
0485 Royalton	29.2870	0742 St Cloud	18.6406
0487 Upsala	34.2960	0743 Sauk Centre	16.6756
0738 Holdingford	27.3145	0745 Albany	24.6741
0739 Kimball	20.7074	0748 Sartell/StStephen	34.4583
0740 Melrose	21.0696	0750 Rocori	26.5216
0876 Annandale	8.8690		
2149 Minnewaska	15.3670		
2364 BelBroElrosa	21.2513		
2753 Long Prairie	27.0820		
NOTE: Add County and City or Township tax capacity rate to the School District tax capacity rate in which the property is located. Multiply this total by the tax capacity to obtain the amount of general tax. If there are special assessments, these must be added to your general taxes, and the amount will correspond with the County Treasurer's tax list. Add tax capacity rate of 0.6491 to City of St Cloud and tax capacity rate of .2629 to all other Cities and Townships for HRA. Add tax capacity rate of 1.3729 to Cities of St Cloud, City of Sartell, and Waite Park for Transit. Add tax capacity rate of 2.550 to the City of Brooten for Glacial Ridge Hospital. Add tax capacity rate of 3.3637 for area in Clearwater Fire District-Lynden Township. Add Tax capacity rate of 2.0583 for Annandale Fire District-Lynden Township. Add Tax capacity rate of 0.4259 for Stearns County Regional Rail Authority. Any difference could be due to disparity reduction aid.			
LEGEND:			
^ Add tax capacity rate of 3.0032 for area in Northfork-Crow River Watershed District.			
* Add tax capacity rate of 2.1730 for area in Clearwater River Watershed District.			
# Add tax capacity rate of 0.7746 for area in Sauk River Watershed District.			
@ Add tax capacity rate of 1.6914 for area in Middle Fork Crow River Watershed District.			

## AVERAGE TAX RATES – FIVE YEAR PROFILE

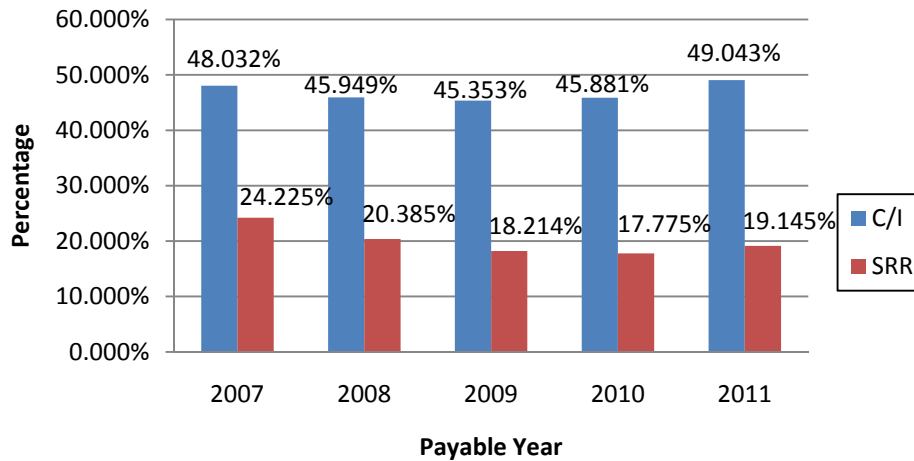
### History of Average Tax Capacity Extension Rates for Stearns County



### History of Average Market Value Rates for Stearns County



### History of State General Property Tax Rates



## EXAMPLES OF TAX CAPACITY CALCULATIONS AND PAYABLE TAXES

The tax bill is calculated on each property's tax capacity value based upon its taxable market value (the value after all reductions, limitations, exclusions, and deferrals have been subtracted from a property's estimated market value) and classification rate. The tax capacity value is multiplied by the tax capacity extension rates as set by the school board, county board of commissioners, and city council or township board, and if pertinent, any miscellaneous district board such as a hospital or watershed. When applicable, a state general property tax rate is applied to commercial/industrial, some public utilities and machinery, commercial/non-commercial seasonal recreational residential properties, a part of a Ma & Pa Resort over \$2,300,000, some non-profit community service oriented organizations, and unmined iron ore and low grade iron-bearing formations. A referendum market value tax is also added to the property tax bill by multiplying the referendum market value by the market value rate. (The referendum market value for Class 1b Blind/Disabled homesteaded properties is 0.45% of the taxable market value on the first \$50,000. Class 2a agricultural homestead land and buildings except for the house, garage, and first acre [HGA is taxable]; Class 2b rural vacant land and non-homestead agricultural land; Class 2c managed forest land; Class 2d private airports; Class 2e unmined commercial aggregate deposits; Class 4c(1) non-commercial seasonal recreational residential properties; and Class 4c(4) post secondary student housing are exempt from referendum market value taxes. All other real, personal, and mobile/manufactured home properties have a referendum market value equal to 100% of its taxable market value. Any class of property with a class rate of less than 1.00% has a referendum market value equal to its net tax capacity value multiplied by 100.)

In cases when properties are classified as homestead, the total tax on a residential homestead, a disabled homestead, and the house, garage, and first acre of an agricultural or resort homestead is reduced by a homestead market value tax credit. This credit is equal to 0.40% of the taxable market value with a maximum amount of \$304, reduced by a credit phase-out equal to 0.09% of the taxable market value greater than \$76,000 (that reduces it to \$0 for taxable market value equal to and greater than \$413,800). Properties that are classified as part homestead and part non-homestead only receive the credit on the homestead portion of the property.

For agricultural homestead land, the agricultural homestead market value tax credit is equal to 0.30% of the first \$115,000 of taxable market value of the land and buildings excluding the house, garage, and first acre. This credit is limited to \$345 for each homestead. It is reduced by a credit phase-out equal to 0.05% of the taxable market value in excess of \$115,000, subject to a maximum reduction of \$115.

The illustrations found on the ensuing pages are tax calculation examples for the most common property tax classifications. These include 2011 property tax estimates for residential homestead; residential non-homestead; seasonal recreational residential; agricultural homestead; agricultural non-homestead; managed forest land; regular 4+ unit apartments; low-income rental housing; preferred commercial/industrial; and non-preferred commercial/industrial properties. All property tax calculations are based upon an average tax capacity extension rate for Stearns County of 110.374% (1.10374), an average Stearns County local school referendum market value rate of 0.15008% (0.0015008), a commercial/industrial state general property tax rate of 49.043% (0.49043), and a seasonal recreational residential state general property tax rate of 19.145% (0.19145).

**REAL ESTATE TAXES ON  
RESIDENTIAL HOMESTEAD PROPERTIES  
(Payable in 2011)**

## Values:

1. Taxable Market Value:	<u>\$150,000</u>
2. Referendum Market Value:	<u>\$150,000</u>
3. Net Tax Capacity Calculation:	
a. First \$500,000 @ 1.00%:	<u>\$ 1,500</u>
b. Over \$500,000 @ 1.25%:	<u>\$ 0</u>
c. Total Net Tax Capacity (NTC):	<u>\$ 1,500</u>

## Residential Homestead Market Value Tax Credit:

4. Homestead Market Value Credit:	
a. Tax Mkt Val (1) \$76,000 [up to \$76,000] X 0.40% =	<u>\$304.00</u>
b. Credit Phase-Out: (1) \$150,000 - 76,000 = \$74,000 X 0.09% =	<u>\$ 66.60</u>
c. Final Credit (4a - 4b = 4c):	<u>\$237.40</u>

## Taxes:

## Tax Calculation:

5. Total NTC (3c): \$1,500 X Tax Cap Rate 110.374% =	<u>\$1,655.61</u>
6. Homestead Market Value Credit (4c):	<u>\$ 237.40</u>
7. School District Referendum Market Value Tax: Referendum MV \$150,000 X (MV Rate) 0.15008% =	<u>\$ 225.12</u>
8. Net Tax Payable (5 - 6 + 7):	<u>\$1,643.33</u>
9. Rounded Payable Tax	<u>\$1,644.00</u>

**REAL ESTATE TAXES ON  
RESIDENTIAL NON-HOMESTEAD PROPERTIES (SINGLE UNIT)  
(Payable in 2011)**

## Values:

1. Taxable Market Value:	<u>\$150,000</u>
2. Referendum Market Value:	<u>\$150,000</u>
3. Net Tax Capacity Calculation:	
a. First \$500,000 @ 1.00%:	<u>\$ 1,500</u>
b. Over \$500,000 @ 1.25%:	<u>\$ 0</u>
c. Total Net Tax Capacity (NTC):	<u>\$ 1,500</u>

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## Taxes:

## Tax Calculation:

4. Total NTC (3c): \$1,500 X Tax Cap Rate 110.374% =	<u>\$1,655.61</u>
5. School District Referendum Market Value Tax: Referendum MV \$150,000 X (MV Rate) 0.15008% =	<u>\$ 225.12</u>
6. Net Tax Payable (4 + 5):	<u>\$1,880.73</u>
7. Rounded Payable Tax	<u>\$1,882.00</u>

**REAL ESTATE TAXES ON  
AGRICULTURAL HOMESTEAD PROPERTY  
(Payable in 2011)**

## Values:

- |  |                  |
|--|------------------|
| 1. Taxable Market Values:                                    |                  |
| a. Taxable Market Value of the house, garage and first acre: | <u>\$ 90,000</u> |
| b. Taxable Market Value of remaining farm:                   | <u>\$210,000</u> |
| c. Total Taxable Market Value:                               | <u>\$300,000</u> |
| 2. Referendum Market Value:                                  |                  |
| House, Garage, 1 Acre:                                       | <u>\$ 90,000</u> |
| 3. Net Tax Capacity Calculation:                             |                  |
| a. H/G/A \$90,000 @ 1.00% (first \$500,000):                 | <u>\$ 900</u>    |
| b. H/G/A \$0.00 @ 1.25% (over \$500,00):                     | <u>\$ 0</u>      |
| c. Remainder of Farm: first \$1,140,000 @ 0.50%:             | <u>\$ 1,050</u>  |
| d. Remainder of Farm over \$1,140,000 @ 1.00%:               | <u>\$ 0</u>      |
| e. Total Net Tax Capacity (NTC): (3a + 3b + 3c + 3d = 3e)    | <u>\$ 1,950</u>  |

## Residential Homestead Market Value Tax Credit:

- |   |                  |
|---|------------------|
| 4. Residential Homestead Market Value Credit:               |                  |
| a. Initial Credit (first \$76,000 of 1a X 0.40%: max \$304) | <u>\$ 304.00</u> |
| b. Credit Phase-Out [0.09% X (1a - \$76,000)]               | <u>\$ 12.60</u>  |
| c. Final Credit (4a - 4b = 4c):                             | <u>\$ 291.40</u> |

## Agricultural Homestead Market Value Credit:

- |  |                  |
|--|------------------|
| 5. Agricultural Market Value Tax Credit:                             |                  |
| a. Initial Credit (first \$115,000 of 1b X .30% (max \$345)          | <u>\$ 345.00</u> |
| b. Credit Phase-Out [0.05% X (1b - \$115,000): max reduction \$115]: | <u>\$ 47.50</u>  |
| c. Final Credit (5a - 5b = 5c):                                      | <u>\$ 297.50</u> |

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Taxes:

- |  |                   |
|--|-------------------|
| Tax Calculation:   |                   |
| 6. Total NTC (3e): \$1,950 X Tax Cap Rate 110.374% =   | <u>\$2,152.29</u> |
| 7. Homestead Market Value Tax Credit (4c):   | <u>\$ 291.40</u>  |
| 8. Ag Homestead Market Value Tax Credit (5c):  | <u>\$ 297.50</u>  |
| 9. School District Referendum Market Value Tax:<br>Referendum MV \$90,000 X (MV Rate) 0.15008% = | <u>\$ 135.07</u>  |
| 10. Net Tax Payable (6 - 7 - 8 + 9):   | <u>\$1,698.46</u> |
| 11. Rounded Payable Tax  | <u>\$1,698.00</u> |

**REAL ESTATE TAXES ON  
AGRICULTURAL NON-HOMESTEAD PROPERTY  
(Payable in 2011)**

## Values:

1. Taxable Market Values:	
a. Taxable Market Value of the house, garage and first acre:	<u>\$ 90,000</u>
b. Taxable Market Value of remaining farm:	<u>\$210,000</u>
c. Total Taxable Market Value:	<u>\$300,000</u>
2. Referendum Market Value:	
House, Garage, 1 Acre:	<u>\$ 90,000</u>
3. Net Tax Capacity Calculation:	
a. H/G/A \$90,000 @ 1.00% (first \$500,000):	<u>\$ 900</u>
b. H/G/A \$0.00 @ 1.25% (over \$500,00):	<u>\$ 0</u>
c. Remainder of Farm: \$210,000 @ 1.00%:	<u>\$ 2,100</u>
d. Total Net Tax Capacity (NTC): (3a + 3b + 3c = 3d):	<u>\$ 3,000</u>

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Taxes:

Tax Calculation:	
4. Total NTC (3d): \$3,000 X Tax Cap Rate 110.374% =	<u>\$3,311.22</u>
5. School District Referendum Market Value Tax:	
Referendum MV \$90,000 X (MV Rate) 0.15008% =	<u>\$ 135.07</u>
6. Net Tax Payable (4 + 5):	<u>\$3,446.29</u>
7. Rounded Payable Tax	<u>\$3,446.00</u>

**REAL ESTATE TAXES ON  
MANAGED FOREST LAND PROPERTIES  
(Payable in 2011)**

## Values:

1. Taxable Market Value:	<u>\$150,000</u>
2. Net Tax Capacity Calculation:	
Taxable Market Value @ 0.65% =	\$ <u>    975</u>

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## Taxes:

## Tax Calculation:

3. Total NTC (2): \$975 X Tax Cap Rate 110.374% =	<u>\$1,076.15</u>
4. Net Tax Payable (3):	<u>\$1,076.15</u>
5. Rounded Payable Tax	<u>\$1,076.00</u>

**REAL ESTATE TAXES ON  
REGULAR 4+ UNIT APARTMENT PROPERTIES  
(Payable in 2011)**

## Values:

1. Taxable Market Value:	<u>\$500,000</u>
2. Referendum Market Value:	<u>\$500,000</u>
3. Net Tax Capacity Calculation: Taxable Market Value @ 1.25% =	<u>\$ 6,250</u>

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## Taxes:

Tax Calculation:	
4. Total NTC (3): \$ 6,250 X Tax Cap Rate 110.374% =	<u>\$6,898.38</u>
5. School District Referendum Market Value Tax: Referendum MV \$500,000 X (MV Rate) 0.15008% =	<u>\$ 750.40</u>
6. Net Tax Payable (4 + 5):	<u>\$7,648.78</u>
7. Rounded Payable Tax	<u>\$7,650.00</u>

**REAL ESTATE TAXES ON  
LOW-INCOME RENTAL HOUSING (CLASS 4d)  
(Payable 2011)**

## Values:

1. Taxable Market Value:	<u>\$500,000</u>
2. Referendum Market Value:	<u>\$500,000</u>
3. Net Tax Capacity Calculation: Taxable Market Value @ 0.75% =	<u>\$ 3,750</u>

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## Taxes:

Tax Calculation:	
4. Total NTC (3): \$3,750 X Tax Cap Rate 110.374% =	<u>\$4,139.03</u>
5. School District Referendum Market Value Tax: Referendum MV \$500,000 X (MV Rate) 0.15008% =	<u>\$ 750.40</u>
6. Net Tax Payable (4 + 5):	<u>\$4,889.43</u>
7. Rounded Payable Tax	<u>\$4,890.00</u>

**REAL ESTATE TAXES ON  
COMMERCIAL PROPERTIES – NON-PREFERRED  
(Payable 2011)**

## Values:

1. Taxable Market Value:	<u>\$250,000</u>
2. Referendum Market Value:	<u>\$250,000</u>
3. Net Tax Capacity Calculation: Taxable Market Value @ 2.00% =	<u>\$ 5,000</u>
4. State General Property Tax Net Tax Capacity: Taxable Market Value @ 2.00% =	<u>\$ 5,000</u>

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## Taxes:

Tax Calculation:	
5. Total NTC (3): \$5,000 X (Tax Cap Rate) 110.374% =	<u>\$5,518.70</u>
6. Total State General Property Tax NTC (4): \$5,000 X State General Property Tax Rate 49.043% =	<u>\$2,452.15</u>
School District Referendum Market Value Tax: Referendum MV \$250,000 X (MV Rate) 0.15008% =	<u>\$ 375.20</u>
7. Net Tax Payable (5 + 6 + 7):	<u>\$8,346.05</u>
9. Rounded Payable Tax	<u>\$8,346.00</u>

**REAL ESTATE TAXES ON  
COMMERCIAL PROPERTIES - PREFERRED  
(Payable 2011)**

## Values:

1. Taxable Market Value:	<u>\$250,000</u>
2. Referendum Market Value:	<u>\$250,000</u>
3. Net Tax Capacity Calculation:	
a. First \$150,000 @ 1.50%:	<u>\$ 2,250</u>
b. Over \$150,000 @ 2.00%:	<u>\$ 2,000</u>
c. Total Net Tax Capacity (NTC)(3a + 3b = 3c):	<u>\$ 4,250</u>
4. State General Property Tax Net Tax Capacity:	
a. First \$150,000 @ 1.50%:	<u>\$ 2,250</u>
b. Over \$150,000 @ 2.00%:	<u>\$ 2,000</u>
c. Total State General Property Tax (NTC)(4a + 4b = 4c):	<u>\$ 4,250</u>

## Taxes:

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Tax Calculation:	
5. Total NTC (3c): \$ 4,250 X 110.374% =	<u>\$4,690.90</u>
6. Total State General Property Tax NTC (4c): \$4,250 X State General Property Tax Rate 49.043% =	<u>\$2,084.33</u>
7. School District Referendum Market Value Tax: Referendum MV \$250,000 x (MV Rate) 0.15008 % =	<u>\$ 375.20</u>
8. Net Tax Payable (5 + 6 + 7):	<u>\$7,150.43</u>
9. Rounded Payable Tax	<u>\$7,150.00</u>

**REAL ESTATE TAXES ON  
NON-COMMERCIAL SEASONAL RECREATIONAL RESIDENTIAL PROPERTIES  
(Payable 2011)**

Values:

1. Taxable Market Value:		<u>\$150,000</u>
2. Net Tax Capacity Calculation:		
a. First \$500,000 @ 1.00%:		\$ <u>1,500</u>
b. Over \$500,000 X 1.25%:		\$ <u>0</u>
c. Total Net Tax Capacity (NTC)(2a + 2b = 2c):		<u>\$ 1,500</u>
3. State General Property Tax Net Tax Capacity:		
a. First \$76,000 @ 0.40%:		\$ <u>304</u>
b. \$76,001 to \$499,999 @ 1.00%:		\$ <u>740</u>
c. Over \$500,000 @ 1.25%:		\$ <u>0</u>
d. Total State General Property Tax Net Tax Capacity (NTC) (3a + 3b + 3c = 3d):		<u>\$ 1,044</u>

Taxes:

Tax Calculation:

4. Total NTC (2c): \$1,500 X Tax Cap Rate 110.374% =		<u>\$1,655.61</u>
5. Total State General Property Tax NTC (3d): \$1,044 x State General Property Tax Rate 19.145% =		<u>\$ 199.87</u>
6. Net Tax Payable (4 + 5):		<u>\$1,855.48</u>
7. Rounded Payable Tax		<u>\$1,856.00</u>

## **PROPERTY TAX TIMELINE AND REASONS FOR TAX CHANGES PAYABLE YEAR 2011**

The terms “assessment year” and “payable year” are often misunderstood because the property tax timeline spans a period of two years. In the first year, valuations and property tax classifications are set by the assessor as of the assessment date, January 2<sup>nd</sup>. Assessment appeals and the budgeting process are also completed in the same year throughout the spring, summer, fall, and early winter. During the second year, taxes are calculated by the auditor, and the tax bills are issued and payments collected by the treasurer.

Market values used for tax purposes are historical values that represent a snapshot in time. During periods when real estate prices are rapidly changing, upward or downward, valuations set by the assessor do not always reflect the current market for properties. This phenomenon is because the assessor is required by law to annually value property at market value based upon a moving twelve-month assessment sales ratio study that is one to two years behind the current time period. Nonetheless, when valuations of similar properties are equalized for any given time period, then properties are treated both uniformly and fairly in the taxation process.

The market value used to calculate taxes payable in 2011 was established as of January 2, 2010. It was based on statistical data compiled by the assessor from open market sales that occurred from October 1, 2008 through September 30, 2009. The 2011 assessment used as a basis for taxes payable in 2012 is based on a study covering the time period from October 1, 2009 through September 30, 2010.

The share and/or amount of tax reported on the 2011 property tax statement may have changed from a year ago due to one or more of the following causes:

### **1. The property’s taxable market value has changed.**

- Each property is subject to valuation changes due to market activity. Most property types are valued and taxed according to their market value except some properties that receive a value deferral or exclusion through various property tax relief programs administered by the assessor. Properties enrolled in Green Acres, subject to the plat deferral law, getting “This Old House” value exclusion, or receiving the disabled veterans homestead market value exclusion are just a few programs that allow taxation on a lower taxable market value.
- **Changes in the marketplace measured through the annual sales ratio study have caused market values to change.**

The assessor is required by law to value all property at market value. The legal assessment level is considered to be 100% of market value, but an acceptable assessment is achieved when the overall sales ratio falls between 90% and 105% of market value. In order to determine if all classes of property are assessed at values within this range, a sales ratio study is annually performed. Based on this analysis, valuation changes were made during the 2010 assessment to reflect market trends and address questions of assessment quality and uniformity by property type and geographic area within the county.

- **New construction or a property loss has caused the market value to change.**  
New construction such as an addition or improvement to a property has caused the market value of the property to increase. A property owner's decision to remove or raze a building, addition, or improvement as well as damages resulting from an accident, the forces of nature, or human acts have caused the market value of the property to decrease.
- 2. The taxable market values of other properties within a taxing district have changed.**
    - New construction added value to the assessment roll.
    - Price inflation increased the taxable market value for properties and the size of the assessment roll.
    - Property losses or damages brought on by disasters or accidents caused value to be removed from the assessment roll.
    - Price deflation decreased the taxable market value for properties and the size of the assessment roll.
  - 3. The tax classification has changed based upon the use of the property.**
    - The assessor reclassified the property for assessment purposes. This classification change usually means a different tax class rate was used in the tax calculation. It caused the tax capacity value of a property to increase or decrease, shifting the share of taxes paid. The reclassification may also affect whether or not a residential market value homestead credit and/or an agricultural market value credit was paid by the state on a property. It may also have an effect on whether or not the property was eligible for a special program that provided a value exclusion or deferment. (i.e. The property's use last year was agricultural homestead, but this year's use is residential homestead. Last year, the property was classified as agricultural non-homestead and this year it is residential non-homestead bare land.)
  - 4. The taxing jurisdiction has changed due to annexation or detachment.**
    - A property's taxing authority has changed due to agreement or voter approval, resulting in a different overall tax extension rate that produced a higher or lower tax. (i.e. A property was assessed in a township last year, but it is now assessed in a city.)
  - 5. Recent property tax law changes covering specialized areas of the assessment have adjusted the tax base.**
    - A change in the first tier valuation limit of agricultural homestead property subject to a tax class rate of 0.50%. This limit certified by the Department of Revenue increased the 2009 assessment year, payable 2010 first tier of \$1,010,000, which was eligible for the lower agricultural class rate, to \$1,140,000 for assessment year 2010, payable 2011. The value in excess of the adjusted first tier valuation limit remained at the higher agricultural class rate of 1.00%.
    - The first tier class rate was extended up to the maximum market value on some agricultural property owned by a family farm corporation, joint family farm venture, LLC, or partnership that is contiguous or located in the same township or city, not farther than four townships or cities or combination thereof from the class 2a agricultural homestead property of an individual who is a shareholder, member, or partner of the authorized farm entity.

**6. The relevance of specific tax laws addressing the application or expiration of a value exclusion or deferral has adjusted the tax base.**

- A change in the taxable market value of certain platted property due to the phase-in of excluded value or the expiration of the plat deferral, resulted in an increase in the share of taxes paid. The phase-in of excluded value was based upon a seven year schedule or until such time the property's taxable market value equaled its estimated market value. The termination of the plat deferral may also have occurred when the property was improved or in some instances sold or transferred regardless of the listed phase-in year, causing all excluded value to be added back to the assessment roll.
- The expiration of a value exclusion for certain qualifying improvements made to a property that was at least 45 years old at the time of upgrading has brought about a change in the taxable market value of the house and/or garage associated with agricultural or residential homesteads. This change has also increased the share of taxes paid. (i.e. The benefits allowed by the "This Old House" program ended when a qualifying property was sold or the homestead classification expired. In cases when the property had received the exclusion for a period of ten years, the excluded value was added back in specific value increments based upon a two or five year phase-in.)
- The removal of the Green Acres valuation deferral has changed the taxable market value of some agricultural properties and contributed to an increase in the share of taxes paid. (i.e. The property is not valued and taxed on the lower, agricultural value because it no longer meets the program requirements. The property is valued and taxed at its market value.)
- The removal of class 2b rural vacant land from the Green Acres program has changed the taxable market value of some agricultural properties and contributed to an increase in the share of taxes paid. (i.e. The property owner chose to remove all or some of the class 2b land from Green Acres to avoid a potential payback of deferred taxes based upon program changes enacted by law in 2008 and 2009.)
- A change in the taxable market value on homesteaded property owned by a military veteran and his/her spouse due to the approval of a value exclusion, resulted in a decrease in the share of taxes paid. (i.e. The exclusion is granted to property owned by a qualifying veteran who was honorably discharged and certified by the Veteran's Administration as having a service-connected disability. A 100.0% total and permanent disability allows for an exclusion of \$300,000. If a 100.0% total disability is not permanent or the disability rating is less but at least 70.0%, then the allowable exclusion is \$150,000.)

**7. The amount of the market value homestead credit and/or agricultural market value credit received from the state has changed.**

- The market value homestead credit has changed causing the amount of taxes paid to increase or decrease. This credit was applied to the taxable market value of homesteaded residential property and the house, garage, and one acre on homesteaded farms unless borrowing applies. It was determined for each eligible property by multiplying the taxable market value by 0.40%. The optimum credit of \$304 was extended to properties valued at exactly \$76,000. This credit was phased-out at a rate of 0.09% of the value over \$76,000. The credit became zero if the homestead had a taxable market value of approximately \$413,800. In other words, as the taxable market value increased over \$76,000, the amount of the market value homestead credit decreased and the property tax increased.

- The agricultural market value credit that applies only to homesteaded agricultural land and buildings has changed causing the amount of taxes paid to increase or decrease. It was determined for each eligible property by multiplying the first \$115,000 of taxable market value by 0.30% to determine the credit amount, with a maximum of \$345. This credit was phased-out at a rate of 0.05%, up to a maximum reduction of \$115. Properties having a taxable market value of \$345,000 and above received a minimum credit of \$230. In other words, as the taxable market value of homesteaded agricultural land and buildings increased over \$345,000, the property tax increased because the amount of agricultural credit remained constant at \$230.

**8. The state general property tax levy rate has changed.**

- This part of the property tax is not a local tax nor is it considered a levy of a governmental unit. It is money collected and deposited in a reserve account for education aid and higher education funding. The state general tax is divided into two separate tax rates---one for commercial-industrial property and the other for seasonal residential recreational property. For taxes payable in 2011, the commercial-industrial state general levy property tax rate is 49.043%, replacing the 2010 payable tax rate of 45.881%. The seasonal residential recreational state general levy property tax rate is 19.145%, an increase from the 2010 payable tax rate that was 17.755%.

**9. Voters have approved a school, city, township, or county referendum.**

- Referendums have been held for some construction projects and excess operating levies. (i.e. Voter-approved levies appearing on some property tax bills were approved in a prior referendum that was passed last year.)
- Debt levies for jurisdictions other than school districts that were approved by voters after June 30, 2008 are not levied on the referendum market value, but are now levied on the net tax capacity value.

**10. The county's budget and levy have changed.**

- The county increased its budget by 0.89% to \$119 million---a status quo budget, with no costly initiatives and existing employees absorbing increased workloads without increased manpower---while the levy increased 2.98% to absorb a loss in state aid.
- The county examined and adjusted its discretionary spending (decisions made locally) and non-discretionary spending (decisions based on federal, state, and court mandates) during the budgeting process, affecting the amount of taxes collected.

**11. The city's budget and levy have changed.**

- The city adjusted its budget and levy due to changes reflecting local decisions, projects, government aid, and other revenue sources, affecting the amount of taxes raised locally.

**12. The township's budget and levy have changed.**

- The township reviewed its programs and services. The supervisors set their budgets and levies based on citizen input, causing changes in the amount of tax dollars collected.

**13. The school district's budget and portion of the taxable levy have changed.**

- State equalization aids for operating and capital levies used to maintain equity among school districts and taxpayers have changed, impacting the amount of dollars levied.
- School district has adjusted their levy to reflect local decisions.

**14. A special district's budget and levy have changed.**

- Special districts include watershed districts, hospital districts, and housing redevelopment authorities. They adjusted their funding for the purpose of addressing local needs and programs, resulting in higher or lower tax amounts.

**15. Federal or state mandates have changed.**

- Both state and federal governments required local governments to provide specific services and follow certain rules. The collection of child support is an example of a federal mandate that helped shape the budget and levy requirements of the county.
- The state has allowed local units of government to add new special levies for some unreimbursed costs and reductions in certified aids and credits. Some examples of this change are evident in the areas of health and human services.

**16. Aid from the state or federal government has changed.**

- A change in the amount of money received through the distribution of Local Government Aid (LGA) payments to some cities and counties based on specified limits and formula calculations. (i.e. In addition to the unallotments enacted in 2010, there were cuts to aid and credit reimbursements for counties and cities for the 2011 payable year.)
- A change in the amount of money received through the County Program Aid (CPA) that addresses a variety of areas such as: attached machinery; homestead agricultural credit; manufactured home homestead credit; county criminal justice; and family preservation had an effect on the amount of taxes paid. (i.e. A further reduction of \$43.8 million in state aid was divided equally between county need aid and county tax-base equalization aid.)
- A change in the amount of money received through federal grants to secure and maintain specific programs, services, and infrastructure such as: health and human services, bridges and roads affected the amount of taxes collected.

### 2011 TOP 100 TAXPAYERS

	TAXPAYER	EMV(\$)	2011 Taxes Payable(\$)	# of Parcels
1	St. Cloud Mall LLC	\$88,618,100.00	\$3,187,616.00	6
2	Northern States Power Co	\$67,743,100.00	\$2,257,564.00	111
3	CentraCare Health System	\$25,117,500.00	\$883,746.00	13
4	Minnesota Pipeline Co	\$25,218,800.00	\$767,364.00	9
5	Lakeland Construction Finance LLC	\$5,163,900.00	\$738,014.00	163
6	Percheron Properties LLC	\$7,561,700.00	\$668,006.00	103
7	Coborns Incorporated	\$18,313,800.00	\$659,370.00	22
8	Allina Health System	\$14,908,900.00	\$643,888.00	2
9	IRET Properties	\$25,119,400.00	\$632,756.00	18
10	Cold Spring Granite Co	\$22,728,800.00	\$627,564.00	62
11	Welsh Fingerhut MN LLC	\$17,260,000.00	\$595,728.00	6
12	Lumber One Development Co LLC	\$11,246,900.00	\$555,220.00	218
13	Torborg Builders	\$30,023,800.00	\$551,444.00	18
14	IRET Properties	\$22,012,500.00	\$526,132.00	11
15	Levimo LLC	\$14,906,000.00	\$518,364.00	2
16	Beumer Baird LLC	\$13,914,700.00	\$511,124.00	5
17	Great River Energy	\$15,192,300.00	\$455,704.00	82
18	Menards Inc.	\$12,923,100.00	\$432,232.00	4
19	St. Cloud Rainbow Village LLC	\$12,468,000.00	\$428,138.00	4
20	First R E Holdings LLC	\$4,551,800.00	\$425,116.00	26
21	Wal-Mart Real Estate Bus Trust	\$12,398,300.00	\$408,700.00	3
22	Pezzuolo-2 <sup>nd</sup> Street Quad LLC	\$10,430,700.00	\$385,844.00	2
23	Gateway Jackson Inc.	\$11,098,000.00	\$381,380.00	2
24	Kornovich Dev Company	\$4,748,800.00	\$381,220.00	6
25	Gluek Brewing Company	\$11,664,800.00	\$380,830.00	4
26	Sams Real Estate Bus Trust	\$11,420,200.00	\$378,794.00	2
27	Blue Dog Properties Trust	\$10,964,000.00	\$376,342.00	1
28	Mills Properties Inc.	\$9,096,900.00	\$372,168.00	16
29	Miller Real Estate Holdings LL	\$12,310,000.00	\$368,672.00	8
30	DJP Properties Inc.	\$2,970,800.00	\$367,548.00	8
31	Centerpoint Energy Minnegasco	\$10,585,600.00	\$352,412.00	35
32	Double B Holdings LLC	\$10,565,200.00	\$349,084.00	84
33	Jack L Dockendorf Rev Trust	\$9,426,500.00	\$333,646.00	13
34	MP Operating LLC	\$8,904,000.00	\$329,172.00	1
35	Wal-Mart Real Estate Bus Trust	\$8,586,500.00	\$324,928.00	1
36	Quality Investments Inc.	\$9,202,000.00	\$317,034.00	8
37	Amsden II/Pine Cone LLC	\$9,079,600.00	\$316,944.00	1

	<b>TAXPAYER</b>	<b>EMV(\$)</b>	<b>2011 Taxes Payable(\$)</b>	<b># of Parcels</b>
38	Target Corporation T-0215	\$9,043,000.00	\$312,208.00	2
39	Wollak Development Inc.	\$3,674,500.00	\$310,604.00	62
40	Burlington Northern Inc.	\$8,620,600.00	\$300,382.00	18
41	Anderson Tucking Service Inc.	\$9,880,500.00	\$300,314.00	27
42	CentraCare	\$8,613,000.00	\$294,158.00	2
43	St Cloud Medical Group	\$8,260,500.00	\$289,480.00	2
44	White Consolidated Inc.	\$82,670,000.00	\$284,694.00	6
45	Bankers Systems Inc.	\$8,025,000.00	\$276,326.00	1
46	First Holiday	\$8,010,000.00	\$275,808.00	2
47	Swenson, Richard J.	\$7,135,300.00	\$274,720.00	1
48	Ferche Development LLC	\$9,108,400.00	\$271,398.00	26
49	Triangle Partners LLC	\$7,874,000.00	\$271,104.00	1
50	Park City LLC	\$7,263,500.00	\$268,274.00	5
51	Oaktree Development Inc.	\$1,550,000.00	\$266,074.00	31
52	CRW St Cloud LLC	\$7,712,000.00	\$265,500.00	2
53	Miller, James W.	\$8,880,000.00	\$263,702.00	27
54	Cloudbar & Associates LLC	\$7,435,000.00	\$254,816.00	1
55	SCOA LLC	\$5,006,300.00	\$244,094.00	1
56	MLDT Properties LLC	\$7,026,000.00	\$241,774.00	1
57	Lumber One Cold Spring Inc.	\$2,414,200.00	\$241,094.00	65
58	Nash Finch Co	\$6,991,000.00	\$240,564.00	1
59	Northwest Professional CTR LLC	\$6,665,200.00	\$239,118.00	1
60	Skorseth Inc.	\$1,800,000.00	\$226,268.00	45
61	Heritage Place of Sartell	\$7,897,600.00	\$225,618.00	2
62	Sartell Partners LLC	\$9,558,400.00	\$224,358.00	10
63	Lakeland Const Finance LLC	\$2,084,100.00	\$221,900.00	82
64	Bernick's	\$5,985,700.00	\$220,842.00	1
65	K&K Partners LLP	\$5,985,400.00	\$220,832.00	2
66	St. Cloud Medical Group	\$6,375,000.00	\$218,312.00	1
67	Stearns Coop Electric Assn	\$6,794,500.00	\$216,276.00	36
68	DBG Properties LLLP	\$4,665,000.00	\$209,388.00	8
69	Coborn's Incorporated	\$5,909,000.00	\$207,262.00	3
70	Parkwood Westpoint Plaza LLC	\$5,565,700.00	\$205,254.00	4
71	CSM Investors Inc.	\$5,899,000.00	\$202,796.00	1
72	Kelly Midwest Ventures LP	\$5,875,000.00	\$201,092.00	2
73	Bancorp US	\$5,806,000.00	\$198,718.00	1
74	Amin Limited Partnership	\$5,657,300.00	\$198,160.00	3
75	G&E Healthcare REIT II Sartell MOB LLC	\$4,460,500.00	\$196,302.00	3
76	Miller Family 1993 LMTD PRTSP	\$5,296,800.00	\$195,270.00	1

	<b>TAXPAYER</b>	<b>EMV(\$)</b>	<b>2011 Taxes Payable(\$)</b>	<b># of Parcels</b>
77	Grandview Estates LLC	\$11,922,300.00	\$192,976.00	1
78	Minnesota Land Dev Group Inc.	\$2,321,100.00	\$192,570.00	57
79	Westwood Parkway Estates LLC	\$11,600,000.00	\$189,458.00	1
80	Minnesota Logistics LLC	\$5,580,000.00	\$189,308.00	8
81	Continental 27 Fund LIMT PART	\$5,063,100.00	\$186,596.00	1
82	1997 Miller Heritage LMTD PTNR	\$5,289,000.00	\$183,894.00	6
83	David T Bishop Trust	\$5,362,000.00	\$183,478.00	1
84	DLP Investments LLP	\$4,895,100.00	\$183,248.00	4
85	St. Cloud MOB LLC	\$5,096,900.00	\$178,188.00	1
86	Elk Investments LLC	\$2,595,300.00	\$177,858.00	5
87	Westland Properties	\$2,492,000.00	\$177,570.00	64
88	Saint Cloud Hospital	\$8,579,000.00	\$176,892.00	4
89	Shopko SPE Real Estate LLC	\$5,143,000.00	\$176,648.00	1
90	Gold'N Plump Poultry Inc.	\$3,688,000.00	\$175,790.00	3
91	Weeres Limited Partnership	\$5,106,000.00	\$174,612.00	2
92	BNC National Bank	\$2,000,000.00	\$174,336.00	50
93	Gorham Housing PRTNS III LLP	\$10,650,000.00	\$173,798.00	1
94	BMJ Properties	\$5,919,100.00	\$173,592.00	3
95	Evergreens of Apple Valley LLP	\$4,594,100.00	\$169,186.00	3
96	Wollak Devl Inc.	\$3,234,200.00	\$168,358.00	50
97	Brookside Apartments LLP	\$10,296,100.00	\$168,334.00	2
98	Viking Coca Cola Bottling Co.	\$4,799,000.00	\$164,750.00	1
99	Meridian Aggregates Company	\$4,098,500.00	\$163,998.00	16
100	Grand River Estates LLC	\$10,040,000.00	\$163,252.00	3