



News Release

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Property tax levies for 2012 are proposed to increase by an average of 1.2 percent statewide

Net property taxes paid are estimated to grow by 4.7 percent, or \$379 million.

Saint Paul – Property tax levies are proposed to increase an average of 1.2 percent statewide if proposed local tax levies are adopted by local governments later this year. Levy increases combined with the elimination of a state-paid homestead credit during the 2011 special legislative session will increase the amount of taxes paid by Minnesota taxpayers by an estimated 4.7 percent, or \$379 million.

“Minnesota’s local governments have been working hard to keep property tax levies down, even in the face of deep cuts in state aid programs like local government aid and county program aid that have forced them to trim their budgets and to cut services. The combination of eliminating the homestead credit and cutting local government aid means that despite the responsible actions of local officials, property taxpayers in many areas will see real tax increases,” said Minnesota Revenue Commissioner Myron Frans.

The proposed increase is based on maximum levy amounts proposed by local governments in advance of annual Truth-in-Taxation hearings, which begin November 28. Final levies will be determined following Truth-in-Taxation hearings, which are required for cities with populations over 500, counties, school districts, regional library authorities, and metropolitan taxing districts. The time and location of the hearings can be found on property owners’ Truth-in-Taxation notice.

If the proposed levies are approved, non-school property tax levies will increase in 2012 by \$97.2 million statewide.

Levy referenda were held by 131 of Minnesota’s 336 school districts this fall, many to renew previous levies. The results of these referenda are not included in the data summarized here, and their impact is not included on the Truth-in-Taxation notices that counties mail to taxpayers between November 11 and November 24.

Property tax increases will vary by community and by property type. The conversion of the homestead credit to a homestead value exclusion will also cause property taxes to shift from lower-valued homesteads to other properties. The 2012 levies for cities with a population over 2,500 and all counties are not subject to levy limits for the first time since 2008.

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Proposed levy information for local governments is available on the [Department of Revenue Property Tax Reports and Data website](#). School levy data will be posted after they become available from the Department of Education.

Proposed average levy changes by jurisdiction type*

Estimated property tax levy increases by jurisdiction Payable 2011 actual to Payable 2012 proposed	
Cities	2.0% (\$37.4 million)
School districts	0.1% (\$1.9 million)*
Counties	1.2% (\$31.2 million)
Townships	3.3% (\$7.3 million)
Special taxing districts	0.2% (\$0.5 million)
Statewide business property tax	2.6% (\$20.8 million)
TOTAL LEVY INCREASE NOT INCLUDING SCHOOL DISTRICTS	1.2% (\$97.2 million)*
TOTAL LEVY INCREASE	1.2% (\$99.1 million)*

*Does not include increases approved by voters in referenda held this fall.

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