

CITIZENS LEAGUE REPORT

No. 184

Property Tax Assessment Reform

May 1965

Citizens League
545 Mobil Oil Building
Minneapolis, Minnesota 55402

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BOARD OF DIRECTORS
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TO: Citizens League Board of Directors
FROM: Property Tax Assessment Review Committee, Earl F. Colborn, Jr., Chairman
SUBJECT: Conclusions and recommendations on the impact of the Dulton Case and on property tax assessment reform.

CONCLUSIONS AND RECOMMENDATIONS

1. Minnesota law has long required that assessors record the true and full value of property at its real market value. However, over the years assessors gradually deviated further from market value in establishing true and full value. In addition, it is apparent that the deviation was in differing degrees, depending upon the character of the property being assessed. The court found in the Dulton case that, despite the Assessor's testimony that commercial property by his policy was being assessed on the basis of 40% of market value in Duluth, the nine pieces of commercial property involved in the suit were actually on the tax books at between 65% and 95% of their market values. This practice of taxing commercial property on the basis of a per cent of market value two and three times the per cent applied to residential property has been widespread in the state, and the same policy has been applied to much industrial property.

The 1965 Legislature is faced with the decision of whether or not it will take action in the crucial and long-neglected area of major property tax assessment reform. But the question this year is different than it was two years ago, before the Dulton decision, because a failure to take action this session will have the effect of leaving the courts with a flood of lawsuits which could result in severe hardship to many localities and school districts through significant reductions in their property tax revenues.

2. The property tax is presently the most important single source of revenue for local government. In 1965, the property tax is producing about \$600 million in Minnesota. The total amount of property tax revenues is increasing 6 to 8% per year. A 3% sales tax, with a per person income tax credit, would, in comparison, produce in the range of \$150 million. It is clear from these figures that the property tax is here to stay, and it follows that it must be made equitable and workable.

The property tax assessment reforms recommended below should be enacted and the recommended interim study should be undertaken, regardless of whether a sales tax is passed or not.

3. The crucial property tax assessment reforms which can and should be enacted this session are as follows:

I. Crash Program to Upgrade the Quality of Assessments and Assessors.

At this time, in Minnesota we have approximately 2,400 assessors. Most of them are supposed to accomplish their work in 90 days, and by law are paid no more than six dollars per day. It was only in the 1963 session that legislation was achieved doing away with elected assessors and substituting appointed assessors.

Nothing is more important than that we move away as quickly as possible from the concept of the assessor's being a political job and toward a realization that property tax assessment is a job requiring a wide range of technical

skills and background, in addition to the integrity and ability to make sound judgments. Nothing has characterized the shortcomings of our system more than recent attacks and pressures which have been brought to bear on assessors who are attempting to carry out the laws and directives of the state.

A. County Assessor System

Every county in the state should have a true county assessor system in which the county assessor has full responsibility for assessment of all property. He should be appointed by the County Board for a fixed term on the basis of standards to be established by the State Tax Department. The county assessor should have control over hiring of assessors to assist him, subject, however, to their also being qualified according to the standards to be set by the Tax Commissioner. The county assessor should exercise direction over all deputy assessors and they should be exclusively responsible to him.

B. Pay, Training and Length of Service of Assessors

All assessors should become fulltime, well-trained and well-paid county employees, reflecting the complexity and importance of the tasks they perform. Accordingly, provision should be made in the law for setting standards for assessors by the State Tax Commissioner, the requiring of special University training courses or their equivalent, substantially higher pay than at present for assessors, implementation of means by which rural counties may jointly utilize fulltime assessors, and other necessary provisions to achieve a speedy upgrading in the training and qualifications of tax assessors. Such other provisions might include state payment of part of the salaries of qualified assessors and reimbursement to the counties for part of the full cost of assessors attending special University courses.

C. Increase the Number and Pay of Qualified Assessors in State Tax Dept.

A significantly greater number of well-trained assessors are needed in the State Tax Department to aid county assessors in connection with unique, difficult or specialized assessment problems, to speed up the process of achieving equalization of assessments throughout the state, and to improve and extend the quality of the ratio studies conducted for the Equalization Aid Review Committee.

We recommend that the State Tax Commissioner's budget be significantly increased by the amount the Legislature finds necessary to obtain, in his department, a staff of well-paid, highly qualified assessors who would be available to assist county assessors in connection with difficult or unusual assessment problems. This assistance would be given upon the request of the county assessor, or at the discretion of the State Tax Commissioner. Counties and local taxing districts should continue to reimburse the state for special assessing work done by the State Tax Department in their areas and on their request.

In addition, the budget for conducting the sales ratio studies should again be significantly increased.

II. Specific Measures to Promote a Maximum Degree of Equalization

The door is now wide open for the speedy achievement of a substantial degree of equalization at the local taxing district level through taxpayer

suits following the Dulton case. There are hundreds of these cases pending and many more being filed every day, most involving large amounts of potential tax refunds. Through enacting the following measures the Legislature can go far to begin to bring order out of chaos by (1) refining the laws under which property owners who have long been unjustly and inequitably assessed can achieve property tax relief, (2) taking a substantial step toward achieving statewide property tax equalization, and (3) providing some measure of protection for schools and local government.

- A. The committee supports legislation requiring that the market value of all property upon which an assessment is based be stated right on the tax statement for that property.
- B. The committee supports legislation requiring that 33-1/3% of market value be true and full value of property for assessment purposes, provided that such legislation be made effective as of the 1968 tax assessment date and that interim study be undertaken to provide for the adjustment of local laws where salaries, mill rates, dollar levies and similar limitations are tied to assessed valuations within given local taxing districts.
- C. The committee supports legislation to apply until the statutory ratio goes into effect requiring assessors to post the ratio of actual market value they are using in connection with the assessment of property in their districts. Such posting requirement would therefore be applicable to property taxes assessed in 1966 and 1967 (after which the statutory ratio would go into effect).

The legislation proposed above should provide that, for a given assessment, a permissible degree of deviation should be allowed the assessor in valuing the property. The committee believes that a deviation of 10% should be permitted. In other words, assuming a posted ratio of 30%, a full and true valuation of up to 33% of actual market value would be permitted before relief could be granted by the courts.

Until the statutory ratio becomes effective in 1968, we believe that, subject to constitutional considerations, a taxpayer's recovery should be limited to an amount computed on the basis of the difference between the posted ratio and the ratio the taxpayer establishes in court as having been applied to his property. With respect to taxes payable in 1966 and prior years, however, the taxpayer should not be limited as to the relief he may be entitled to on the basis of the provisions of the Dulton case.

The committee does not believe, as has been suggested, that assessors should be subject to criminal sanctions for violation of the recommended law on statutory or posted ratios. However, some less severe sanctions may be necessary to assure compliance with these provisions of the law by assessors.

III. Change of Assessment Date to January 2.

We support the proposal to change the assessment date for real property to January 2. The change in the assessment date is needed to give the assessors more time to prepare their tax rolls. (The committee did not consider the matter of the change of date as to personal property. Nor did it

consider the related matter of average annual inventories. No position was therefore taken on either of these two matters.)

IV. Reduce Number of Classes of Property.

In principle, we favor the abolition of the existing property tax classification system, unique and peculiar to Minnesota, and undoubtedly the cause of many of the problems in the tax assessment area. Philosophically, we believe in an ad valorem system of property taxation. This means that we are against deviations or exceptions from the concept that all taxable property should be taxed at the same percentage of its market value. The classification system, which sets the assessed value of different types of property at different percentages of the full and true valuation of property, means lower taxes for some taxpayers at the expense of higher taxes for other taxpayers. We concur with the findings of the 1962 Governor's Minnesota Tax Study, that "the net effect of the system has been to undermine the basic theory upon which the property tax is based, namely, the burdening of each piece of property equally in the assessment of its market value."

4. The committee recommends the establishment of a property tax interim commission of legislators and lay persons conversant with local government needs and property tax assessment.

The areas of property tax assessment reform and related matters have been studied and restudied, but we believe much more study is needed. We recommend creation of an Interim Commission with sufficient appropriation for staff independent of the State Tax Department. Such Commission should be comprised of approximately 15 persons, 6 to 8 of whom should be legislators, and should contain equal representation from labor and business. Several members should be "unaffiliated". Appropriations should also provide for bringing in outstate witnesses and for visits by commission members to other states.

The first and primary assignment of the interim commission should be to study the necessary adjustments in local laws which will be made necessary with the enactment of legislation establishing true and full value at 33-1/3% of market value for property tax assessment purposes as of the 1967 tax assessment date, so that these necessary changes may be considered early in the 1967 legislative session. Related to this should be a study of the desirability of a program of moving toward 100% of market as true and full value, as has been suggested by the Supreme Court in the Dulton decision and by recent studies.

Other important matters which should be studied should include ways to:

- A. Reduce property exemptions.
- B. Further improve property tax administration.
- C. Accelerate statewide equalization.
- D. Devise a speedier and less expensive means than now exists for a taxpayer to obtain administrative review of his assessments, preferably means which would provide for determinations to be made before tax levies are spread, so that local governments and school districts may be protected to the extent possible from the loss of tax revenues through the necessity of having to return tax moneys to persons who the courts determine have been over-assessed.

5. The committee recommends to the Citizens League Board of Directors that it give high priority to establishment of a new committee or to its continuing of this committee for further study of property tax assessment and related problems, commencing in the fall of 1965.

SCOPE OF REPORT

The Citizens League over the years has worked almost continuously on proposals for improving the method of assessing real and personal property for tax purposes and has supported a number of legislative proposals on this subject. During the past several years there have been significant developments, largely resulting from court decisions, affecting the method of assessing property.

In the fall of 1964, anticipating the then long-delayed decision of the Supreme Court in the "Dulton" case, and the upcoming legislative session, the Citizens League's Board of Directors called for the creation of this committee to "determine the impact of the case on property tax assessment procedures," and make findings and recommendations as a result of its study.

The Dulton case discussed below had been argued before the Supreme Court in November, 1963; however, the decision was not handed down until December 24, 1964, eleven days before the commencement of the legislative session.

Our committee has held 13 meetings, commencing in February, and has heard from the following speakers: State Tax Commissioner Rolland F. Hatfield; Lloyd Woodruff, Director of Research and Planning, State Tax Department; State Representative Salisbury Adams; State Representative Alfred France; Hennepin County Supervisor of Assessments Wayne Johnson; Ramsey County Assessor Ronald V. Powers; and Kenneth M. Anderson and Gerald Magnuson, attorneys connected with the Dulton litigation.

Committee members who have actively participated in the study include: Earl F. Colborn, Jr., Chairman; Willis F. Shaw, Vice Chairman; Robert B. Anderson, Norton Armour, John Burger, Jess Cohen, John Cummings, Edward Delaney, Carl V. Elmquist, Gilbert R. Falk, Harry Fiterman, Richard N. Flint, Donald S. Freeman, John W. Hedberg, Marie House, Donald Kearns, Robert Larkin, Ralph W. Laurens, Kenneth Lee, Robert Lucas, Justin Midthun, G. E. Nimmer, Bernard G. Rice, Connor Schmid, John Shanard, Philip Sherman, Herman O. Sogard, Stephen Solomon, DeForest Spencer, Jr., Harry L. Sutton, Jr., Richard T. Todd, Ralph S. Towler and Frederick Wall.

Our study has been confined to the subject of property tax administration, especially as related to real property. However, we have not attempted to evaluate the need or desirability for the continuation of any of these taxes, nor have we attempted to comment on the amount of the property tax nor on the possibility of relieving a portion of the property tax burden by the substitution of sales or other forms of taxes.

THE DULTON CASE

The Dulton case involved substantial questions relating to the administration of Minnesota's property tax assessment system. The taxpayers involved in the case were owners of nine pieces of commercial property located in the downtown area in the City of Duluth. There was no issue in the case concerning the market value of the property involved, since those values were stipulated by the taxpayers and the County. The evidence in the case was developed entirely on the testimony of City and County assessing personnel.

The trial court found that in the City of Duluth the Assessor had established a standard in assessing commercial property which resulted in its being placed on the rolls with a full and true value equal to 40% of its market value and that

with respect to residential property the established standard was 30% of market value. The court also found that in St. Louis County, outside the City of Duluth, the Assessors had established a standard by which both commercial and residential property was placed on the rolls at 20% of its market value. The trial court concluded that the taxpayers involved in the Dulton case were entitled to have their taxes computed on the basis of a full and true value equal to 20% of the market value as stipulated by the parties.

Because of the nature of the testimony and the findings of the trial court, the case raised three substantial questions:

1. Whether a different percentage of market value may be used in arriving at "full and true" value depending upon the use to which property is put -- that is, commercial or residential. Both the trial court and the Supreme Court answered "No."

2. Whether a taxpayer who can establish that a different standard has been applied to him in arriving at "full and true" value is entitled to have his taxes reduced to the level that would have existed had the standard established by the Assessor been applied to his property. Both the trial court and the Supreme Court answered "Yes."

3. What is the geographic area within which equality is required under the Minnesota and federal constitutional requirements? The trial court concluded that, because a substantial mill levy was imposed for county purposes, equality could be secured only by using the county standard for purposes of assessing the taxpayer's property. However, the Supreme Court interpreted existing tax statutes to indicate a legislative intent that the term "taxing district" means the individual city, village, borough or town in which the local assessor has jurisdiction.

The Court, therefore, remanded the case to the district court, directing it to order refunds to the taxpayers in the amount of the taxes found to have been levied in excess of the 30% ratio (percentage of market value) which the district court had found that the Duluth Assessor had been using in assessing residential property.

The Supreme Court indicated its dissatisfaction with the state of property tax administration in Minnesota in the following language:

"From the foregoing it can be ascertained that the solution of the problem before us is difficult, not only because our statutory scheme of assessment is antiquated and inadequate, but also because its basic requirements have to a great extent been ignored. Instead of using the market or true and full value of property to be assessed as the basis for its taxation, as the statutes require, each assessor has established a formula under which only a percentage of such value is used for assessment purposes.

"These percentages vary greatly from one taxing district to another even within the counties. According to the study made in 1956, they ranged from an average of 16.91 per cent in Koochiching County to an average of 51.99 per cent in Red Lake County, while the overall average for all counties was then 35.99 per cent. In the case before us, percentage variations prevailed, not only between taxing districts within St. Louis County, but also as to various properties and types of properties within the City of Duluth. There, for tax purposes, assessors arbitrarily based their appraisals on percentage of market value ranging between 30 per cent and 90.3875 per cent thereof, a procedure for which there is no statutory authority whatever.

"However, to now adopt the lowest percentage of market value used by any assessor in St. Louis County as the basis for equalization of the taxes levied on property within the City of Duluth would not answer the problem of attaining statewide equality, and most certainly would result in a chaotic situation as to revenues required for the operation of various units of our state government. Further, since for many years taxes have been based upon fictitious valuations resulting from the application of differing percentages to the market value of property to be taxed, to now require that assessments be based strictly upon true and full value of all property, without adjusting the rate to be applied thereto, would as to many properties raise taxes to the point of confiscation."

The court suggested that the present session of the Legislature might wish to take action in the field of tax equalization, with a view toward eliminating the present confusion and inequities. The court suggested that it might be feasible to use a fixed percentage of the full and true valuation in determining assessed values. The court suggested that perhaps the average percentage presently prevailing throughout the state could be used. The court also suggested that property values be gradually raised to 100 per cent of the market value with corresponding adjustments in the various tax rates. In leaving this matter to the Legislature, the court said, "Whatever formula is arrived at, it should be such that if its use is required uniformly throughout the state, equality in taxation will result."

THE PROBLEM

Minnesota law has long required that assessors record the true and full value of property at its market value. However, over the years assessors gradually deviated further from market value in establishing true and full value. In addition, it is apparent that the deviation was in differing degrees, depending upon the character of the property being assessed. The court found in the Dulton case that, despite the Assessor's testimony that commercial property by his policy was being assessed on the basis of 40% of market value in Duluth, the nine pieces of commercial property involved in the suit were actually on the tax books at between 65 and 95% of their market values. This practice of taxing commercial property on the basis of a per cent of market value two and three times the per cent applied to residential property has been widespread in the state, and the same policy has been applied to much industrial property. In addition, most business personal property has, until recently, been placed on the books at or near 100% of market value. It can be said in general that on the basis of the Dulton decision a large amount of commercial and industrial property has been grossly overtaxed for many years. It also follows that, had the tax load been equitably spread over the various types of property, as Dulton has determined it should be, residential property would have been bearing a significantly greater portion of the tax load, and commercial and industrial property a smaller portion.

Fortunately, considering the outcome of Dulton, the State Tax Commissioner, starting in 1962, issued directives and vigorously pursued a policy of tax equalization. Specifically, he announced a goal of requiring that the full and true value of all property within the state be at one-third of market value. While there has been substantial progress toward that goal, unfortunately it is far from reached. At this time, the Commissioner reported to our committee, for residential property the state averages approximately 32.6%, there are five or six counties where the average is above this amount, and there are four to seven counties where the standard is still below 25%. Most of the counties are in the range of 27 to 33 1/3%.

Table I shows the 1962 ratios in the seven-county metropolitan area by counties and communities. (1963 figures, the latest available, have not been released due to a policy of the Tax Department.) From Table I the problem may be seen very clearly. While it is true that residential property in the metropolitan area is approaching equalization on the basis of 33-1/3% of market value, commercial and industrial property is still far out of line.

This means that, following Dulton, there is the potential for countless lawsuits on the basis of which taxpayers may obtain tax relief and refunds to the extent they can prove that their property has been taxed on the basis of a ratio of market value greater than the ratio applied to other property in the same assessing district. Hundreds of lawsuits involving millions of dollars of disputed property taxes have in fact been filed, especially in Minneapolis and Duluth. The results of these lawsuits together with the continued equalization program will place a severe burden on local government and school districts as available property tax revenues for governmental services are reduced. This effect will be felt even harder in areas such as Minneapolis where mill levies for certain purposes such as schools, libraries and parks may not be raised to compensate for revenue losses except by public vote in most instances.

So, a real dilemma exists. On the one hand we have a substantial group of taxpayers who have been grossly overtaxed for years and who the courts have finally given an effective remedy for tax relief. On the other hand we have local government and schools standing to lose significant tax revenues and without the full power in all instances to increase mill rates to compensate for tax losses resulting from the probable loss of tax revenues.

The background for this dilemma is a high and increasing mill rate (see Table II) and a situation in which the State of Minnesota ranks at or near the top for all states in property taxes. (A recent study of the Advisory Commission on Intergovernmental relations showed, on the basis of 1962 figures, that Minnesota levied the highest "effective rate" of property taxes - per cent of actual market value of property taxed - in the nation.)

HOW PROPERTY TAXES ARE FIGURED

The statutory procedure followed in establishing the amount of real estate taxes to be paid on any parcel of property is as follows: The statutes require that the assessor first establish the true and full value of the property being appraised (Section 273.11 and Section 272.03, subd. 8, M.S.A.). When the true and full value of the property has been determined by the assessor, Section 273.13 M.S.A. requires that varying percentages be applied to that value in order to arrive at assessed value. Section 273.13 is the so-called classification system for property tax purposes provided by Minnesota law. Under that section, a percentage of true and full value established as assessed value ranges from 5% to 50%. To the assessed value so determined, the millage rate established by all taxing jurisdictions to which property is subject is applied. By multiplying the millage rate by the assessed value, the amount of taxes levied is determined.

CLASSIFICATION

The classified system was developed early in the 20th Century when, after a number of complaints about the assessment procedures then in use, a study revealed

that assessors were not putting property on the tax roles at market value. The study also revealed varying ratios by classes of property. Whereas similar studies in other states resulted in assessment equalization by the state, in Minnesota it was recommended that the Legislature legalize what the assessor had been doing illegally. This led to legislation establishing four classes of property for assessment purposes. Since then, this classification system has grown and there are now over 20 different classifications and sub-classifications of property and 10 different percentages of full and true value used to obtain assessed value. These percentages range from a low of 5% for homesteads of paraplegic veterans, to a high of 50% for mined and un-mined iron ore.

Under the classification system, some taxpayers can get a break in their taxes at the expense of other taxpayers, since classification has a different effect on different parts of the state and on different types of property. For example, an exemption for farm buildings will tend to shift the state tax load from rural to urban areas.

DISCUSSION

The committee wishes to note that most of the elements involved in a property tax assessment reform program which could be enacted this session have been introduced as separate bills or as parts of omnibus bills, and are being considered in the respective tax committees of the Minnesota Senate and House. But for this fact we would consider it somewhat presumptuous to be making legislative recommendations so late in the session. However, it may prove of some value to the Legislature to have the reactions of the Citizens League to the difficult problems confronting the Legislature in this area.

County Assessor System

We are recommending here a so-called true county assessor system such as now exists in only one county of the state, Ramsey County. This means a county assessor system in which the assessor has countywide jurisdiction and responsibility vested in him for the assessment of all property within the county. It also means that the assessor is responsible for the hiring of his deputies.

About 64 of the 87 counties in the state now have a county assessor system, but the county assessors outside of Ramsey do not have the authority to hire and train the deputy assessors. In other words, the county assessor, while having a duty to direct the locally appointed assessors, does not really have the full tools to do the job. Ramsey is also peculiar in that it is the only county with a county assessor system in which the county board of commissioners does not act as the county board of equalization.

Twenty-three counties in the state including Hennepin and St. Louis counties have the so-called county supervisor of assessments plan. In these situations the supervisor is in an even weaker position than the county assessors, even though he is under direction from the State Tax Department to effect equalization at the county level. The real problem is that the responsibility for assessing all property under this arrangement remains with the locally appointed assessors. In other words, a county assessor can direct that all residential property shall be taxed at 33-1/3% of market value, but, under a county supervisor of assessments program, the local assessor can in effect apply his own ratio, subject to the supervisor of assessments' later on suggesting that the local assessor's work has resulted in property being taxed at too low a percentage of market value.

The present law covering county assessors (except for Ramsey) in effect excludes Hennepin and St. Louis counties because of the location in these counties of the first class cities of Minneapolis and Duluth, in which the city assessors accountable to the city government have no responsibility whatsoever to the Hennepin and St. Louis county supervisors of assessments. Nevertheless, as has been seen, Minneapolis and Duluth contain some of the most flagrant examples of inequality in assessments, and the problems in these two cities are particularly urgent now after the Dulton decision, because there are great amounts of commercial and industrial property on the tax books on the basis of ratios of market value which are substantially above the ratios being applied to residential property in these cities -- the ratios which the court has now said must be applied as the basis for assessing all property.

The strong county assessor system has been advocated as early as 1913 and, although it is in operation only in Ramsey county, it has been recommended in virtually all recent in-depth Minnesota tax studies including the study of the Governor's committee reported in 1962 and the recently released study of the Interim Tax Commission of the Legislature made to the 1965 Legislature. We believe that establishment of a statewide strong county assessor system is an absolute must at this time. It is by no means the entire answer for good tax administration; however, a sound organizational structure should go far to provide the proper climate in which sound property tax administration may take place.

Pay, Training and Length of Service of Assessors

Particularly if a county assessor system can be established, the door will be open to making assessing throughout the state a fulltime job. Qualifications for these positions must be established, and we believe that, for the time being, the standards should be set by the State Tax Department. A crash program to upgrade the qualifications for assessors might well involve the requirement that assessors attend special courses which have been established at the University of Minnesota, or meet equivalent requirements which could be met by attendance at such courses. We are aware of the courses now being offered and also recent proposals of the General Extension Division of the University Center for Continuation Studies for a 45-credit certificate in assessment and appraisal administration. We believe so strongly that a crash program for upgrading the quality of our assessors statewide is needed that we endorse the suggestion included in legislation under consideration that the state should pay a part of the cost of assessors attending special University courses. We also believe that the Legislature should carefully consider the proposal that the state pay a portion of the pay for all qualified assessors who meet standards to be established by the State Tax Commissioner which may be based on successful completion of the above-mentioned courses or their equivalent.

Assessors for the State Tax Department

The committee spent a great deal of time considering the matter of the conduct of the sales ratio studies undertaken in the State Department of Taxation for the so-called equalization aid review committee in connection with seeing to the equitable distribution of state foundation school aids. We also considered carefully the proposal of the State Tax Commissioner for an increase in his budget to provide for the hiring of a number of highly qualified assessors who would be available to aid county assessors in connection with difficult and specialized assessment problems, particularly those involving industrial real property and business and industrial personal property. We have concluded that substantial increased appropriation for both of these purposes are warranted.

In the case of the sales ratio studies, these in effect provide the State Tax Department with the tools with which it can appraise the quality of assessment practices in the various counties and local taxing districts in the state. We have concluded that, while big improvements have been made in the procedures and conduct of these ratio studies, much more can and should be done in this area to make the studies more meaningful, particularly as they relate to local assessment of industrial and commercial property. The studies at this time make no effort to evaluate local assessment practices with respect to any types of personal property.

We believe that funds should be provided and provision made for the hiring of additional well-paid, highly qualified assessors to aid in the conduct of these studies. At this time most of the persons engaged in this work are poorly paid, so that it is virtually impossible to obtain the services of qualified assessors. In this connection we would also look with favor on any legislation requiring that more accurate information on sales of property be recorded on deeds and that this information be made more readily available to the State Tax Department for purposes of the ratio studies.

The State Tax Department already plays a major role in the statewide assessment of railroad and telephone property and, to a large extent, in connection with assessment of utility properties. Increasingly, the department is being called on by county and local assessors to aid in connection with assessment of other types of industrial property. The department also plays a major role in assessing pipe line and airport property through the state.

We believe that the State Tax Department should have appropriation for a greater number of highly qualified and well-paid assessors to work in this area. While we do not at this time believe that the department is equipped to take on the full responsibility for centralized state assessment of all industrial property, we believe that the resources of the department in this area should be materially "beefed up" during the biennium. County and local assessors should be in a position to obtain aid from the State Tax Department in connection with assessments of a difficult or unusual nature. We also believe that the State Tax Commissioner for purposes of assuring equalization at the county or local level should have the power in his discretion to send assessors into an area in which he has reason to believe that special types of property are being inequitably assessed.

Possible Reforms in Connection with Achieving Greater Equalization

One of the many problems in connection with our system of tax assessment has been the difficulty experienced by the taxpayer in determining the actual market value which the assessor has placed on his property as a basis for applying a ratio and then determining the assessed value of the property according to the classification system covering the various types of property and prescribing what percentage of true and full value will be applied to arrive at the assessed value to which the local mill rate will be applied for a determination of the amount of tax owed. As a practical matter the average taxpayer almost has to be both a lawyer and an accountant to try to figure out how the assessor arrived at his tax. This is manifestly unfair, particularly to an individual or small-business taxpayer who is not apt to have the ready aid of professional help in trying to determine whether in fact he is being fairly taxed.

The assessor must, under any intelligent means of assessing property, determine an actual market value for each piece of property he is assessing. We see no reason why it should not be made mandatory that this actual market value as found by the assessor be stated right on each individual tax statement covering the property in question.

There are many considerations in connection with the proposal to legislate 33-1/3% of market as the statewide full and true value for property tax assessment purposes. In the first place, as noted by the Supreme Court in the Dulton decision, there is currently no statute requiring statewide equalization, although the Supreme Court clearly indicated that this should be the standard, and although the State Tax Commissioner, within the limits of the powers currently available to him, has been pushing for this goal since 1962.

Secondly, it should be noted that the Dulton decision required only that there shall be equalization at the local taxing district level. This means that any taxpayer can obtain relief in the form of a rebate on his taxes paid on the basis of

the lowest ratio being applied to any type of property within a taxing district. Although we have seen that in most taxing districts in the metropolitan area, residential property is now being taxed on the basis of a ratio of 30-plus per cent, this unfortunately is not true throughout all of the taxing districts in the state. It follows from this that there is a real danger as far as local government and school districts are concerned in certain areas that taxpayers will be obtaining relief on the basis of ratios applied to residential property which may still be considerably below 30% of market value. To this extent, in some areas at least, there is at least a degree of protection afforded to local government and school districts from legislation requiring that all property be assessed on the basis of a true and full value which is one-third of actual market value. Undoubtedly, this requirement would substantially increase local taxes in some areas based on existing mill rates.

In addition, the argument is certainly very strong to bring all ratios up to $33\frac{1}{3}$ which is, according to the State Tax Commissioner, approximately the statewide average for residential property at this time, so that those parts of the state which have not been producing their fair share of taxes on the basis of this statewide average would now be required to do so.

From the point of view of the chronically over-assessed commercial or industrial taxpayer, legislating $33\frac{1}{3}$ as full and true value would be a boon. The Dulton case indicated that there are essentially two elements of proof required in connection with a petition for tax relief. One of the elements is proving the percentage of market value at which property other than of the petitioning taxpayer is being considered for assessment purposes within the taxing district. Obviously, passage of this proposed legislation would eliminate the requirement of this element of proof, except to the extent that a petitioning taxpayer might be able to prove that in fact a local assessor is not using the ratio established by law, and may in fact be using a lower ratio, upon which the petitioner may wish to base his prayer for relief.

There also appears to be the danger that, following Dulton, an enterprising, over-assessed taxpayer may be able to establish through certain specific examples that a very low ratio is apparently being applied to at least some portion of property within the district. If relief could be granted on this basis, the potential danger to local government and school districts in the affected area would be even greater.

To legislate $33\frac{1}{3}$ % of market as full and true as of 1965 would cause severe tax loss to schools and government, particularly in areas like Minneapolis and Duluth where commercial and industrial property comprise such a significant portion of the total property tax base and where we know that much of this property is still assessed on the basis of ratios considerably above $33\frac{1}{3}$ %. Another reason we have recommended that the effective date of a legislated $33\frac{1}{3}$ % be delayed until the 1968 property tax assessment date is because we realize that a great many adjustments in local laws will be necessary prior to the effective date of this reform, in order that areas such as Minneapolis, where special laws are tied to assessed valuations, can live with the changes. We have specifically recommended, therefore, that intensive interim study to provide for these necessary changes be undertaken so that these various local laws may be adjusted, if necessary, in the 1967 legislative session. We believe that legislating $33\frac{1}{3}$ % at the earliest possible date, subject to these considerations, is necessary and desirable.

We have also specifically recommended that legislation should be passed requiring assessors to post the assessment ratios they are using in their districts with respect to taxes which are assessed in 1966 and 1967 -- in other words, prior to the effective date we have recommended for the mandatory $33\frac{1}{3}$ % statewide ratio. We believe that this interim reform is necessary from the point of view of moving toward

statewide equalization at 33-1/3% three years hence and also from the point of view of the over-assessed taxpayer.

The legislated 33-1/3% ratio once in effect should not, and probably could not for constitutional reasons, provide an absolute basis or limit for relief for over-assessed taxpayers. In addition, to so provide would open the door for assessors and local government to again disregard the law as the Dulton case demonstrates they have done for years. However, during the interim period prior to 1968, due to the likely revenue crisis for some local governments and school districts occasioned by Dulton, and in the interests of discouraging widespread litigation, we suggest that, subject to constitutional considerations, the posted ratio should provide a temporary basis for limiting recovery in tax suits. If the Legislature were to provide that tax relief should be so limited, this would afford a degree of protection for government and school districts, particularly in poorly assessed areas of the state. However, such provision would have to be subject to the condition that an assessor's posted ratio is an honest representation of the ratio that he actually is applying to property in his district.

The related problem of what to do about assessors who can be proven to be violating the law by applying a ratio other than the posted ratio will have to be considered carefully by the Legislature. We do not believe criminal sanctions should be applied, but we believe some meaningful penalties, possibly in the area of losing certification or in penalties to be applied to assessors' taxing districts may be necessary, particularly in the light of past experience.

The deviation recommendation goes to the point that, even in the best-assessed district, each assessment of a property cannot be expected to result in a ratio of market as full and true which is exactly the same as the ratio on every other piece of property. Some deviation must be allowed and has been allowed in Oregon and other states with posting laws. We believe that, as to the posting requirement, the 10% deviation should be allowed for purposes of litigation resulting from '66-'67 assessments challenged in the courts. The interim committee should consider how the deviation matter should be handled once the legislated ratio goes into effect in 1968 -- whether it should then be left to the courts as we believe, or be considered in the law.

Another aspect of the reforms we have recommended is that they might enable local government and school districts to more quickly adjust their mill levies to provide for anticipated loss of tax revenues resulting from suits for recovery of excess taxes paid or levied. In some areas it is quite probable that there will be such a substantial amount of tax litigation involving large amounts of tax money that local government and school districts would be wise to try to provide for their anticipated revenue losses through increasing their property tax levies. In many instances, such as in Minneapolis, this process takes a good deal of time, inasmuch as a public vote on millage increases is necessary or probable under local law. The interim study may wish to consider in this regard possible 1967 legislation allowing for temporary suspension of referendum provisions in local laws to the extent necessary to raise mill levies to make up for large revenue losses which may result from the accelerated equalization process and litigation.

Change in Assessment Date

Both the Minnesota Association of Local Assessors and the 1962 Governor's Tax Study Committee have recommended that the assessment date be changed from May 1 to January 2. Such a change would give the assessor more time in which to prepare the tax rolls. We believe that this is a significant reform which should be enacted this session, and we support it as the Citizens League has done in the past. We also note that, in connection with the current crisis occasioned by the Dulton decision, enactment of this reform might, because of the additional four months' time, encourage the establishment locally of some form of administrative review of assessments for taxpayers, so that it might be more feasible than under current practices for possible adjustments to be made in sufficient time for local government and school districts to adjust their mill rates so that they will be in a position to meet their needs in the face of possible reductions in their tax base resulting from the ongoing equalization program. We have not considered changing the personal property date.

Reduction in the Number of Classes of Property

The compelling arguments against the property tax classification system in Minnesota, which is unique among the 50 states, have best been expressed most recently by the Interim Tax Study Commission report to the Legislature, dated January 5, 1965. This report states in part:

"This classification in Minnesota has the effect of reducing the taxable value of property to between 5 and 50% of its assessor's full and true value; if taxes were levied on assessor's full and true values, the same total amount of revenue could be realized from the application of mill rates much lower than those now prevailing.

"Of more significance, however, is the effect of the classification system upon the relative tax load imposed upon different kinds of property; this differentiation has not and apparently will not follow any discernible scientific principle but rather is the result of a variety of past efforts by particular groups to gain tax relief as well as attempts on the part of the Legislature to grant concessions in order to attract new industries. This type of tax relief increases the burden on other taxpayers and should not be encouraged unless it is done for the purpose of eliminating tax inequities.

"Minnesota's system of drawing fine lines of distinction between urban and rural property is not conducive to industrial growth in school districts that have both rural and urban classifications, at a time when Minnesota seeks industry; and it also adds difficulties to the job of the assessor.

"While the classification system is deeply rooted in Minnesota and was originally intended to reflect the differing uses to which property could be put, and its productiveness, and its desirability in a public sense, the system's theoretical advantages have over the years given way to many contradicting pressures.

"Our changing economy, the decreasing productiveness of property, the ease with which one group can shift its tax burden to others through reclassification, the relatively heavy but unequal reliance we place upon property taxes generally and our high mill rates have combined to make Minnesota out of step with other states and have contributed to a poor tax climate image."

The report also contains a chart showing the effect of the classification system when applied to property in the various classes all valued at market at \$12,000, assuming an assessment ratio of 33 1/3%. The amount of taxes varies from a high of \$450 on iron ore, to \$360 on railroad and utility structures and billboards, to \$299 on "rural non-agricultural" (i.e., city and suburban non-homestead) real estate, to \$266 on rural agricultural and on seasonal recreational real estate, to \$225 on non-rural homestead, to \$243 on petroleum refineries, to \$180 on parking ramps in Duluth and St. Paul (but not in Minneapolis), to \$160 on rural agricultural homesteads, to \$135 on iron and steel products, to \$80 on agricultural products, except grain which is specially taxed, and on down to \$45 on the homestead of a paraplegic veteran (picking samples at random, but not listing all classes or amounts).

This is a very basic reform without which we doubt that the property tax can ever be made really equitable, workable and acceptable to most taxpayers. As the interim report noted, the classification system has the effect of making the overall ratio of assessed (as opposed to true and full) valuation to market valuation in Minnesota one of the three lowest in the country, according to 1962 studies by the Advisory Commission on Intergovernmental Relations. One of the many undesirable results of this factor is the relatively high interest rate on municipal and other bonds issued by many governmental units in Minnesota, due to a lack of understanding in the bond market of our peculiar tax assessment laws and practices in Minnesota.

For the first time, there is this session a proposal before the Legislature which results from careful study and involves the doing away with the classification system in Minnesota as we know it and its replacement by a simplified system involving essentially three classes of property, one for iron ore at 40% of full and true, a second at 25% including the homestead portion of all residential property, seasonal recreational and lakeshore property, and business machinery and inventories, and a third at 33 1/3% of full and true, including all other non-exempted property, such as the non-homestead portion of residential property and all commercial and industrial real property, and other personal property not exempted or covered in the 25% class. We endorse this proposal as a step in the right direction. Although the important matters of possible replacement taxes and exemption of personal property from taxation are beyond the scope of this committee's assignment, we note that, as a practical matter, it appears that it would be necessary to reduce the general level of property taxation in order to effect the reform of elimination or drastic revision of the classification system, as has been proposed.

Proposal for an Interim Commission on Property Tax Assessment and Related Matters

In the event the recommendations we have made were followed, there would be the absolute necessity to have an interim commission on the necessary adjustments in local laws, necessitated by the imminent fixing of 33 1/3% as true and full as of the 1968 tax assessment date. In a broader sense, however, the interim commission should address itself to the urgent problem of achieving statewide equalization at the earliest possible date, and the possible desirability of gradually increasing full and true from 33 1/3% to 100% of market, which would involve necessary adjustments in mill rates, tax limits and related areas. As the Supreme Court has indicated, there is much to be said for moving in this direction over and above the desirability of bringing Minnesota tax practices in line with what the Supreme Court has now said that the Minnesota Constitution and statutes mean.

Another area where much work needs to be done is in devising a means for administrative review of assessments, which could have the effect of reducing the

number of these matters before the courts and providing for a resolution of a larger share of the differences between assessors and taxpayers in time for resolution of these problems before the date that tax levies are spread. Finding such a means would, on the one hand, aid local government and school districts to plan ahead more securely on the basis of being able to count on the receipted taxes when they set their mill levies for the ensuing year. But, also, it should provide a means for any taxpayer to obtain a meaningful and timely review of his assessment without the necessity of having to go to court.

In 1963, the Citizens League supported the recommendation of the 1962 Governor's Tax Study Committee for establishment of county boards of appeals to be assigned the functions of the local appeal boards of review and of the county boards of equalization, and to be given the power presently exercised by county boards to order abatement of property taxes. The committee suggested that the proposed county board of appeals be composed of people "competent in the appraisal or assessment field". We believe these and related proposals should be intensively studied in the interim, with a view toward a possible total overhaul of the review and appeal procedures at the next legislative session. Other related matters would include the review and strengthening of the county assessor system.

Still another matter not directly related to the scope of our study, but overdue for a comprehensive statewide review, is the matter of exemption of large amounts of property from taxation. This would include the whole matter of religious, charitable and other related property.

EARC Ratio Studies

The committee has spent a good portion of its time reviewing the conduct of the ratio studies carried out in the State Tax Department for the Equalization Aid Review Committee. We also considered the possible publication and other uses of these data, such as in connection with tax litigation. These studies were admitted into evidence in the Dulton case as a means of establishing, not the truth of what the studies showed as to ratios in St. Louis County, but as supporting evidence of the city and county assessors' testimony that there were in fact differing ratios being applied in connection with the assessment of different types of property in St. Louis County and in the City of Duluth, the taxing district containing the nine parcels of property, the taxes upon which were the subject matter of the Dulton litigation.

We concluded that the studies are useful and absolutely necessary for the purposes for which they were established -- namely, to aid in the equitable distribution of state foundation school aids. As a practical matter, these studies are also the basic means by which the State Tax Department is able to judge the effectiveness of the assessing process in the various local taxing districts and counties.

We have recommended additional appropriations to provide for additional qualified assessors to be hired in connection with the conduct of these studies. We are, however, against the use of these studies in tax litigation as evidence to prove the truth of what the studies might show as to assessment ratios within given taxing districts. We also decided not to recommend legislation to force the publication by the State Tax Department of these studies, which are now not published or released to the public as a matter of policy in the State Tax Department.

Recommendation for Continued and Additional Citizens League Study

Almost since its inception in 1952, the Citizens League has conducted research and study in the area of property tax administration and related matters. Particularly with the Supreme Court decision in the Dulton case, which is less than five months' old, and the impact of which, as we have indicated, has not yet been felt, we believe that continued study of the whole area of property taxes and their administration should receive the highest priority by the Citizens League Board of Directors as it frames its program for research projects for 1965-66.

TABLE I.

1962 RATIOS OF ASSESSORS' FULL AND TRUE TO MARKET VALUE

<u>HENNEPIN COUNTY</u>	<u>Residential</u>	<u>Commercial*</u>	<u>Industrial*</u>
Brooklyn Center	28.4	31.0	
Crystal	28.0	28.2	35.8
Deephaven	27.1	33.7	
Edina	30.4	38.3	
Excelsior	29.7	38.6	
Golden Valley	30.4	33.5	29.1
Hopkins	30.5	33.1	31.8
Long Lake	30.1	28.7	42.6
Loretto	29.8	31.6	
Maple Plain	27.5	29.6	27.4
Minnetonka Beach	28.4		
Morningside	29.9	43.2	
Mound	27.4	38.9	
Osseo	29.9	35.3	26.3
Richfield	29.1	35.1	27.6
Robbinsdale	27.9	29.5	24.7
St. Bonifacius	27.7	38.2	
St. Louis Park	29.9	32.3	29.8
Spring Park	31.8	40.6	31.5
Tonka Bay	30.7	37.2	
Wayzata	29.5	28.7	23.5
Medicine Lake	30.2	34.7	
St. Anthony	30.2	29.6	
Woodland	25.7		
Bloomington	31.1	34.4	34.3
New Hope	30.0	25.3	
Maple Grove	27.1		
Medina	30.6		
Orono	31.3		
Plymouth	29.3	28.9	
Brooklyn Park	28.7	33.3	
Greenwood	30.0		
Minnetonka	29.9	33.1	
Shorewood	28.6	31.5	
Independence	19.1		
Minnetrista	27.3		
Eden Prairie	30.16		
<u>MINNEAPOLIS</u>	<u>31.5</u>	<u>43.7</u>	<u>64.4</u>
Hennepin County	30.3	39.0	33.6
Countywide Residential	30.3		
Countywide Lakeshore	26.2		
Countywide Farm	26.7		
Countywide Commercial	39.0		
Countywide Industrial	33.6		

*Ratios for commercial and industrial may not be as representative in some smaller communities, where there are few sales on which to base a ratio, Hatfield warns, urging caution in interpretation of these figures.

1962 RATIOS OF ASSESSORS' FULL AND TRUE TO MARKET VALUE

<u>RAMSEY COUNTY</u>	<u>Residential</u>	<u>Commercial*</u>	<u>Industrial*</u>
New Brighton	35.1	34.0	33.2
North St. Paul	32.3	34.1	40.5
White Bear Lake	35.0	35.4	28.5
Roseville	34.2	35.4	32.1
Falcon Heights	30.4	33.5	
Lauderdale	29.1		35.9
Arden Hills	29.8	29.4	—
Little Canada	29.2		
North Oaks	30.7		—
Maplewood	32.1	33.6	—
Shoreview	31.3	34.5	—
Vadnais Heights	32.6	30.4	
Moundsview	33.0		
ST. PAUL	28.2	43.6	46.2
Township White Bear	29.6		
Countywide Residential	30.5		
Countywide Commercial		38.2	
Countywide Industrial			42.7

<u>ANOKA COUNTY</u>	<u>Residential</u>	<u>Commercial*</u>	<u>Industrial*</u>
Anoka	29.9	31.6	
Bethel	32.8	36.1	29.2
Centerville	25.0	28.2	
Columbia Heights	29.7	34.6	24.7
Circle Pines	29.6	23.1	
Fridley	29.8	23.2	29.5
Lexington	27.8		
Coon Rapids	31.4	29.8	
Blaine	31.8	18.3	
Spring Lake Park	30.4		
Lino Lakes	30.9	25.6	
East Bethel	27.0		
St. Francis	29.6	31.6	
Town Oak Grove	—	22.0	
Town Ramsey		16.7	21.8
Countywide Residential	30.2		
Countywide Township			
Residential	27.3		
Countywide Lakeshore	25.9		
Countywide Farm	33.1		
Countywide Commercial		29.2	
Countywide Industrial			26.4

*Ratios for commercial and industrial may not be as representative in some smaller communities, where there are few sales on which to base a ratio, Hatfield warns, urging caution in interpretation of these figures.

1962 RATIOS OF ASSESSORS' FULL AND TRUE TO MARKET VALUE

<u>SCOTT COUNTY</u>	<u>Residential</u>	<u>Commercial*</u>	<u>Industrial*</u>
Savage	29.1	43.1	
Countywide Residential	29.0		
Countywide Lakeshore	26.0		
Countywide Farm	30.4		
Countywide Commercial		28.5	
Countywide Industrial			33.6
 <u>WASHINGTON COUNTY</u>			
Township Afton	28.6		
Township Baytown	27.2	6.6?	26.7
Cottage Grove	26.5		
Denmark	----	10.6	
Township Forest Lake	24.8	29.1	
Grant	24.2	18.1	
Lincoln	25.8		
Mary?	23.3		
Oakdale	31.2		
Township Stillwater	22.2		
Woodbury	28.5		
East Oakdale	28.4		
Northdale	28.1		
Afton	26.7	33.9	
Bayport	26.3	33.0	28.8
Birchwood	21.9		
Dellwood	29.2		
Forest Lake	27.1	25.6	28.5
Hugo	22.9	30.2	28.4
Lake Elmo	30.5	32.7	23.7
Lakeshore	30.7		
Mahtomedi	25.9	30.2	
Marine-on-the-St. Croix	24.8	35.6	
Newport	28.1	28.6	
St. Paul Park	28.6	33.9	32.3
Willernie	21.1	26.6	32.2
Oak Park Heights	26.0		
St. Mary's Point	24.6		
Lakeland	23.7	46.3	
St. Croix Beach	30.5		
Pine Springs	25.5		
Stillwater	27.7	43.7	47.8
Countywide Residential	27.3		
Countywide Township			
Residential	25.5		
Countywide Lakeshore	20.6		
Countywide Farm	30.7		
Countywide Commercial		34.2	
Countywide Industrial			31.1

*Ratios for commercial and industrial may not be as representative in some smaller communities, where there are few sales on which to base a ratio, Hatfield warns, urging caution in interpretation of these figures.

1962 RATIOS OF ASSESSORS' FULL AND TRUE TO MARKET VALUE

<u>DAKOTA COUNTY</u>	<u>Residential</u>	<u>Commercial*</u>	<u>Industrial*</u>
Burnsville	29.1		
Eagan	27.5		24.4
Empire	22.3		
Town Inver Grove	26.7		
Town Lakeville	27.6		
Coates	29.6		
Farmington	28.1	25.4	33.4
Hampton	27.3	34.1	
Hastings	31.0	30.5	32.4
Inver Grove	30.8	18.4	
Lakeville	26.1	31.4	27.0
Mendota	27.7	35.4	
New Trier	25.5	32.5	
Randolph	26.8	38.1	15.1
Rosemount	27.9	35.1	
South Saint Paul	27.6	31.4	
Vermillion	30.0	29.3	
West Saint Paul	27.2	28.3	
Lilydale	20.1		
Miesville	22.9	16.3	
Mendota Heights	26.6	12.5	
Countywide Residential	27.7		
Countywide Townships, Residential	21.9		
Countywide Farms	29.0		
Countywide Commercial		29.7	
Countywide Industrial			30.7

CARVER COUNTY

Chanhassen	30.0	35.2	23.7
Chaska (city)	26.6	37.2	34.4
Carver	30.0	35.2	23.7
Cologne	41.2	36.0	42.6
Hamburg	41.1	32.4	34.9
Mayer	32.8	32.4	----
New Germany	39.5	45.1	
Norwood	28.3	33.5	43.2
Victoria	27.2	37.0	----
Waconia	26.9	28.0	----
Watertown	26.2	30.7	20.0
Young America	30.3	37.1	16.0
Township Chanhassen	26.6	15.9	----
Township Waconia	23.8	28.3	
Countywide Residential	27.5		
Countywide Farm	35.1		
Countywide Commercial		33.8	
Countywide Industrial			30.0

*Ratios for commercial and industrial may not be as representative in some smaller communities, where there are few sales on which to base a ratio, Hatfield warns, urging caution in interpretation of these figures.

TABLE II.

SAMPLE
REAL ESTATE TAX LEVIES AND AVERAGE MILL RATES, BY COUNTIES
(Taxes Payable in 1964 and 1965)

County	Real Estate Tax Levy		Increase or (Decrease)	Average Mill Rate	
	Payable 1964	Payable 1965		1964	1965
Aitkin	\$ 783,348	\$ 896,204	\$ 112,856	319.75	319.29
Anoka	11,065,600	12,950,614	1,885,014	276.22	285.86
Brown	2,890,270	3,097,095	206,825	162.75	172.47
Carver	2,537,414	2,847,044	309,630	221.25	229.78
Cass	1,227,199	1,300,546	73,347	297.53	290.72
Clearwater	747,283	731,551	(15,732)	316.30	306.50
Cook	339,172	354,261	15,089	248.67	243.83
Dakota	12,666,612	14,866,450	2,199,838	229.68	241.14
Freeborn	5,003,473	5,024,385	20,912	231.53	230.08
Goodhue	4,221,533	4,476,289	254,756	230.15	243.52
Hennepin	132,152,533	146,992,873	14,840,340	231.77	243.91
Itasca	7,718,061	7,410,700	(307,361)	284.24	289.90
Jackson	2,350,048	2,457,461	107,413	170.45	177.91
Koochiching	2,514,958	2,684,720	169,762	407.66	420.15
Lake	859,624	876,668	17,044	256.13	258.83
McLeod	2,480,143	2,715,134	234,991	184.61	199.20
Mille Lacs	1,036,512	1,092,717	56,205	276.87	276.60
Olmsted	11,721,559	12,140,122	418,563	244.67	241.00
Ottertail	4,293,534	4,608,119	314,585	224.57	229.72
Pope	1,328,950	1,311,480	(17,470)	221.58	223.40
Ramsey	58,542,482	64,666,673	6,124,191	226.42	242.82
Redwood	2,747,064	2,828,783	81,719	173.79	177.29
Rock	1,660,393	1,704,987	44,594	168.31	171.52
St. Louis	41,555,852	39,043,001	(2,512,851)	301.40	310.68
Scott	2,599,027	2,834,968	235,941	232.88	241.86
Sibley	2,181,462	2,199,850	18,388	194.33	194.07
Stearns	6,285,942	6,835,017	549,075	240.94	246.25
Stevens	1,395,714	1,531,921	136,207	205.47	225.42
Todd	1,830,934	1,869,867	38,933	268.64	297.06
Waseca	2,125,907	2,193,272	67,365	230.10	226.26
Washington	7,451,441	8,363,132	911,691	292.00	303.26
Winona	4,365,272	4,717,127	351,855	231.56	251.79

Source: County Abstracts of Tax Lists which form basis of State Auditor's Abstracts of Real and Personal Property Taxes, Payable in 1964 and 1965.