

# Fundamentals of Property Taxes in Minnesota And Types of Exempt Properties in Saint Paul

Citizens League  
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## Overview

- Minnesota has one of the most complex property tax systems in the nation
- Most local officials understand some aspects of property taxes, but not the total picture
- Goal today is not to make you property tax experts, but to increase your understanding of the system

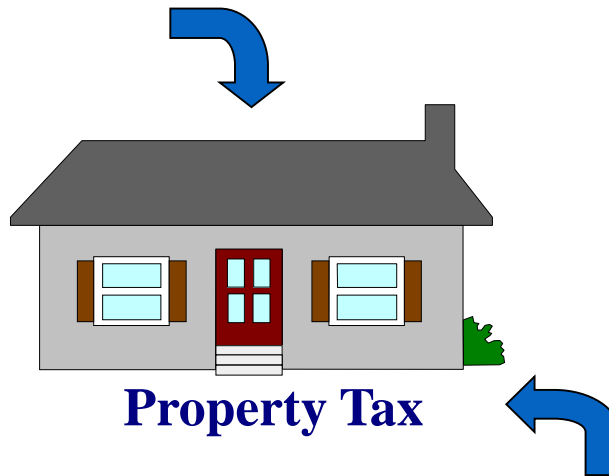
## Seven Myths About Property Taxes

1. Property taxes always go up
2. Market value increases generate more revenue
3. Property taxes paid are directly tied to services received
4. Property taxes are based on an ability to pay
5. There is a limit on how much property taxes on a given property can go up in a year
6. Local taxing authorities have more than a marginal ability to change property taxes
7. Property taxes for homes are high in Minnesota relative to other states

# Who Determines Your Property Tax?

## State Legislature

- Sets Property Tax Policy
- Establishes Property Classes & Class Rates
- Determines Levels of State Aid
- Underfunded Mandates to Local Governments
- Levies State Business Tax



## Taxing Jurisdictions

- Determines Levy Amount

## County Assessor

- Determines Market Value
- Assigns Property Class

## State Legislature Roles

- The State Legislature affects property taxes in many ways, including:
  - Determining who pays taxes
  - Setting “class rates” and definitions of tax capacity and referendum market value
  - Setting levy limits for taxing jurisdictions
  - Paying state aids and credits
  - Levying a state property tax
  - Oversight, Equalization, Training and Administration

## Class Rates

- Class rates are varying percentages multiplied times taxable market value to determine net tax capacity
- Class rates are set in state law
- Since most taxes are spread on net tax capacity, differences in class rates lead to differences in taxes paid

## State-Imposed Levy Limits

- State has imposed levy limits on school district taxes every year since 1971
  - School levy limits can be exceeded only through voter approval for:
    - bond issues
    - operating referendums
    - capital project levies
- In some years, the state has also imposed general limits on city, township, and county levies
  - Limits tend to be based on prior year's levies, adjusted for inflation and population change
  - No general limits on city, township, and county levies for taxes payable in 2017
  - Special purpose levy limits apply to levies for certain purposes

## State Aids and Credits

State pays a variety of aids and credits that affect property taxes

- State funds go to both individual taxing jurisdictions and directly to taxpayers
- Aid and credits are calculated/paid at four different stages of the property tax process
- All have some effect on who pays and how much they pay



## State Aids and Credits

1. Before Levy Certification (may reduce property tax levies by providing an alternate source of revenue)
  - ✓ Education aids
  - ✓ Local government aid
  - ✓ County program aid
  - ✓ Others
  
2. During Tax Rate Calculation (provides a uniform rate reduction for all property in a UTA)
  - ✓ Disparity Reduction Aid
  
3. After Tax Rate Calculation (provides tax reduction to some property owners)
  - ✓ Ag Market value based homestead credits
  - ✓ Disaster credits
  
4. After taxes paid (refunds paid to taxpayers who qualify)
  - ✓ Minnesota Property Tax Refund (aka “Circuit Breaker”)
  - ✓ Targeted Refund

## Homestead Market Value Exclusion

- Replaces market value homestead credit with an exclusion on homestead property equal to 40% of 1<sup>st</sup> \$76K of market value less 9% of value over \$76K but less than \$413,800.
- State doesn't pay to reduce homestead property taxes – instead reduces value used for local taxes on homestead property to provide a benefit. In 2012 essentially shifted \$23.5 million in property taxes from the state to local taxpayers, but protects homesteads.
- Change effective for Pay 2012 taxes and thereafter

## State General Property Tax

- State imposed a general property tax, beginning in 2002, on:
  - commercial-industrial, public utility, and railroad operating property
  - seasonal resorts, and
  - seasonal recreational residential property (cabins)
- The state-wide tax capacity rates for 2017 are:
  - Commercial, industrial, and public utility 45.802%
  - Cabins 20.845%
- For cabins, a reduced class rate is used for the first \$76,000
- For this tax, tax capacities are not reduced for tax increment or fiscal disparities
- This is a significant tax for these properties
- Taxes are levied and collected by counties and paid to State

## County Assessor's Role

- Determines the Estimated Market Value (“EMV”) for each property based on activity in the real estate market
- Determines the taxable or exempt status of each property
- Assigns classification (“class”) codes to each property based on the property's use

## Definition of Real Property

- Real property refers to the bundle of rights connected with real estate. Some of these rights could include the right to occupy the real estate, sell it, lease it, enter it, give it away, or borrow against it.

- Examples of exempt property
  - Cemeteries
  - Public hospitals
  - Education institutions
  - Church property
  - Institutions of purely public charity
  - Public property used exclusively for any public purposes

## Pay 2016 – Saint Paul Exempt Values by Type of Property

Type of Exemption	Estimated Market Value	# of Parcels	% of total EXEMPT value
<b>Schools</b>			<b>30.0%</b>
K-12 - Public	\$ 874,195,200	156	12.4%
K-12 - Private	176,822,600	40	2.5%
College - Public	58,730,600	24	0.8%
College - Private	996,516,000	106	14.1%
Res - K-12 - Private	467,200	1	0.0%
Res - College - Private	12,362,000	27	0.2%
<b>Cemetery</b>			
Private	69,704,800	13	1.0%
<b>Church</b>			<b>7.2%</b>
Church	381,519,800	245	5.4%
Res	50,046,300	62	0.7%
Res - Other	21,638,800	37	0.3%
Other	55,925,800	109	0.8%
<b>Hospital</b>			<b>10.4%</b>
Public	378,487,200	3	5.4%
Private	353,467,400	44	5.0%
<b>Charitable Institution</b>			<b>7.2%</b>
Charitable Institution	418,706,800	224	5.9%
Res	60,366,300	45	0.9%
Apprenticeship Training Facilities	10,161,900	7	0.1%
Emergency Shelters for Victims of Domestic Abuse	3,190,600	10	0.0%
Senior Citizen Facility	402,000	1	0.0%
Elderly Living Facility	4,865,200	1	0.1%
Transitional Housing	1,208,100	1	0.0%
Ice Arenas/Baseball Parks owned by non-profits	7,196,200	2	0.1%
Children's Homes	203,800	1	0.0%

## Pay 2016 – Saint Paul Exempt Values by Type of Property

Type of Exemption	Estimated Market Value	# of Parcels	% of total EXEMPT value
<b>Public Property</b>			<b>44.1%</b>
Forest, Park, Wildlife Refuge	4,817,300	3	0.1%
Federal Property	87,221,300	19	1.2%
State Property	605,803,900	105	8.6%
County			0.0%
Public Service Enterprises	61,700,200	9	0.9%
Public Service - Other	216,059,200	83	3.1%
County Administered	12,584,800	15	0.2%
Municipal			0.0%
Public Service Enterprises	418,831,300	96	5.9%
Public Service - Other	1,059,769,500	788	15.0%
Skyways	603,600	1	0.0%
Special Taxing District	644,085,500	574	9.1%
<b>Wetlands</b>	42,100	1	0.0%
<b>Tax Forfeited Property</b>	8,974,300	220	0.1%
<b>Total Exempt</b>	\$ 7,056,677,600	3,073	100.0%
<b>% of Total Taxable and Exempt</b>	25.5%	3.7%	

## Pay 2010 – Ramsey County Exempt Values by City

Joint City Indicator	City Name	Taxable EMV	Exempt EMV	PILT EMV	% Exempt
	ARDEN HILLS	\$ 1,110,553,800	\$ 867,802,200	\$ -	43.9%
Part	BLAINE	44,781,500	768,000	0	1.7%
	FALCON HEIGHTS	399,221,100	888,174,400	0	69.0%
	GEM LAKE	108,508,300	2,700,200	0	2.4%
	LAUDERDALE	174,595,600	39,076,000	0	18.3%
	LITTLE CANADA	907,500,000	187,221,600	0	17.1%
	MAPLEWOOD	3,543,689,400	935,081,300	0	20.9%
	MOUNDS VIEW	940,177,600	116,134,800	0	11.0%
	NEW BRIGHTON	1,918,590,600	387,557,700	0	16.8%
	NORTH OAKS	1,194,568,500	87,448,400	0	6.8%
	NORTH ST PAUL	798,665,800	146,618,500	0	15.5%
	ROSEVILLE	4,140,654,700	574,577,400	0	12.2%
	SHOREVIEW	2,850,824,100	331,170,000	0	10.4%
Part	SPRING LAKE PARK	12,723,400	2,607,800	0	17.0%
Part	ST ANTHONY	277,624,300	22,053,200	0	7.4%
	ST PAUL AIRPORT	24,708,500	0	0	0.0%
	ST PAUL	20,193,026,000	8,054,602,400	8,203,500	28.5%
	STATE FAIRGROUNDS	694,600	115,772,400	807,600	99.4%
	VADNAIS HEIGHTS	1,415,125,900	195,883,100	0	12.2%
Part	WHITE BEAR LAKE	2,194,657,900	432,374,200	0	16.5%
	WHITE BEAR TOWN	1,252,715,500	254,355,900	0	16.9%



## Pay 2010 – Exempt Values For Select Large Minnesota Cities

<b>City Name</b>	<b>Taxable EMV</b>	<b>Exempt EMV</b>	<b>PILT EMV</b>	<b>% Exempt</b>
MOORHEAD	2,083,054,200	804,280,200	0	27.9%
MINNEAPOLIS	35,234,766,500	10,827,492,800	0	23.5%
DULUTH	5,535,973,900	1,635,139,300	46,721,200	22.8%
ST CLOUD	3,915,389,300	839,973,700	0	17.7%
ROCHESTER	8,688,905,500	1,824,620,400	6,406,100	17.4%
BLOOMINGTON	10,407,560,200	939,137,300	0	8.3%
EAGAN	7,031,742,900	620,939,800	2,431,700	8.1%
WOODBURY	6,774,215,200	469,530,900	500	6.5%

*Governing* compiled property assessment statistics from local assessment offices and finance departments for the 20 most populous U.S. cities with available data. Exempt property totals listed include government parcels unless otherwise indicated. Figures are not comparable between most cities because assessment offices collect data differently and have varying assessment cycles.

*Assessed values listed in million dollars*

City	Year	Taxable Parcels	Fully Exempt Parcels	Total Assessed Value	Exempt Assessed Value	Total % Exempt	Year	Taxable Parcels	Fully Exempt Parcels	Total Assessed Value	Exempt Assessed Value	Total % Exempt	Source
Austin, Texas	2011	237,753	8,393	\$88,006	\$10,869	12.4%	2006	220,518	7,293	\$67,620	\$8,136	12.0%	Travis Central Appraisal District: Certified totals report
Baltimore, Md.	2012	217,863	18,774	\$49,897	\$15,130	30.3%	2006	217,382	17,467	\$34,719	\$8,924	25.7%	City of Baltimore, Bureau of Budget and Management Research
Boston, Mass.	2012	153,807	8,347	\$118,784	\$34,800	29.3%	2007	143,153	8,709	\$110,458	\$27,457	24.9%	City of Boston Assessing Department
Charlotte, N.C.	2011	502,605	5,929	\$98,961	\$12,614	12.7%	2006	596,758	4,738	\$75,041	\$8,771	11.7%	Mecklenburg County Government
Columbus, Ohio	2011	254,301	19,073	\$19,606	\$5,596	28.5%	2006	247,058	8,980	\$18,857	\$4,081	21.6%	Franklin County Auditor's Office
Dallas, Texas	2011	361,376	15,060	\$100,232	\$23,445	23.4%	2006	372,134	13,652	\$96,011	\$20,923	21.8%	Dallas Central Appraisal District
Denver, Colo.	2011	226,009	18,487	\$14,190	\$3,979	28.0%	2006	221,332	19,016	\$11,463	\$3,144	27.4%	City & County of Denver, Division of Assessment
Fort Worth, Texas	2011	299,223	8,576	\$46,535	\$12,065	25.9%	2006	236,959	11,436	\$37,762	\$10,493	27.8%	Tarrant Appraisal District

*Assessed values listed in million dollars*

City	Year	Taxable Parcels	Fully Exempt Parcels	Total Assessed Value	Exempt Assessed Value	Total % Exempt	Year	Taxable Parcels	Fully Exempt Parcels	Total Assessed Value	Exempt Assessed Value	Total % Exempt	Source
Houston, Texas	2011	566,695	40,476	\$165,002	\$42,692	25.9%	2006	571,536	35,845	\$130,248	\$31,091	23.9%	Harris County Appraisal District
Indianapolis (Marion County), Ind.	2011	338,370	16,403	\$61,263	\$4,593	7.5%	2007	341,107	19,267	\$63,093	\$4,452	7.1%	Marion County Assessor's Office
Jacksonville (Duval County), Fla.	2011	309,744	19,169	\$57,726	\$16,615	28.8%	2006	293,142	16,846	\$53,729	\$11,197	20.8%	Duval County Property Appraiser
New York, N.Y.	2011	1,030,202	39,102	\$255,582	\$107,953	42.2%	2006	959,358	36,952	\$192,645	\$82,631	42.9%	City of New York, Department of Finance
Philadelphia, Pa.	2012	554,749	24,580	\$18,023	\$5,570	30.9%	2006	542,677	26,849	\$15,803	\$4,372	27.7%	City of Philadelphia, Office of Property Assessment
Phoenix, Ariz.	2012	475,311	21,923	\$16,214	\$3,838	23.7%	2007	448,177	18,046	\$14,781	\$2,453	16.6%	Maricopa County
Seattle, Wash.	2012	202,577	7,835	\$142,039	\$31,564	22.2%	2006	189,346	7,288	\$109,052	\$20,060	18.4%	King County Department of Assessments
Washington, D.C.	2011	183,627	12,464	\$220,816	\$81,528	36.9%	2006	-	-	\$158,156	\$59,665	37.7%	District of Columbia FY 2011 CAFR

## Elements of Market Value

1. It is the most probable price, not the highest, lowest, or average.
2. It may be the actual price, but isn't necessarily so.
3. It is expressed in terms of money (a cash basis).
4. A reasonable time for exposure in the marketplace.
5. Buyer and seller are motivated by self-interest.
6. Buyer and seller are both well informed, or advised, and are acting prudently.
7. The definition recognizes the present use of the property as well as other potential uses.
8. Assumes an arm's-length transaction in the open market.

## Residential Valuation Procedures

- Minnesota statutes require the assessor to view all properties once every five years.
- Sales occurring in the prescribed study period, October through September preceding the assessment, are analyzed by comparing them to the previous assessment and the preliminary assessment in process.
- The Computerized Mass Assessment System (CAMA) then makes adjustments to the Estimated Market Value (EMV). The CAMA system allows the assessor's office to value properties according to their individual characteristics. Examples of these characteristics include age, condition, size, style, amenities, functionality, and location.

## Residential Valuation Procedures

- The preliminary final assessment is then analyzed statistically to ensure accuracy and uniformity. This process is greatly assisted by the relatively large sample of residential sales each year, giving the statistical analyses a high degree of reliability.
- The Department of Revenue reviews county valuations to make sure that median sales ratios are between 90% and 105% by type of property, area and stratified value. If valuations don't fit this range, the state will raise or lower the value for all properties in the class of property that is in noncompliance.

## Real vs. Personal Property

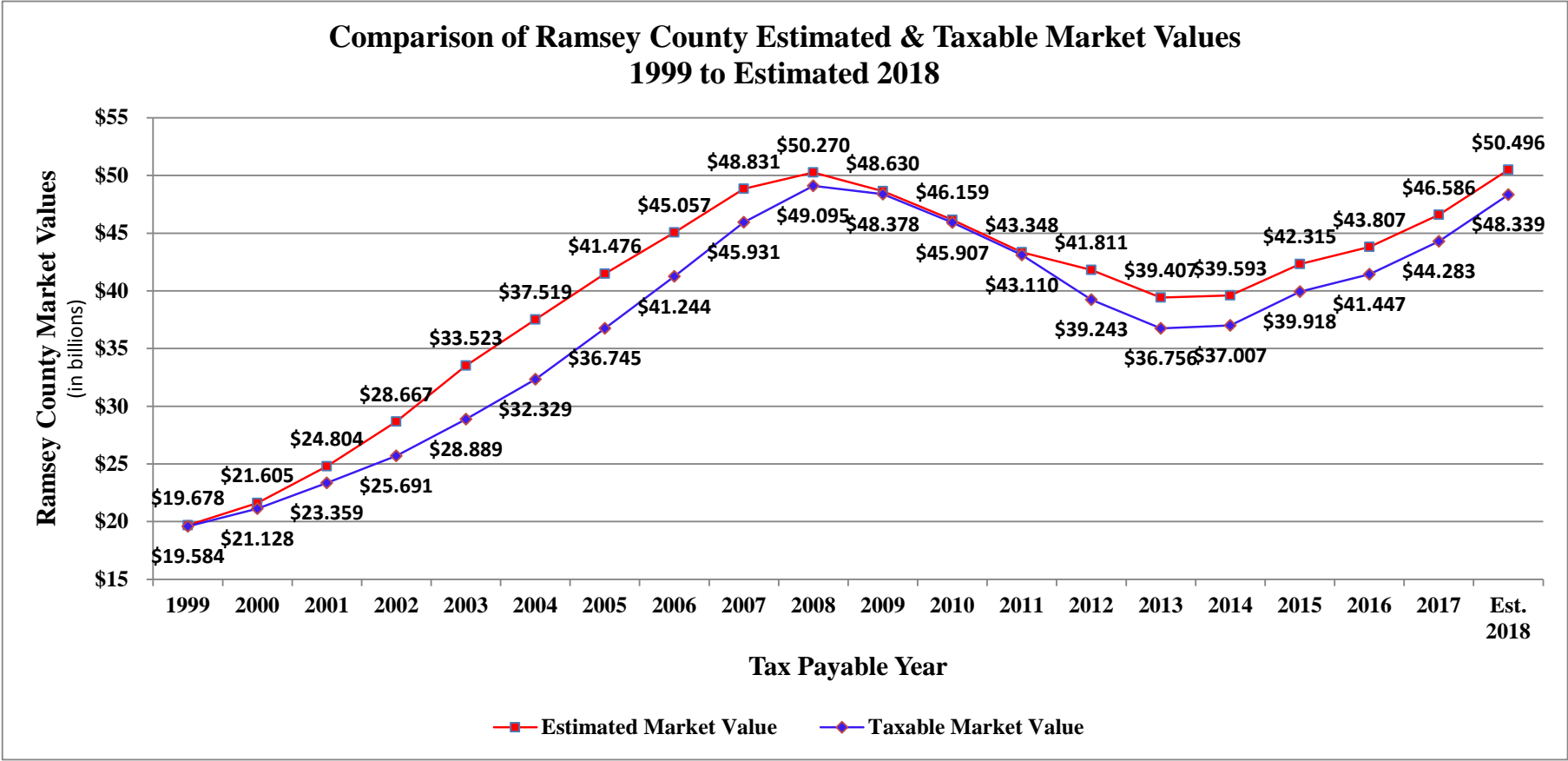
- In Minnesota taxes, the main difference between real and personal property has to do with how judgment is taken against a property for non-payment of taxes.
- For real property, judgment is taken against the property, and if taxes are not paid, the property is forfeited to the state.
- For personal property, judgment is taken against the entity generating the property tax liability. If taxes are not paid, a personal judgment is pursued. Examples of personal property would include property which is taxable by virtue of a lease from a government entity or public utility transmission and distribution lines.

## Differences Between Estimated Market Value (EMV) and Taxable Market Value (TMV)

- Homestead market value exclusion
- Veteran exclusions
- “This Old House”
- Green acres
- Open space
- Job Zones & Bio-tech zones
- New plat law



### Comparison of Ramsey County Estimated & Taxable Market Values 1999 to Estimated 2018



## Referendum Market Value (“RMV”)

- Used for determining market value based taxes which are based on levies approved by the voters.
- Excludes non-commercial cabins, student housing and agricultural property (except the house, garage and one acre value for ag homesteads).
- The market value for properties with class rates less than 1% are adjusted down.

## Comparison of Changes in Value From 2017 to Estimated 2018 For the City of St. Paul By Type of Property

Estimated Market Values						
Tax Payable Year	Residential	Commercial	Industrial, Utility & Railroad	Apartment	Personal Property	Total
2017	\$14,333,371,400	\$2,722,942,100	\$1,236,169,900	\$3,391,349,800	\$380,477,800	\$22,064,311,000
Est. 2018	15,360,322,400	3,186,563,700	1,336,948,600	3,959,504,800	394,905,700	24,238,245,200
% Change	7.2%	17.0%	8.2%	16.8%	3.8%	9.9%

Taxable Market Values						
Tax Payable Year	Residential	Commercial	Industrial, Utility & Railroad	Apartment	Personal Property	Total
2017	13,231,701,300	2,695,735,500	1,236,169,900	3,390,888,200	380,477,800	20,934,972,700
Est. 2018	14,327,925,700	3,159,357,100	1,336,948,600	3,959,218,500	394,905,700	23,178,355,600
% Change	8.3%	17.2%	8.2%	16.8%	3.8%	10.7%

Net Tax Capacities						
Tax Payable Year	Residential	Commercial	Industrial, Utility & Railroad	Apartment	Personal Property	Total
2017	135,089,087	52,220,742	24,290,177	39,029,173	7,498,185	258,127,364
Est. 2018	146,369,837	61,428,997	26,328,713	45,811,382	7,785,401	287,724,330
% Change	8.4%	17.6%	8.4%	17.4%	3.8%	11.5%

\* Market Values shown include properties in Tax Increment Districts.

\*\* Pay 2018 estimated values are as of 04/13/2017

## Taxing Jurisdiction Role

- Property taxes are levied by and paid to:
  - Counties
  - Cities and townships
  - School districts
  - The State of Minnesota
  - Various special taxing jurisdictions (e.g., housing and redevelopment authorities (“HRA’s”), watershed districts, library districts, hospital districts, regional rail authorities, Metropolitan Council, Metropolitan Mosquito Control District)

## What is a Property Tax Levy?

- Simply put, a property tax levy is the amount of money requested by a governmental agency to be raised from property taxes in support of a given year's budget.
- A levy may be either tax capacity based or referendum market value based.

## High Level Tax Levy Timeline

### Required Action

- Maintenance of bond register & debt levies by county auditor
- Cities, county and school districts certify proposed maximum tax levy.
- Joint Property Tax Advisory Committee recommends overall property tax levy level for St. Paul, Ramsey County and the St. Paul School District
- County auditor sends proposed tax notices
- County, cities and schools conduct hearings
- Local taxing authorities certify final tax levies to county auditor

### When

- Ongoing
- By 9/30
- By 10/01
- After 11/10, but by 11/24
- Between 11/29 & 12/20
- Within 5 working days of 12/20

## City of St. Paul - Ramsey County - St. Paul School District St. Paul Property Tax Revenue

	Final Change 2014 to 2015	Final Change 2015 to 2016	Proposed Maximum Tax Levy as of 09/26/16	Estimated Change 2016 to 2017
<u>Certified Levy:</u>				
Ramsey County – St. Paul Share	\$0.0 Mil -or- 0.0%	\$3.7 Mil -or- 2.8%	\$137,997,544	\$4.7 Mil -or- 3.5%
City of St. Paul	\$2.4 Mil -or- 2.4%	\$2.0 Mil -or- 1.9%	112,934,130	\$7.3 Mil -or- 6.9%
St. Paul School District	\$1.4 Mil -or- 1.0%	\$4.8 Mil -or- 3.5%	148,233,759	\$7.0 Mil -or- 5.0%
Combined	\$3.8 Mil -or- 1.0%	\$10.4 Mil -or- 2.8%	\$399,165,433	\$19.0 Mil -or- 5.0%
<u>Levy After Fiscal Disparity Distribution:</u>				
Ramsey County – St. Paul Share	(\$1.2 Mil) -or- (1.1%)	\$4.9 Mil -or- 4.9%	\$108,121,352	\$3.3 Mil -or- 3.2%
City of St. Paul	\$1.6 Mil -or- 2.1%	\$2.2 Mil -or- 2.8%	89,325,262	\$6.7 Mil -or- 8.1%
St. Paul School District	\$0.4 Mil -or- 0.4%	\$5.7 Mil -or- 5.4%	116,569,018	\$5.5 Mil -or- 4.9%
Combined	\$0.9 Mil -or- 0.3%	\$12.8 Mil -or- 4.5%	\$314,015,632	\$15.5 Mil -or- 5.2%

## Pay 2017 – City of Saint Paul

### Property Taxes Generated by Type of Property by Levy Purpose

Levy Purpose	Residential	Commercial/ Industrial	Public Utility	Apartment	Exempt	Total
Ramsey County	\$ 67,421,623	\$ 22,379,753	\$ 1,198,961	\$ 17,117,570	\$ 89,468	\$ 108,207,375
City of St Paul	56,316,663	18,693,317	1,001,425	14,296,078	74,729	90,382,212
ISD #625	73,249,034	23,458,116	1,185,908	18,073,978	106,371	116,073,406
Regional Rail Authority	5,117,486	1,698,659	90,999	1,299,296	6,791	8,213,231
Met Council and Met Mosquito	3,562,706	1,182,575	63,352	904,397	4,727	5,717,757
HRA, Port Authority & Watersheds	6,289,996	2,025,019	107,954	1,608,071	7,697	10,038,737
State of Minnesota	140,740	36,348,921	722,621	325,486	109,006	37,646,774
Fiscal Disparity	138,330	35,908,242	1,521,717	321,525	107,680	37,997,495
Tax Increment Financing	4,179,717	17,488,027	894	8,434,524	220,092	30,323,255
Special Assessments	17,977,345	6,668,747	59,162	3,402,348	965,883	29,073,486
Contamination Tax		55,216				55,216
<b>Total</b>	<b>\$ 234,393,640</b>	<b>\$ 165,906,592</b>	<b>\$ 5,952,994</b>	<b>\$ 65,783,273</b>	<b>\$ 1,692,444</b>	<b>\$ 473,728,944</b>



## Determining Tax Bases

### Tax Databases

- Local Tax Capacity Based
- Market Value Based – (Referendum market values)
- Fiscal Disparity
- Tax Increment Financing
- State Business Tax
- Contamination Tax
- Power transmission and distribution lines

## Fiscal Disparity Process

It is helpful to think of the fiscal disparity process in the following four steps:

1. Determine contribution value – Calculate the growth in prior year commercial-industrial values over the base year values for each city and township in the area. The growth is adjusted for abatements, tax court petitions and other similar adjustments to commercial-industrial value that have occurred since creation of the prior year’s report. The end result determines what portion of that city/township’s tax base will be contributed to the fiscal disparity pool and to determine the total fiscal disparity pooled value.
  
2. Determine distribution value – Allocate the pooled value to each city/township based on the relative strength of that jurisdiction’s tax base by comparing average market values per capita. Allocate the distribution values to overlapping taxing authorities based on proportionate shares of residential values.
  
3. Determine distribution taxes – Multiply the distribution value for each taxing authority by the prior year’s tax rate for that authority to determine a fiscal disparity distribution levy. The distribution levy will reduce the levy used to calculate local tax rates (also market based rates in the case of schools) because funds will be available from the fiscal disparity pool. The distribution formula is meant to recognize the need of a taxing authority based on its previous levying pattern. The accumulation of distribution levies for every taxing authority in the region provides the total fiscal disparity levy against the fiscal disparity pool.
  
4. Determine contribution taxes – Determine an area-wide rate by dividing the total fiscal disparity levy by the total pooled value. Determine what portion of each city’s commercial-industrial tax base should be charged the fiscal disparity rate by dividing that city/township’s final contribution value by the current year’s commercial-industrial value. Multiply this percentage times the net tax capacity of the commercial-industrial portion of a parcel to determine that parcel’s value subject to the fiscal disparity area-wide rate. Apply the rate to the fiscal disparity contribution value of the parcel to determine the fiscal disparity tax.

## Change in Fiscal Disparity Contribution Value Pay 2016 to Pay 2017

County	Payable 2016 Initial Contribution	Payable 2017 Initial Contribution	Difference	% Change
Anoka	\$ 27,914,300	\$ 29,800,780	\$ 1,886,480	6.8%
Carver	9,237,962	9,676,075	438,113	4.7%
Dakota	49,219,254	50,298,764	1,079,510	2.2%
Hennepin	188,875,923	208,414,239	19,538,316	10.3%
Ramsey	56,777,076	59,635,650	2,858,574	5.0%
Scott	14,452,856	15,028,620	575,764	4.0%
Washington	23,808,365	24,921,815	1,113,450	4.7%
State of MN	3,009,737	3,237,337	227,600	7.6%
<b>Total</b>	<b>\$ 373,295,473</b>	<b>\$ 401,013,280</b>	<b>\$ 27,717,807</b>	<b>7.4%</b>

Pay 2017 Ramsey County Distribution Value: \$87,176,478

**Change in Fiscal Disparity Distribution Dollars  
From 2016 to 2017**

	<b>2016 FD Distribution</b>	<b>2017 FD Distribution</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>Ramsey County</b>	\$45,476,725	\$48,556,720	\$3,079,995	6.8%
<b>City of St. Paul</b>	23,008,789	23,608,868	600,079	2.6%
<b>St. Paul Schools</b>	30,096,210	31,664,741	1,568,531	5.2%

## What is Tax Increment Financing?

- A financing tool, used primarily by cities, which allows property taxes generated by the growth in market value of a project to be used to finance the public costs of the project instead of distributing the property taxes to the county, city, school and special taxing districts as would normally occur.
- Types of tax increment financing districts include redevelopment, housing, economic, and hazardous substance districts each with their own set of criteria for creation, duration limits and legitimate tax increment expenses.
- A key feature of tax increment financing is the "but for" test which requires the city to make a determination that the project would not have taken place "but for" the city's assistance.

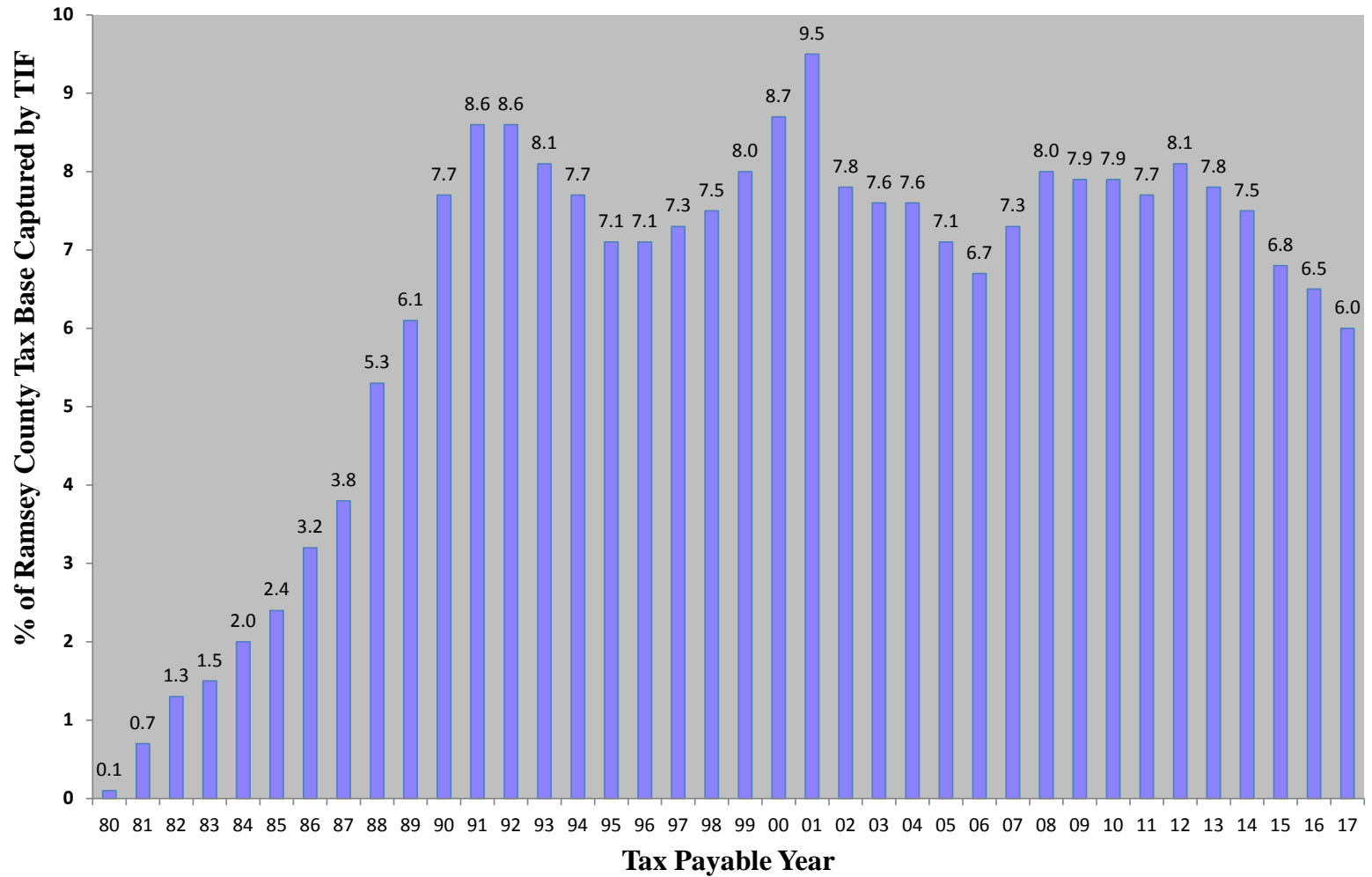
## How Does Tax Increment Work?

**Tax Increment  
Captures  
100% of  
Growth**

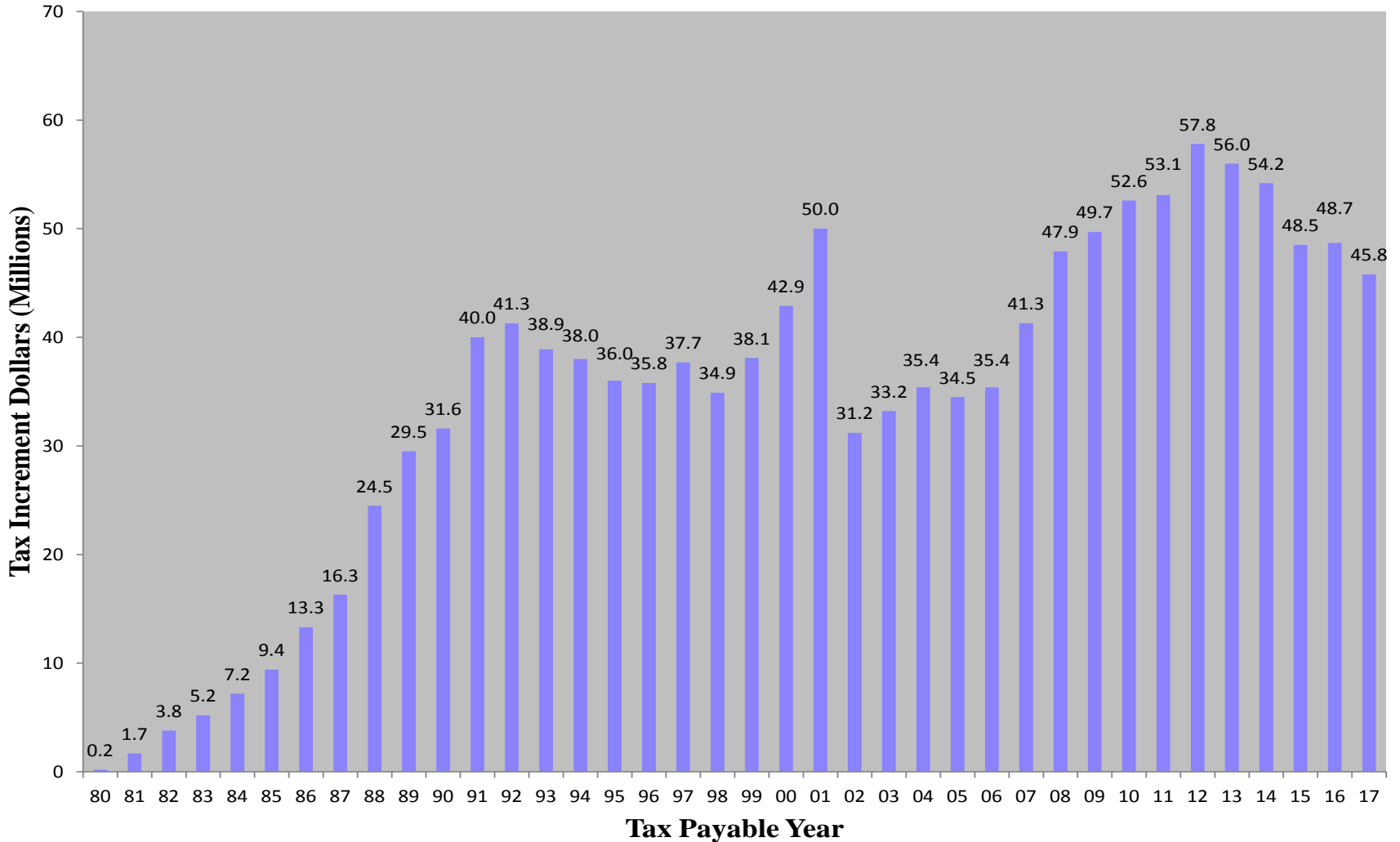


**Previous Tax Base**

### % of the Ramsey County Tax Base Captured by Tax Increment Districts



### Tax Increment Dollars Generated in Ramsey County





Pay 2017 TIF Info For Cities With TIF

City	# of TIF	TIF \$'s	% of Tax Base Captured (Ramsey Only)
Arden Hills	2	\$ 299,609	1.7%
Falcon Heights	1	292,247	6.1%
Little Canada	7	1,127,146	8.5%
Maplewood	9	1,733,123	2.6%
Mounds View	1	1,759,625	11.3%
New Brighton	12	3,682,235	12.3%
North St Paul	4	526,190	4.3%
Roseville	5	1,732,629	2.4%
St. Anthony	1	2,183,223	32.7%
St. Paul	61	30,323,305	8.1%
Shoreview	6	877,500	2.2%
Vadnais Heights	3	186,054	0.9%
White Bear Lake	3	447,014	1.6%
White Bear Town	9	650,853	4.2%