

# MINNESOTA • REVENUE



## State Assessed Property **FALL FORUM**

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NOVEMBER 2, 2016

# Agenda



- Welcome
- Property Record Tracking and GIS Information
- Property Record Information System of Minnesota (PRISM)
- Assessor and Auditor Perspectives
- Company and Industry Perspectives
- Break-Out Sessions by Market Segment

# State Assessed Property Section



- **Jon Van Nurden, Supervisor**
- **Holly Soderbeck**
- **Jesse Larson**
- **Der Thao**
- **Damaris Ledesma**

# MINNESOTA ▪ REVENUE



## PROPERTY RECORDS & GIS INFORMATION

**Jesse Larson**  
Department of Revenue

**Randy Lahr**  
Stearns County

# Overview



- Property record process
- Identifying the problem
- Current level of information
- GIS survey results

# Property Record Process



1. **Company contacts County to acquire ID.**
  - *Company provides information to County.*
2. **County creates ID and sends to Company.**
  - *County maintains legal description of property, and location information in their system.*
3. **Company reports property in place as of January 2<sup>nd</sup> by March 31<sup>st</sup> (return due date).**
4. **State assesses property value, sends preliminary orders to Counties.**
5. **Counties reviews preliminary orders to ensure they align with the records in their system.**
6. **County send questions on the property records back to State.**
7. **State makes corrections, if necessary, and sends final utility values/records back to the Counties and Companies.**

# Identifying the Problem



## **Problems we've encountered:**

- Taxable assets not reported at all
- Assets identified in wrong Unique Taxing Area
- Incorrect ownership
- Misidentified retirements/additions

# Identifying the Problem



## **Consequences of the problems:**

- Host jurisdiction's net tax capacities adversely affected
- Non-equitable property tax treatment
- Litigation



# Identifying the Problem



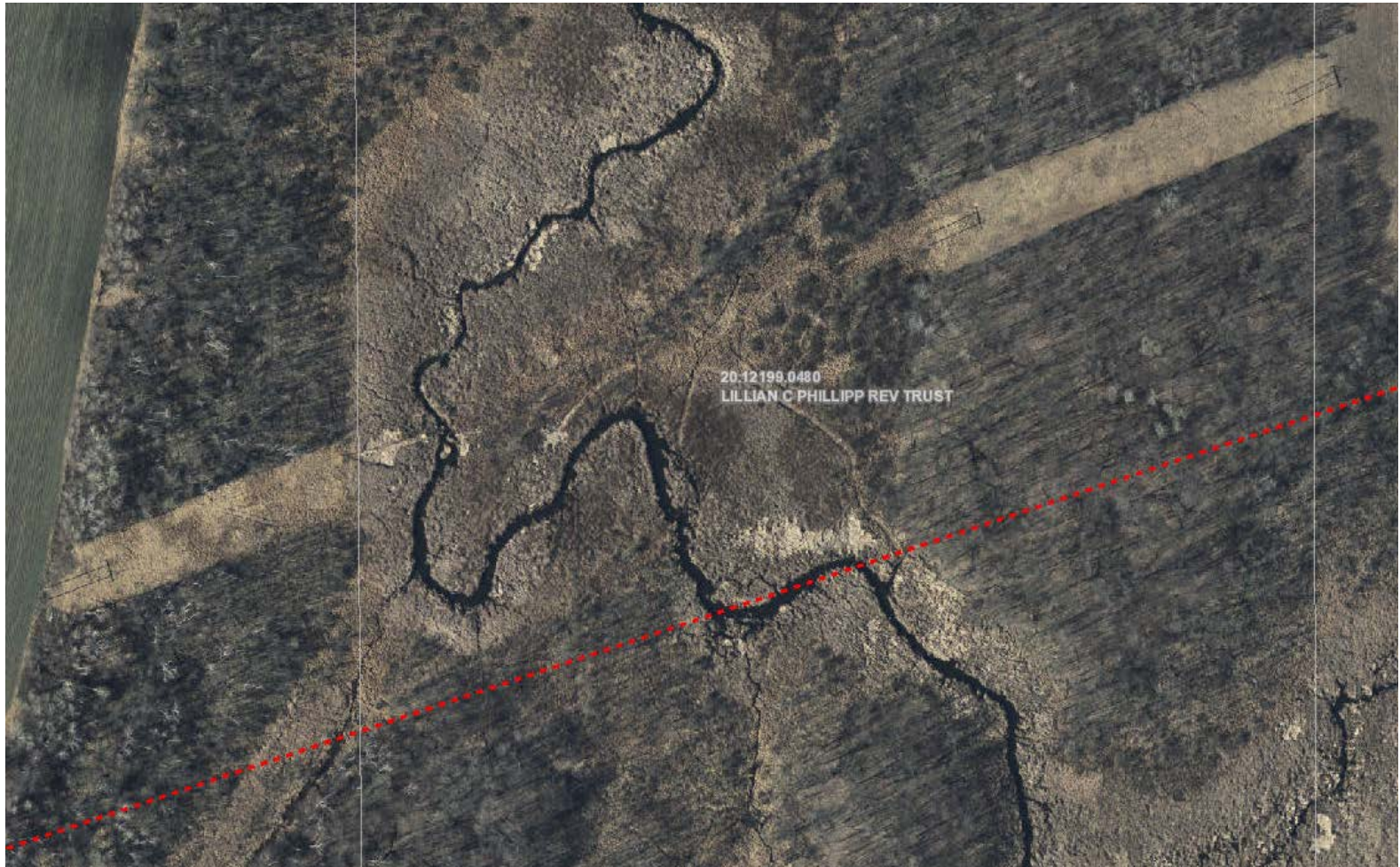
## **The need for state assessed GIS data – why?**

- Verify land size and land type
- Identify encroachments
- Identify parcels associated with state assessed uses
- Public and taxpayers expect us to have better and accurate data

# Identifying the Problem



# Identifying the Problem





# Identifying the Problem



# Identifying the Problem



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NORTHERN STATES POWER CO
414 NICOLLET MALL
MINNEAPOLIS MN 55401-1993
MINNEAPOLIS MN 55401-1993

ACRES: 7.50
LEGAL SECT- 1 TWP-124 RANGE- 30
DESC LEASE ON FR 7.50A OF NW4

2018 R 05.03570.0000
MP#
300 300 Commercial
0
000 CHOICE CODE

APPR DATE: 11/03/2009 APPR: RJL PROP USE: 009100 UTILITIES ZONE: WATER: SWF UNITS:

ASMT INFO: LAND BUILDING MACHINE SITE H/G NC-H/G NC-OTHER GA LAND GA TOTAL HIGH TOTAL
2017 55,000 8,300 162,400 225,700
2016 55,000 8,300 162,400 225,700
2015 55,000 8,400 163,300 226,700

SALE DT BUYER SELLER IN VI QU SALE PRICE ADJ SPRICE PP OF NOTES

ISSUE DT PERMIT # TYPE DESCRIPTION AMOUNT PERMIT NOTES ASMT INFO LAND/GA BLDG/XFOB TOTAL
2017 55000 2 55000 B
GA

SEQ CLS/H/CHO REC CODE FLAGS FRONT DEPTH BACK DT NO UNITS UT UT PRICE DADJ Adj1 {A2} {A3} {A4} NBHD EFF RATE LINE VALUE
001 300 0 000 001 001561 1.000 AC 34200.000 1.00 1.00 1.00 1.00 1.00 1.00 34200.000 34,200
002 300 0 000 001 004337 6.500 AC 3200.000 1.00 1.00 1.00 1.00 1.00 1.00 3200.000 20,800

TOTAL FOR RECORD NUMBER 001 0.000 FF 0.000 EF 0.000 SF 7.500 AC 0.000 GA 55,000
TOTAL LAND VALUE 0.000 FF 0.000 EF 0.000 SF 7.500 AC 0.000 GA 55,000
    
```

# Identifying the Problem



NORTHERN STATES POWER CO  
414 NICOLLET MALL  
MINNEAPOLIS MN 55401-1993  
MINNEAPOLIS MN 55401-1993

ACRES: 7.50  
LEGAL SECT- 1 TWP-124 RANGE- 30  
DESC LEASE ON FR 7.50A OF NW4

PIN: <b>05.03570.0000</b>	TAG: <b>0502 COLLEGEVILLE 742</b>	Current owner: <b>NORTHERN STATES POWER CO</b>
AIN:	TIF:	Ownership type: <b>OWNER</b>
Status: <b>Active</b>	County: <b>73-Stearns</b>	Situs address:
Geocode: <b>05035700000</b>	Case:	Description: <b>LEASE ON FR 7.50A OF NW4</b>
Rev acct: <b>0000003931</b>	Pmt pln:	Class: <b>1 - Real Property</b>
Tax sale:	ACH pln:	Roll type: <b>Real Property</b>

Tax Year	2016 ▼
----------	--------

Parcel Area			⬆
Type	Amount	Unit of Measure	
Recorded	7.5000	Acres	

Type	▼				
------	---	--	--	--	--

Type ▶	Col 1 ▶	Col 2 ▶	Col 3 ▶	Col 4 ▶	Col 5 ▶
RSS Unplatted	Section 01	Township 124	Range 030		

Description					
RSS Unplatted:	Section 01 Township 124 Range 030				
Metes and Bounds:	LEASE ON FR 7.50A OF NW4				

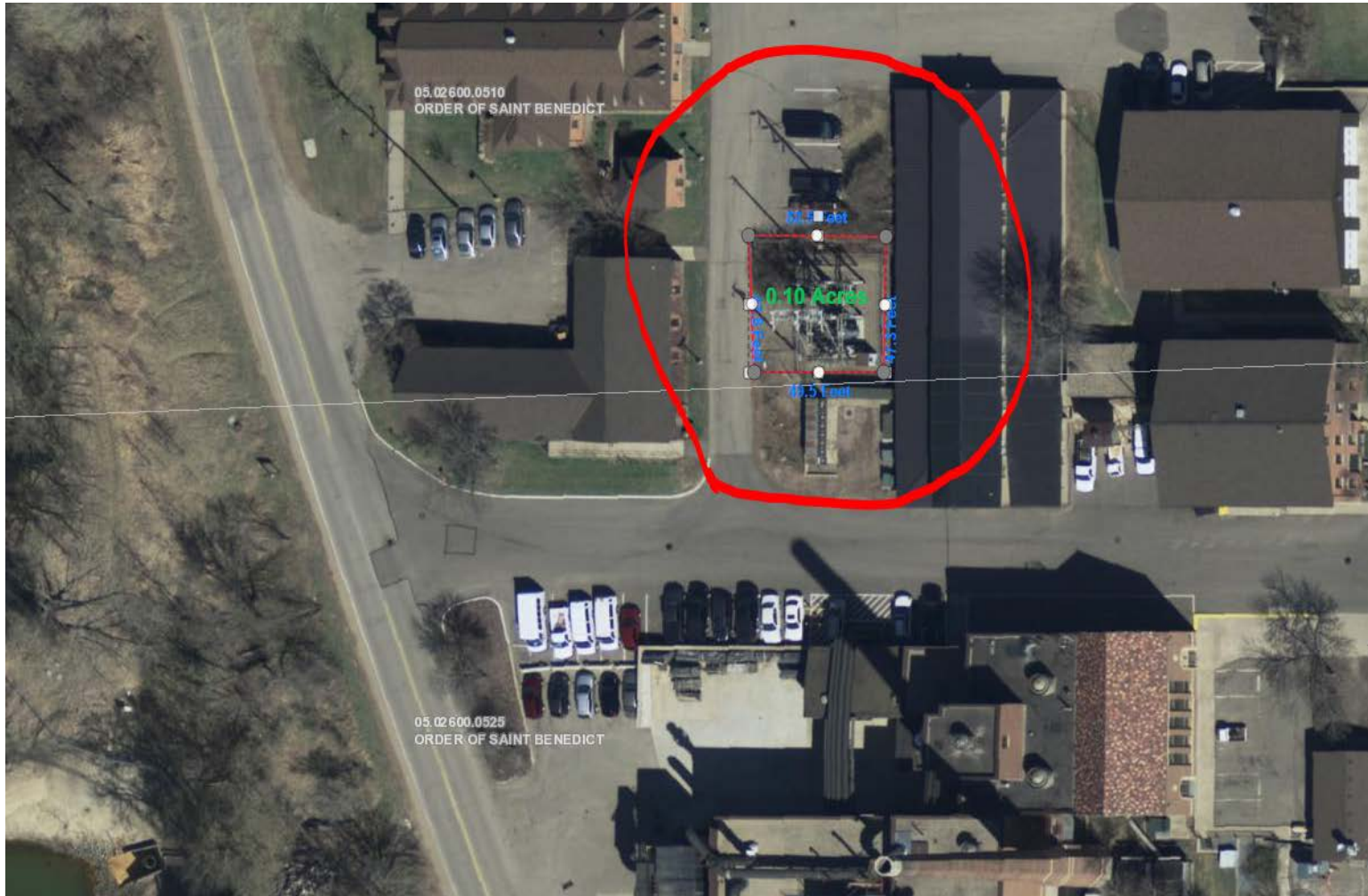
# Identifying the Problem



Remaining Photos for:



# Identifying the Problem

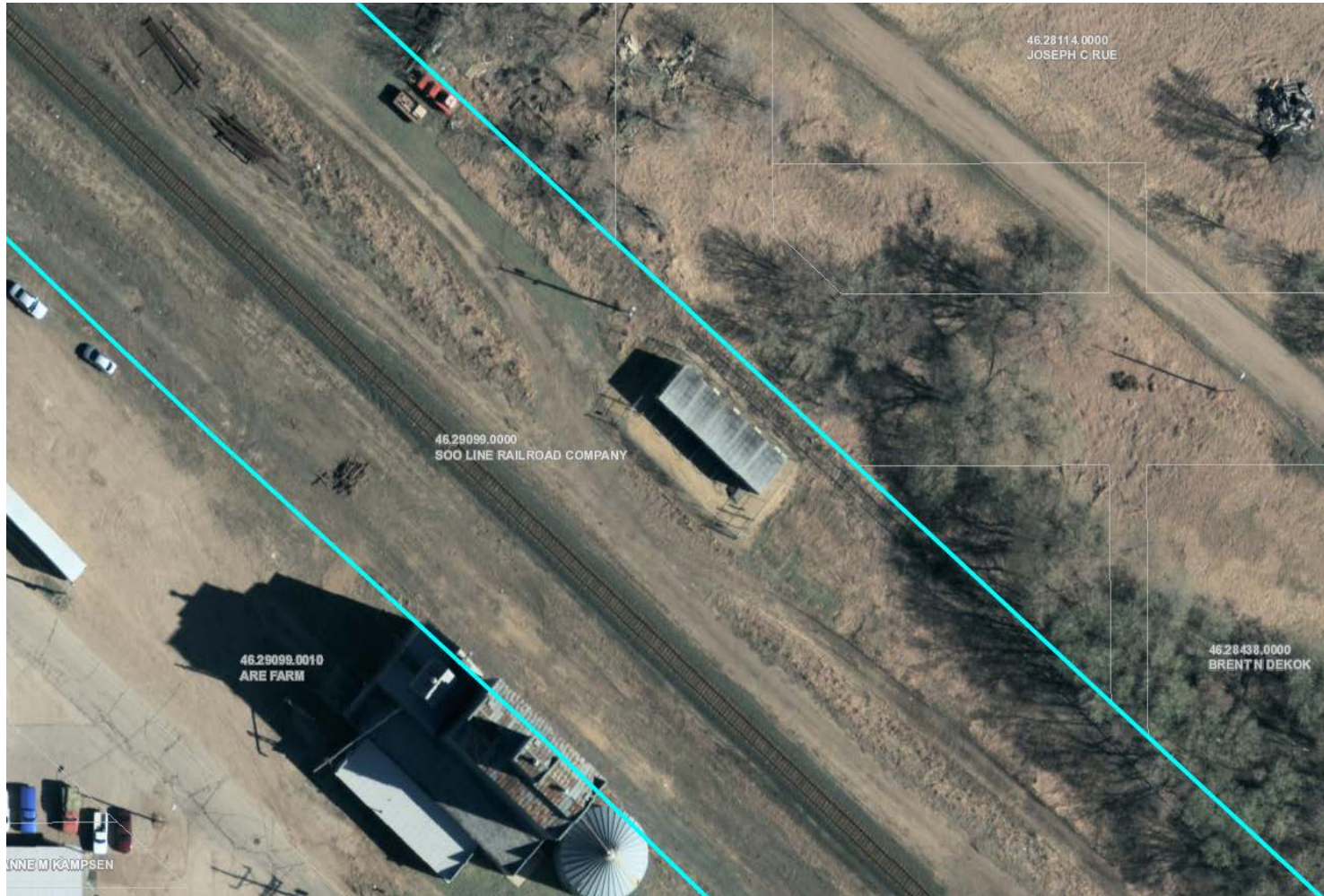




# Identifying the Problem



# Identifying the Problem





# Identifying the Problem

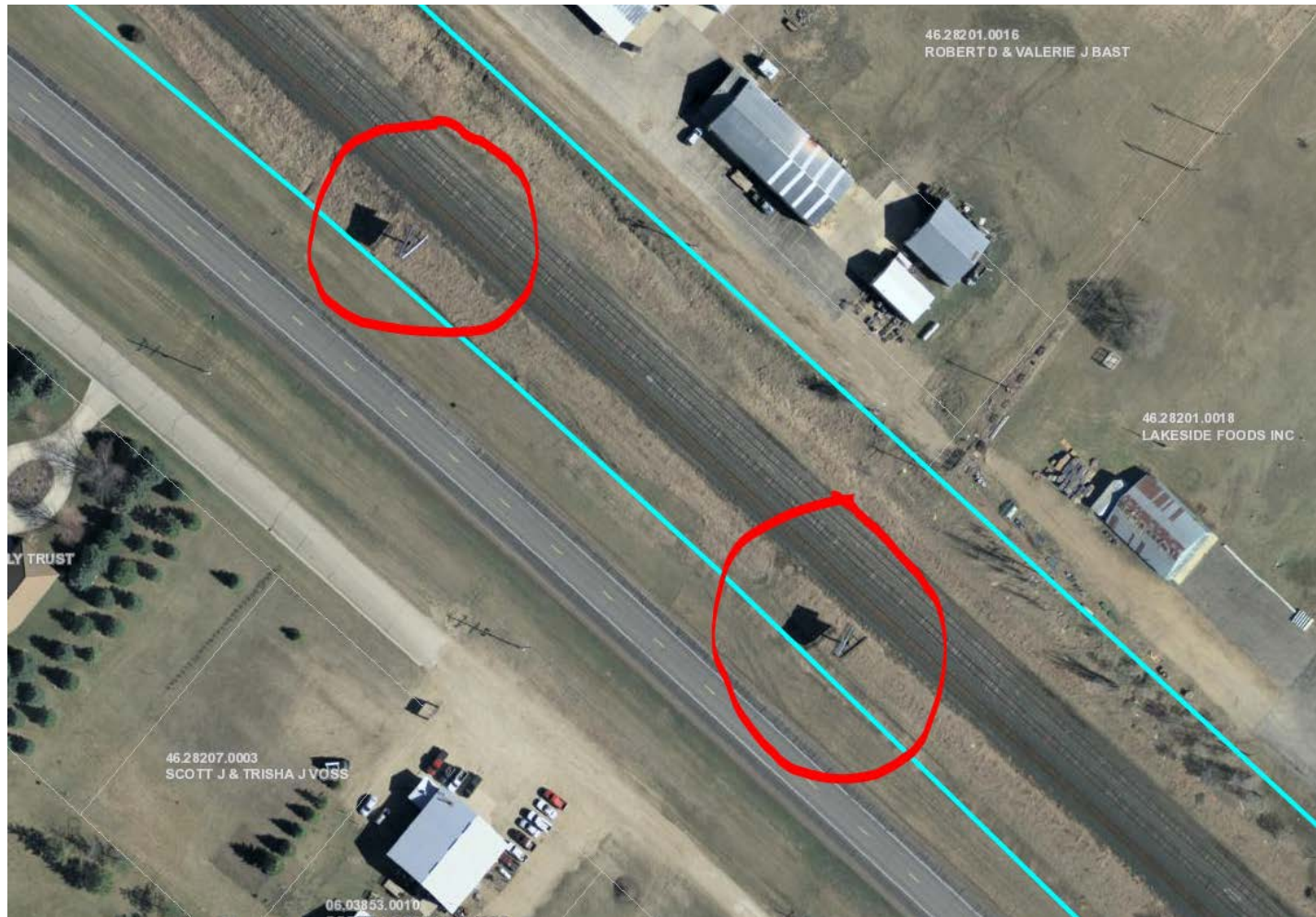


# Identifying the Problem





# Identifying the Problem



# Identifying the Problem



PIN: <b>44.27597.0001</b>	TAG: <b>4402 BELGRADE 2364</b>	Current owner: <b>SOO LINE RR CO(more)</b>
AIN:	TIF:	Ownership type: <b>OWNER</b>
Status: <b>Active</b>	County: <b>73-Stearns</b>	Situs address:
Geocode: <b>44275970001</b>	Case:	Description: <b>LEASE# 31290 9875 SF</b>
Rev acct: <b>0000073568</b>	Pmt pln:	Class: <b>1 - Real Property</b>
Tax sale:	ACH pln:	Roll type: <b>Real Property</b>

Tax Year	2016 ▼
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Parcel Area			⌵
Type	Amount	Unit of Measure	
Type		▼	

Description
Metes and Bounds: LEASE# 31290 9875 SF CITY OF BELGRADE

- Hard to tell from the legal if there are encroachments
- Hard to verify if acres/sf are correct
- RR and county/state need to work together to get better data

# Identifying the Problem



## How can we fix this problem?

- Statewide GIS (Geographic Information System)
- Consistent property record system
- Information sharing
  - Sources
  - Efficient processes

# Current Level of Information

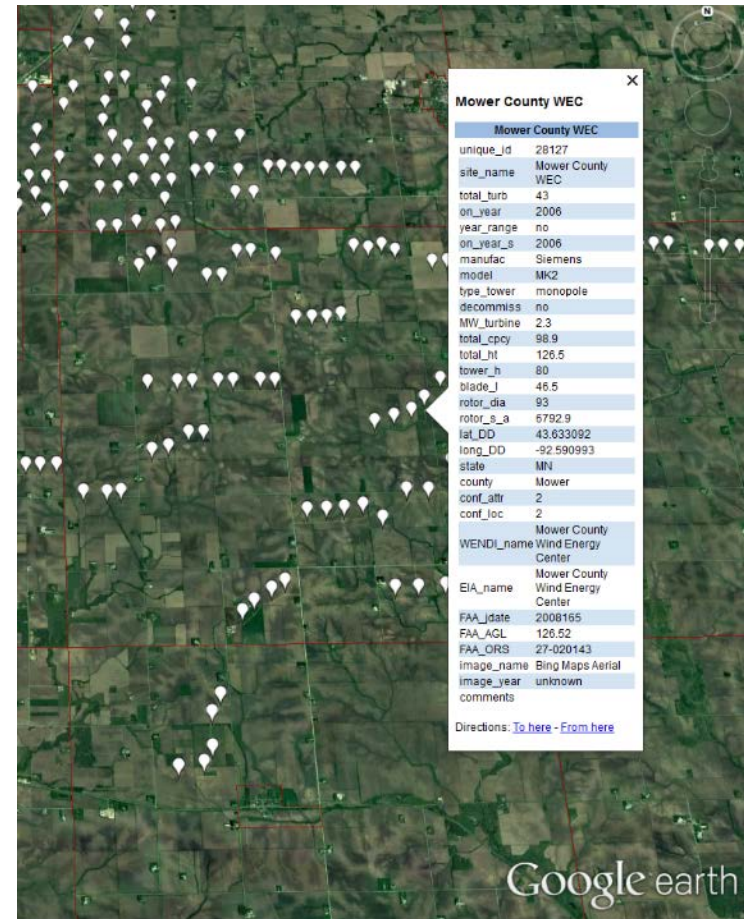
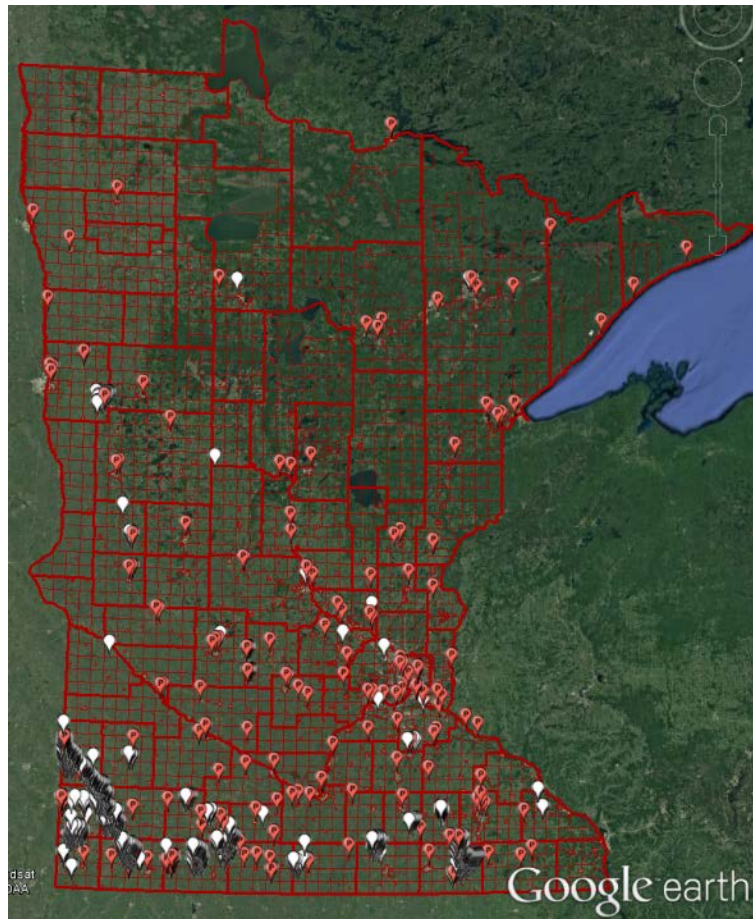


## What GIS information do we have?

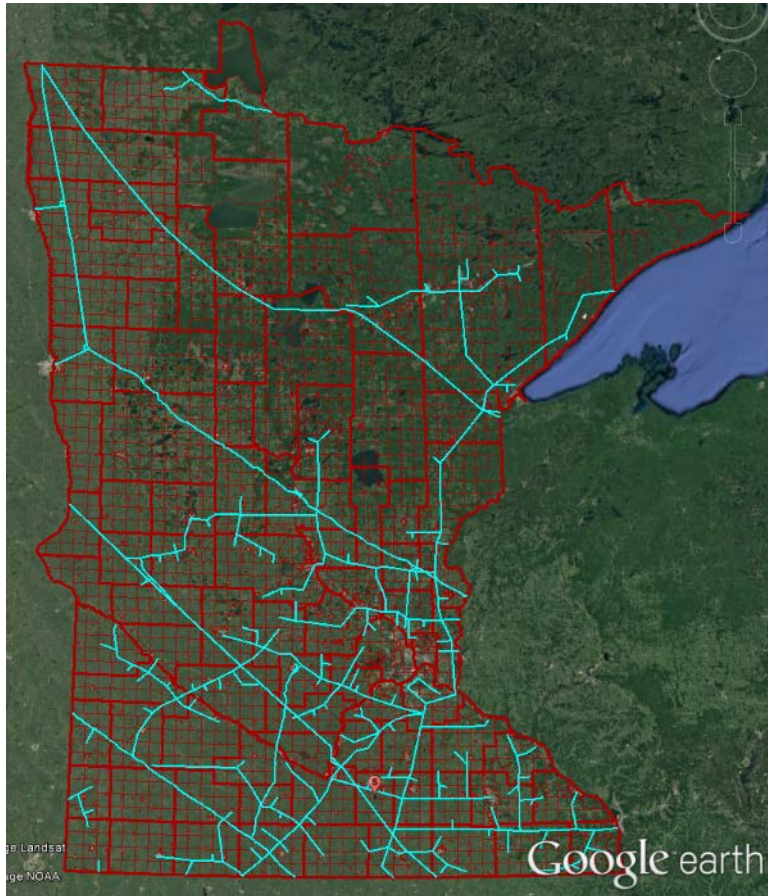
- **EIA GIS data**
  - Electric Power Plants
  - Wind Turbines
  - Natural Gas Pipelines & Storage
  - Liquid Pipelines & Terminals
- **MnDOT**
  - Railroad
- **MnDOT and MDE**
  - County, City/Twp/Unorg
  - School Districts



# EIA GIS Data: Electric Generation

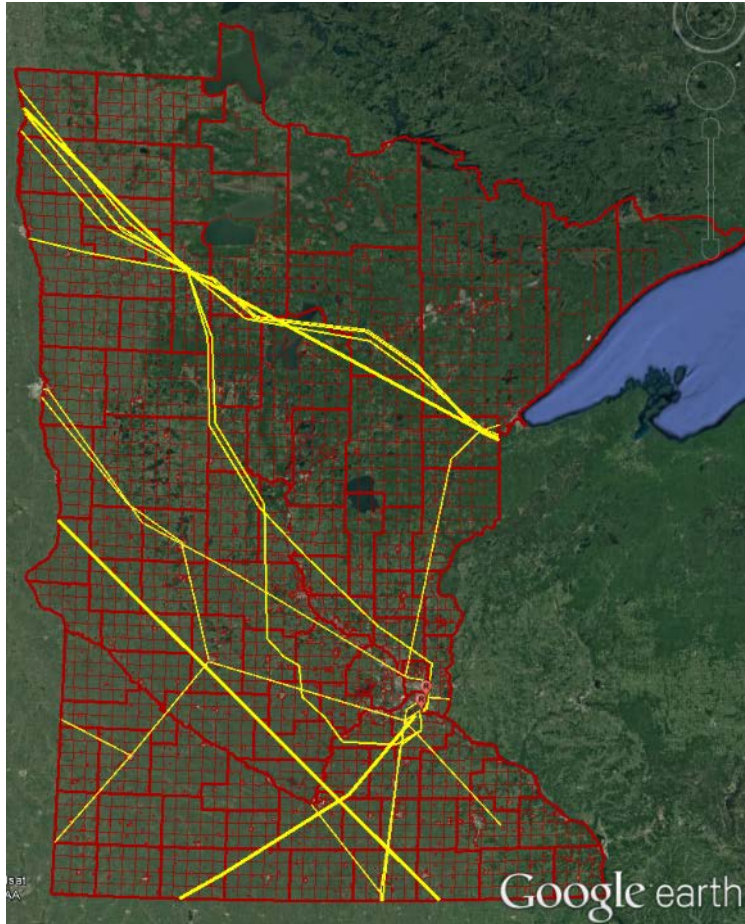


# EIA GIS Data: Natural Gas






# EIA GIS Data: Liquid Pipeline



# EIA GIS Data





*Independent Statistics & Analysis*  
U.S. Energy Information  
Administration

Sources & Uses ▾

Topics ▾

Geography ▾

Tools ▾

Learn About Energy ▾

News ▾

A-Z ▾  
Index



## MAPS

### Layer Information for Interactive State Maps

Associated maps

**D**  
Energy Disruptions

**F**  
Flood Vulnerability Assessment Map


**G**  
Gulf of Mexico Fact Sheet

**P**  
Major Oil and Gas Plays

**S**  
State Energy Profile Maps

**U**  
U.S. Energy Mapping System

Map symbols

 TrueType font file

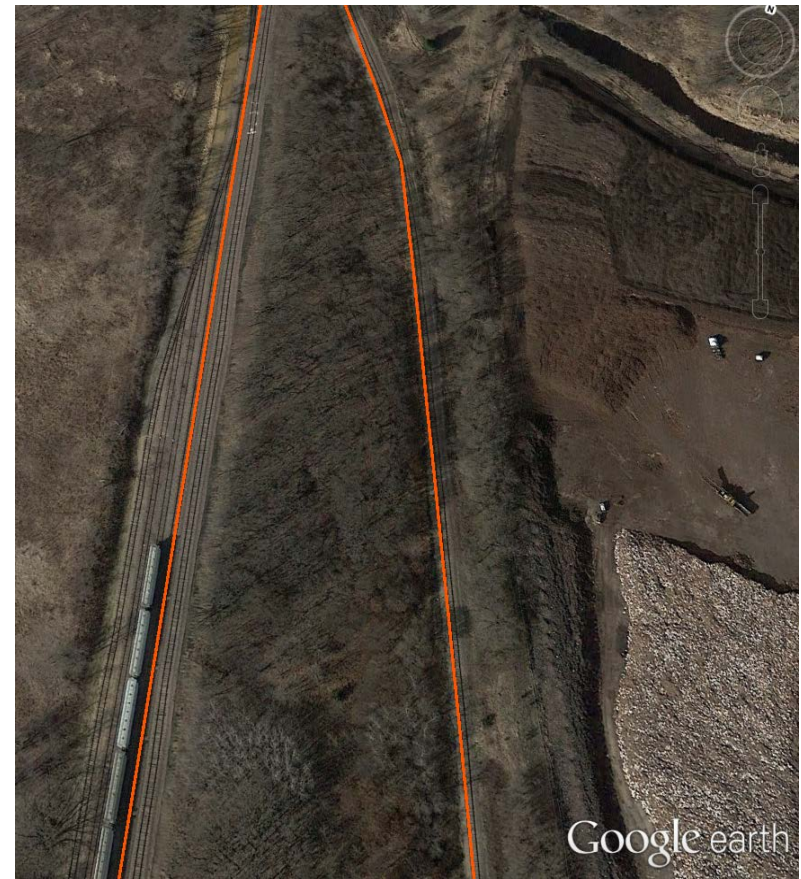
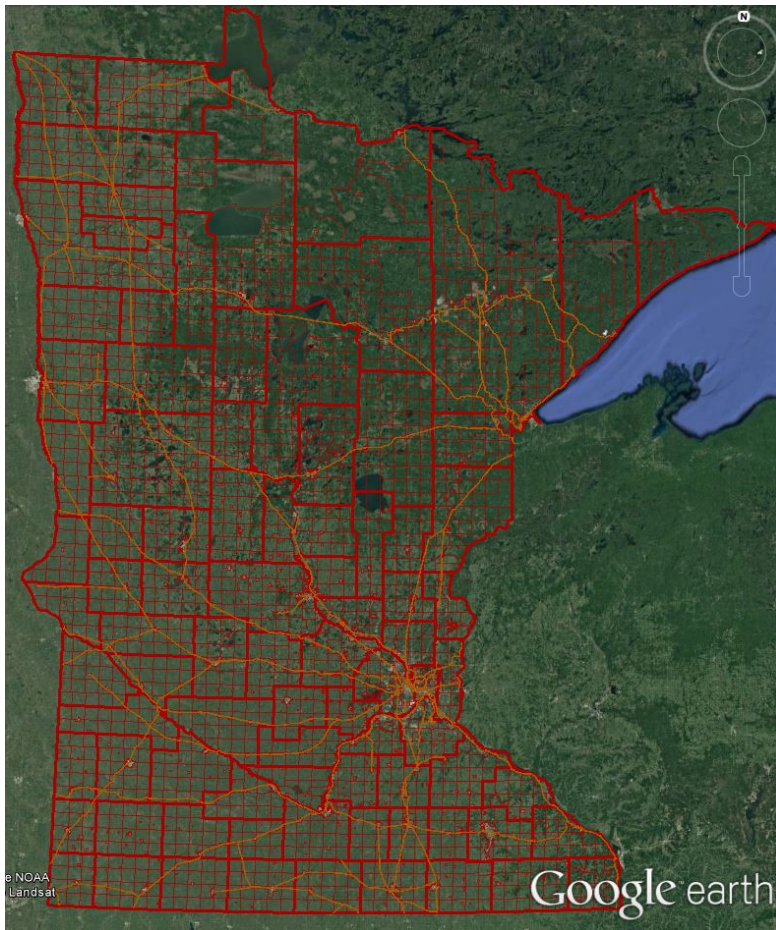
**Note:** Shapefiles listed below use geographic coordinate system WGS 84 - EPSG:4326.

Map layer	Description	Source	Data period	Update date	Map data	Associated maps
Biodiesel Plants	Biodiesel plants in the United States.	<a href="#">EIA-22M, Monthly Biodiesel Production Survey</a>	May 2015	3/11/2016	<a href="#">Shapefile</a>	<b>D</b> <b>G</b> <b>S</b> <b>U</b>

[http://www.eia.gov/maps/layer\\_info-m.php](http://www.eia.gov/maps/layer_info-m.php)



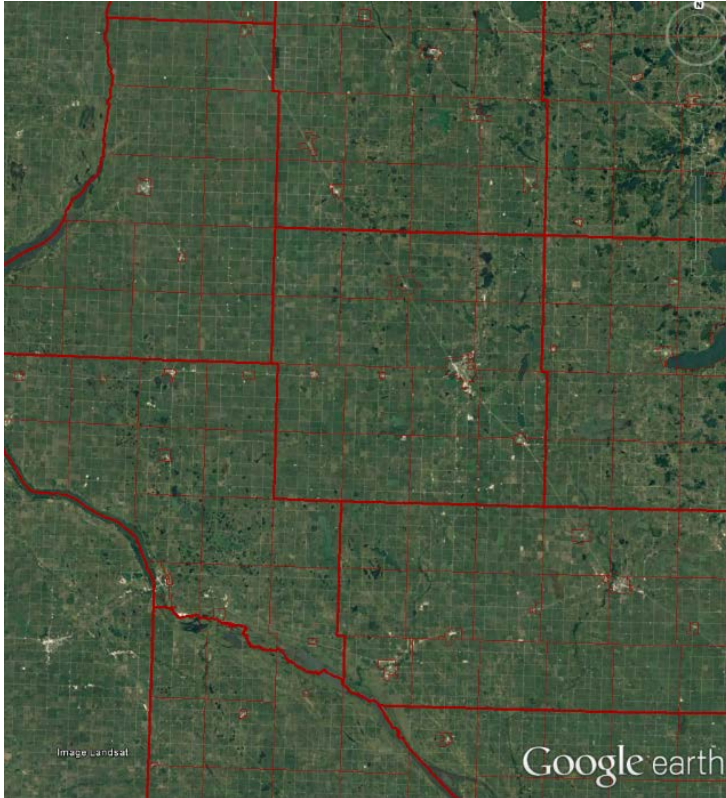
# MNDOT: Railroad



<https://gisdata.mn.gov/dataset/trans-rail-lines>

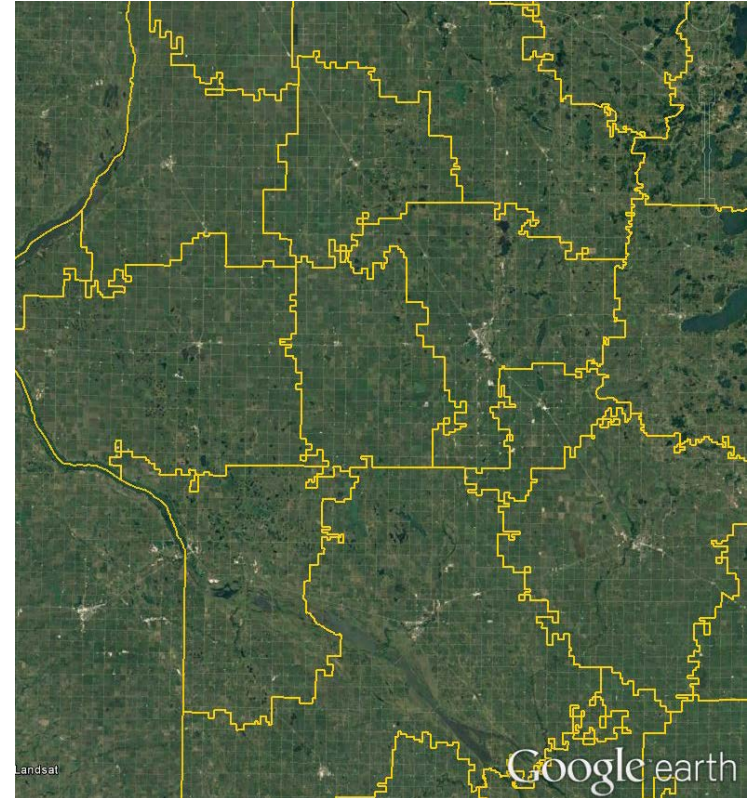


# MNDOT & MDE: Taxing Districts



**County & City/Twp/Unorg Layers**

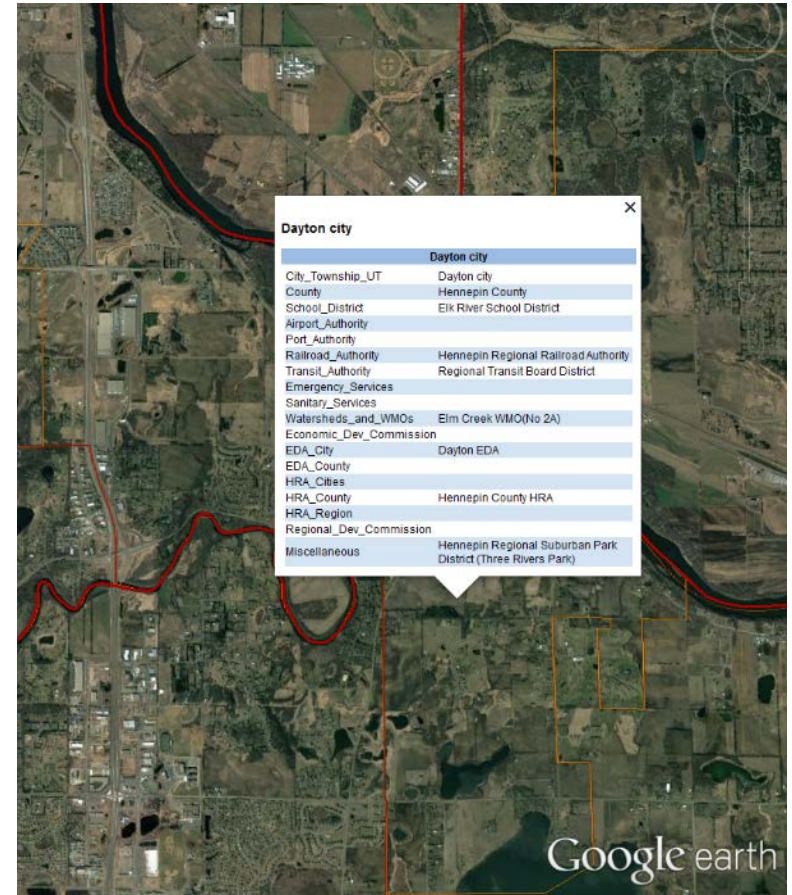
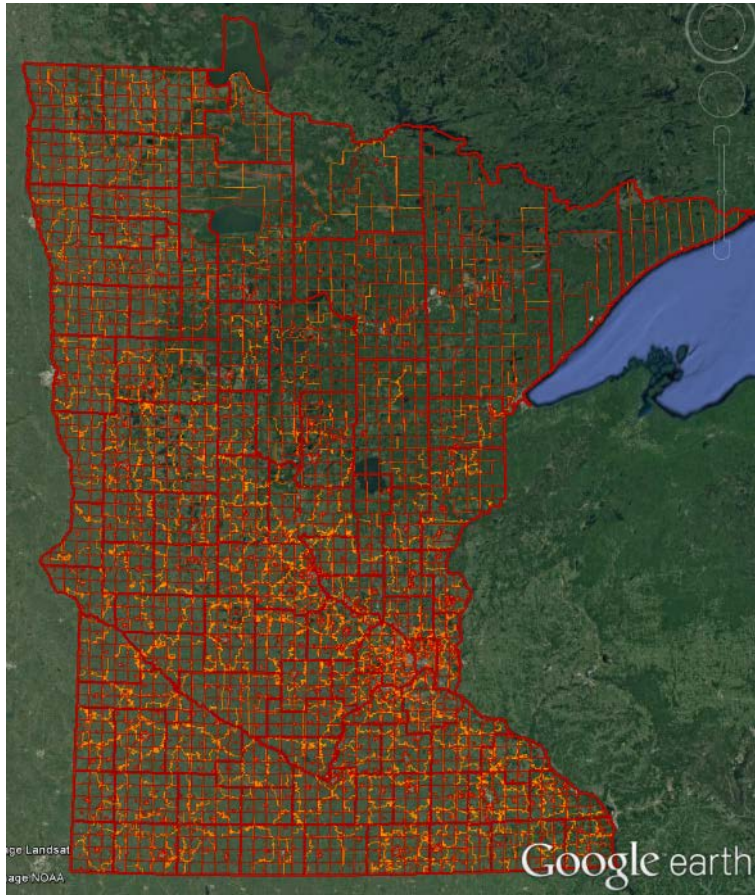
<https://gisdata.mn.gov/dataset/bdry-mn-city-township-unorg>



**School District Layer**

<https://gisdata.mn.gov/dataset/bdry-school-district-boundaries>

# Public Sources: Taxing Districts





# GIS Survey Results: County



## **Response Rate:**

79 responses of 87 counties

## **Does your county have GIS?**

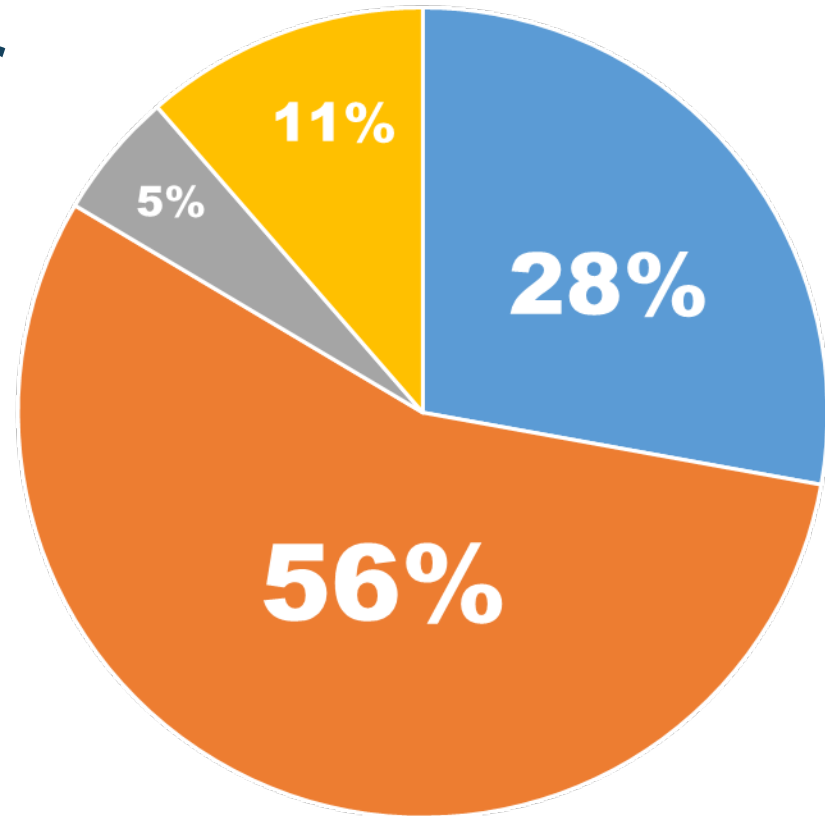
100% - Yes



# GIS Survey Results: County



**To what extent is your county's GIS data available to the public?**



■ All ■ Limited ■ None ■ Other

# GIS Survey Results: County



## **At what level does your county map GIS information related to state assessed property?**

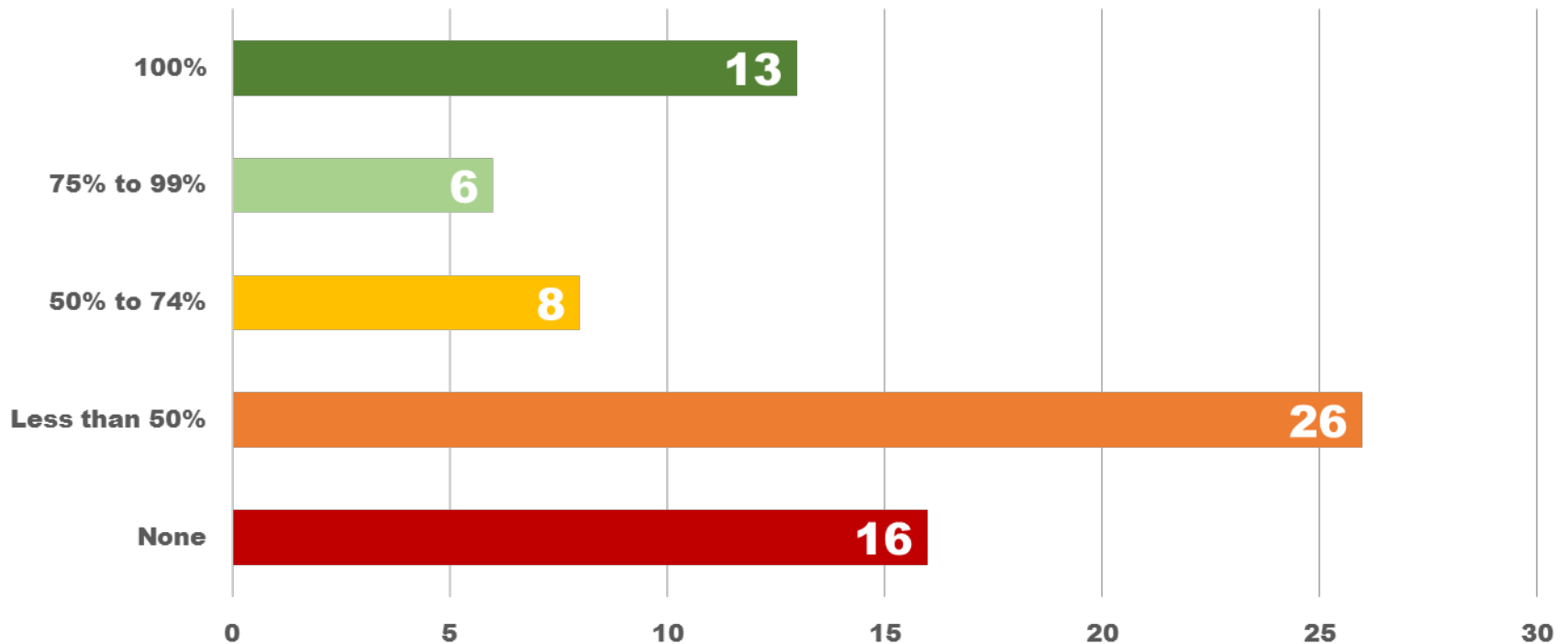
### Summary of Answers:

- About half of the responses indicate state assessed parcels are mapped to some extent.
- Of the state assessed property mapped, it ranges in the level of GIS information available.

# GIS Survey Results: County



**How much of your State Assessed Property is Electronically Mapped?**



# GIS Survey Results: County



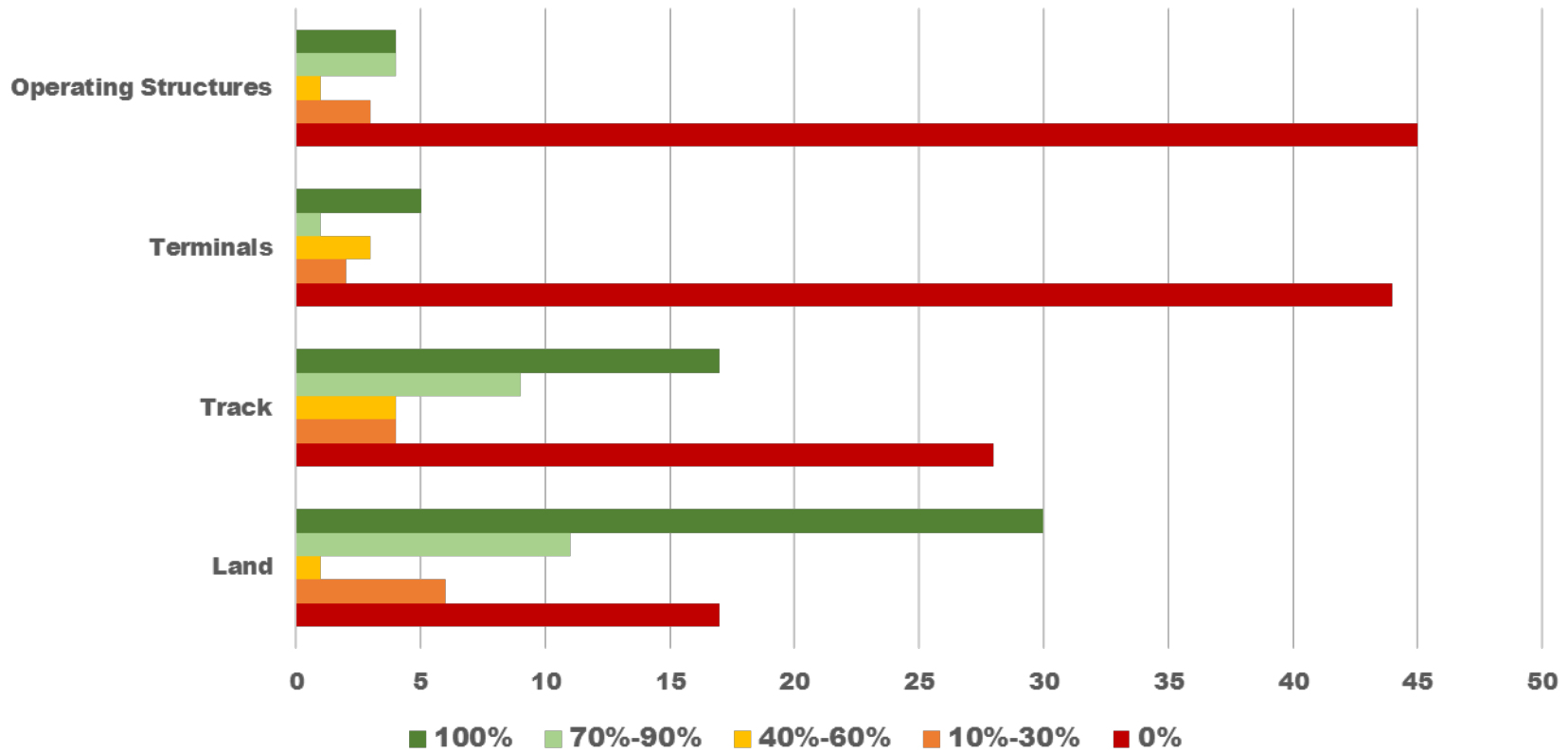
## What property is not mapped?

- Personal Property
  - Gas & Electric Distribution
  - Gas & Electric Transmission
  - Pipeline
  - Machinery
- Easements
- Varies depending on it's location

# GIS Survey Results: County



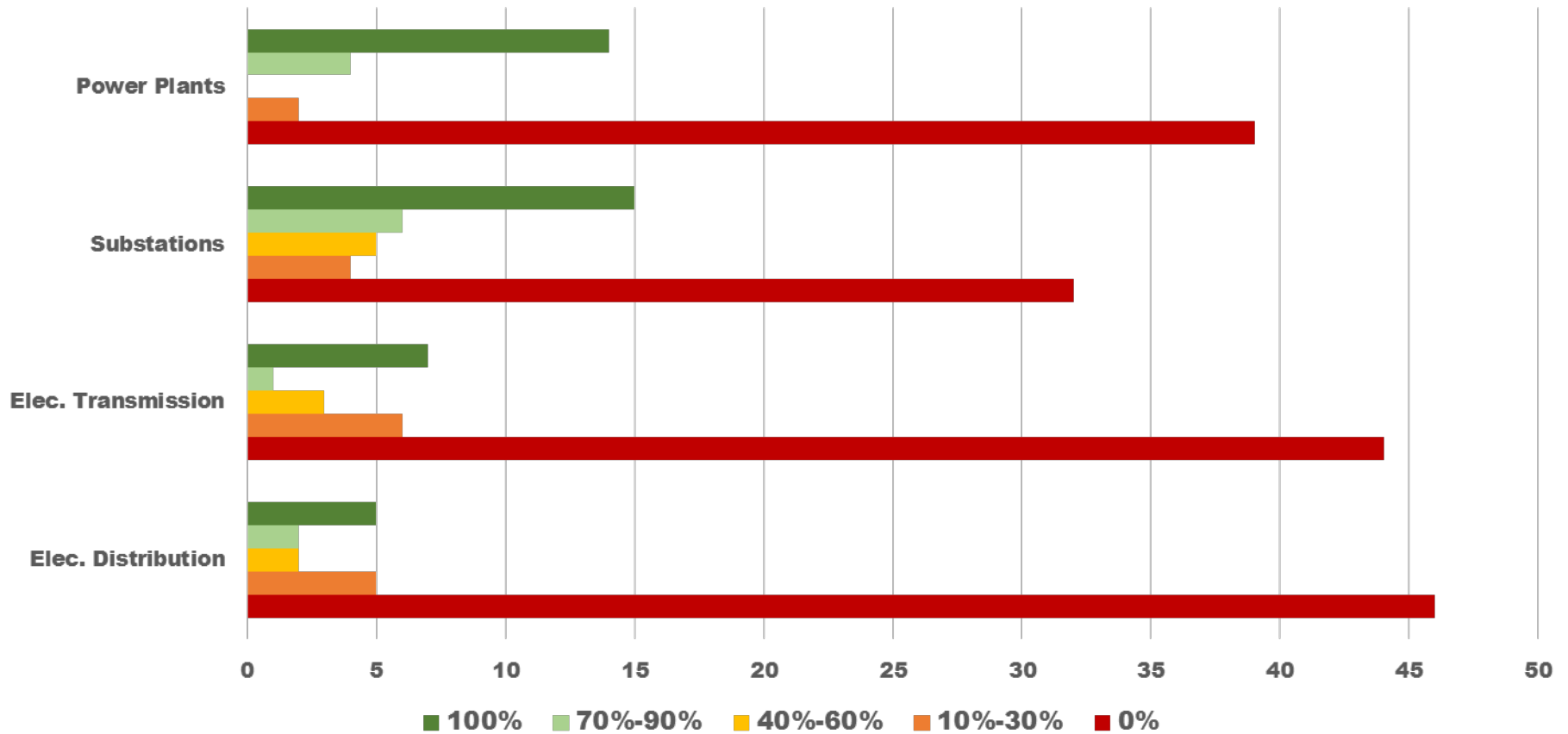
## Railroad Operating Property Mapped



# GIS Survey Results: County



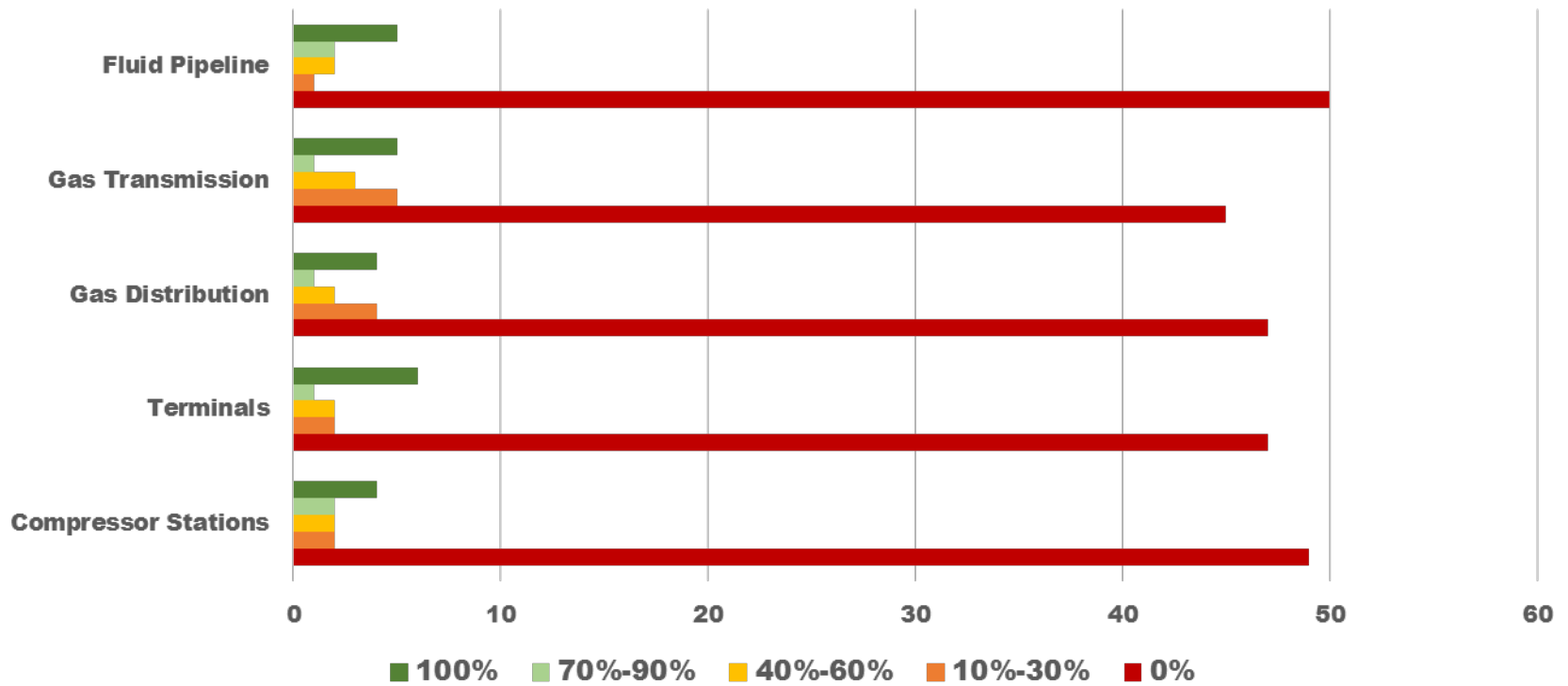
## Electric Operating Property Mapped



# GIS Survey Results: County



## Other Utility & Pipeline Operating Property Mapped



# GIS Survey Results: County



**Please describe where and how your county collects or has collected location information of property within your county.**

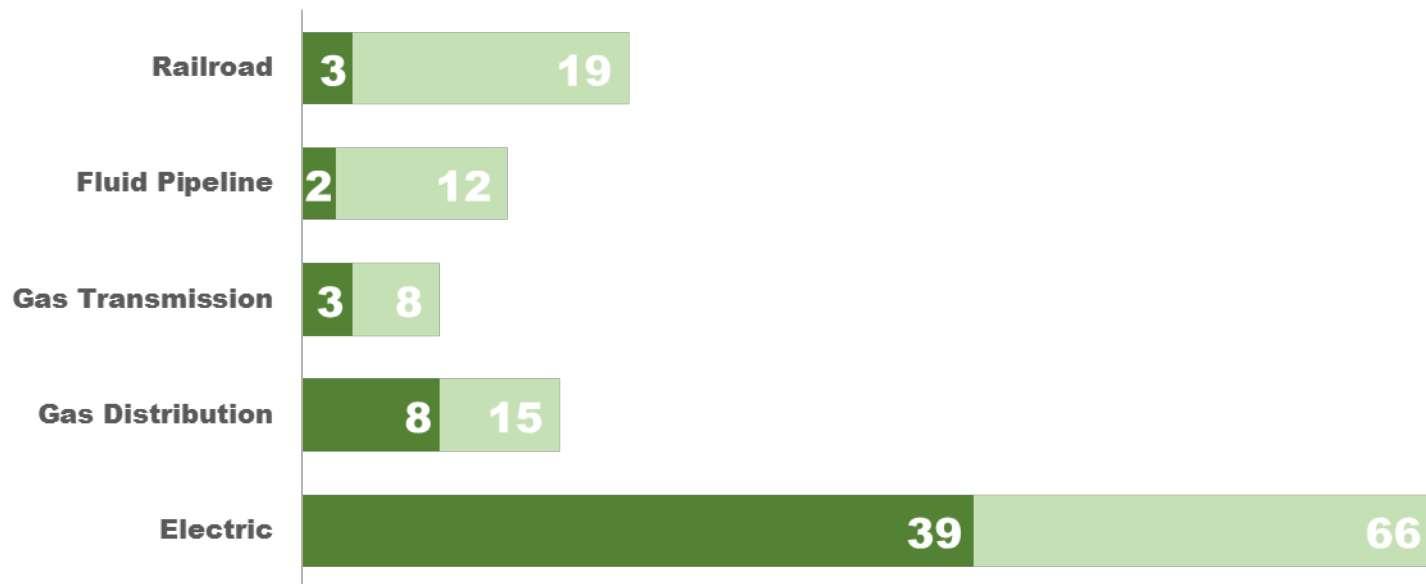
- Company Records
- Aerials
- Deeds
- Surveys
- State Agencies
- Legal Descriptions
- Pictometry
- Physical Inspection
- GIS Mapping
  - Based on own records
  - 3<sup>rd</sup> Party
- County Recorder
- County Auditor
- Sales Verification



# GIS Survey Results: Company



**Response Rate:**  
**52 of 120 companies**



# GIS Survey Results: Company



**How does your company track its operating property?**

Of the 39 who responded:

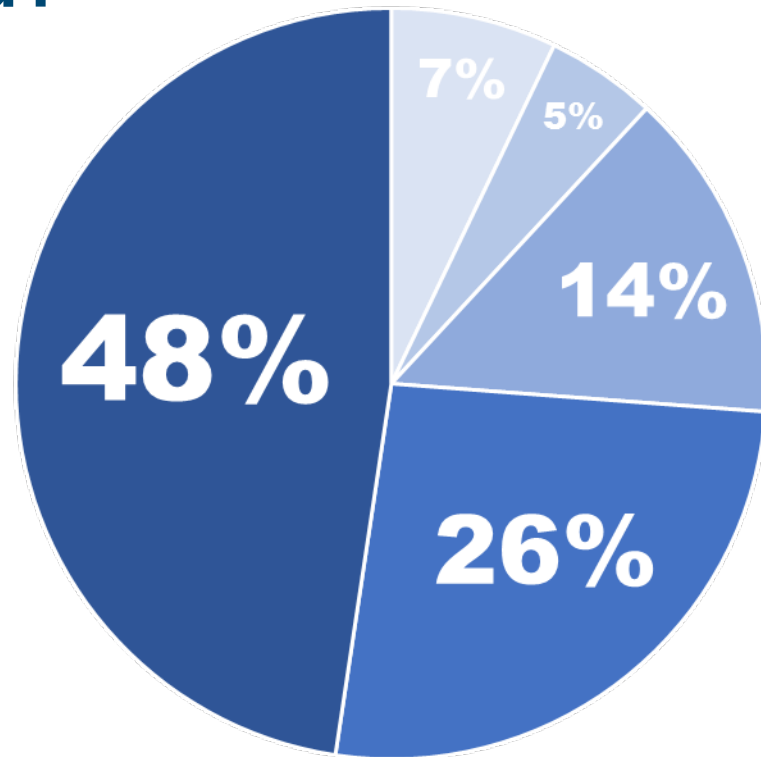
- GIS : 29
- Drawn Maps, but without GIS : 4
- Without GIS or Drawn Maps: 3

# GIS Survey Results: Company



**How much of your operating property is electronically mapped?**

- ☐ **None**
- ☐ **Less than 50%**
- ☐ **50% to 74%**
- ☐ **75% to 99%**
- ☐ **100%**



# GIS Survey Results: Company



**Please describe what property is not yet electronically mapped:**

- Distribution System
- Easements
- Construction Work in Progress
- Parcel Boundaries

# GIS Survey Results



## **What is the GIS survey for?**

- Learn how counties and companies store location information
- Learn what can and cannot be shared
- Improve communication

# Contact



## **State Assessed Property Section**

### **Contact Information**

**Email:** [sa.property@state.mn.us](mailto:sa.property@state.mn.us)

**Phone:** 651-556-6091





This presentation is for educational purposes only. It is meant to accompany an oral presentation and not to be used as a standalone document.

This presentation is based on the facts and circumstances being discussed, and on the laws in effect when it is presented. It does not supersede or alter any provisions of Minnesota laws, administrative rules, court cases, or revenue notices.

If you have any questions, contact us at [sa.property@state.mn.us](mailto:sa.property@state.mn.us), 651-556-6091, or consult a tax professional.

# **2017 Fall Forum**

## **PRISM and Data Reporting**

**Adam Hupach**  
Department of Revenue

# Outline

1. PRISM Overview
2. Timeline
3. PRISM in depth
4. Power Lines and PRISM
5. PRISM's Future

# PRISM Overview

- Property Record Information System of Minnesota (PRISM)
- Provides property tax related data to the Minnesota Department of Revenue
- 4 submissions 1 format. Down from a dozens of abstracts with different formats.
- Parcel-level property tax data rather than summary-level will improve
  - Equalization
  - Audits (values, taxes, credits, etc)
  - Research, Data, and Analysis:
    - Economic Models
    - Evaluating Tax Policy proposals
    - Administration of programs
    - Calculating Aid and Credit Payments
    - Data Requests from outside groups e.g. Working Groups, Universities, County/City/Town groups, the public

# PRISM Timeline

PRISM Reporting				
PRISM Submission		Due		Abstract
Number	Name	Day	First Year	
1	Preliminary Assessment	April 1	2017	Spring Mini
2	Adjusted Assessment	September 1	2016	Fall Mini
				Abstract of Assessment
				Exempt Property – Every 6 years
				PILT Supplement – Every 6 years
3	Final Assessment & Tax	April 1	2017	Abstract of Tax Lists
				TIF Supplement
4	Manufactured Home	September 1	2017	Manufactured Home Abstract

# Submission 1

- Due April 1 of assessment year
- First PRISM submission due April 1, 2017
- Supplies estimated market values by property type before any local or state ordered value changes
  - Reports the information included on the valuation notice
- Used to identify changes in market value and determine State Board Orders and per acre values
- Other data reported:
  - Acreage, Green Acres, special programs, improvement values, Plat Law, class shifts
- Replaces Spring Mini and Market Value by Parcel file



# Submission 2 – Mini and MVP

- Due September 1 of assessment year
- First PRISM submission due September 1, 2016
- Replaces Fall Mini, Fall Market Value by Parcel File, Assessment Abstract, Exempt and PILT
- Supplies final market values after all changes to the assessment
  - Should be the same as values provided on the assessment abstract
- Used to study implementation of State Board Orders, changes in market value, and per acre values
- Other data reported:
  - Acreage, Green Acres, special programs, improvement values, Plat law, class shifts

# Submission 2 - Assessment Abstract

- Due September 1 of assessment year
- First PRISM submission due September 1, 2016
- Replaces Fall Mini, Fall Market Value by Parcel File, Assessment Abstract, Exempt and PILT
- Official certification of the values for real and personal property
  - Forms basis of tax rate calculations and establishes the tax bases used for extending property taxes to individual properties
- Used for calculation of various aids and the state general tax rate
- Compared with the Submission 3 to check changes in value
- Other data reported:
  - Market values, tax capacities and counts, total tax capacities, total market values, contamination market values, JOBZ values, fiscal disparity values

# Submission 2 – Exempt Abstract & PILT Supplement

- Due September 1 of assessment year – Every 6<sup>th</sup> year
- First PRISM submission due September 1, 2016
- Replaces Fall Mini, Fall Market Value by Parcel File, Assessment Abstract, Exempt and PILT
- Exempt reports exempt real property along with ownership, market value, and exempt use type
- PILT Supplement reports acres and market value for DNR PILT land
- Both are used in state fire aid calculation
- Exempt and PILT were the most highly requested abstracts

# Submission 3 – Abstract of Tax Lists

- Due April 1 of payable year
- First PRISM Submission due April 1, 2017
- Replaces the Abstract of Tax Lists and the TIF Supplement
- Summarizes the extension of real estate and personal property taxes, as sent out on the property tax statements
- Used for certification of state paid credit amounts
- Provides data for allocating credits and to calculate transmission and distribution line taxes
- Other data reported:
  - Net tax capacities, special assessments, taxes levied, credits, initial tax rates, local tax rates, excess tax increment, disparity reduction aid, state paid relief aid, fiscal disparity contribution percent, transmission and distribution line taxes, market values, referendum market value based rates, contamination tax, senior citizens deferred tax

# Submission 3 – TIF Supplement

- Due April 1 of payable year
- First PRISM Submission due April 1, 2017
- Replaces the Abstract of Tax Lists and the TIF Supplement
- Summarizes the extension of tax increment taxes each year
- Used by the State Auditor in audits of TIF district annual reports and to pre-populate certain data fields of reports
- Used by outside sources, such as TIF consultants and lawyers
- Other data reported:
  - TIF district identifiers, contact info, dates, number of parcels, aggregate local tax rate, district expansions, net tax capacities, TIF taxes, apportions credits to TIF districts



# Submission 4

- Due September 1
- First PRISM Submission due September 1, 2017
- Replaces the Manufactured Home Abstract
- Hybrid of Submission 1 and 3 for manufactured homes
  - Assessed and payable in the same year
  - Reported separately from real property
- Summarizes the extension of manufactured home property taxes each year, including values, levies and credits for personal property manufactured homes
- Used for certification of state paid credits

# Power Line Credit – Key Values

- Power Line parcels
  - Parcel ID
  - Line Length
- Parcels with Power Lines over them
  - Line Parcel ID
  - Percentage of Line on Parcel
- Values will come from Submission 3

# PRISM Stake Holders

- Property Tax, Property Tax Research, Department of Revenue Research
- House and Senate Research
- State Agencies:
  - Department of Natural Resources
  - Department of Education
- League of Minnesota Cities
- Universities
- Utility Companies
- The public
- Many others

# Future of PRISM

- New audits
- New reports
- New data fields
- GIS information and maps
- Improved Data Access

Questions?



# County Perspectives



Steve Hacken, Winona County Assessor



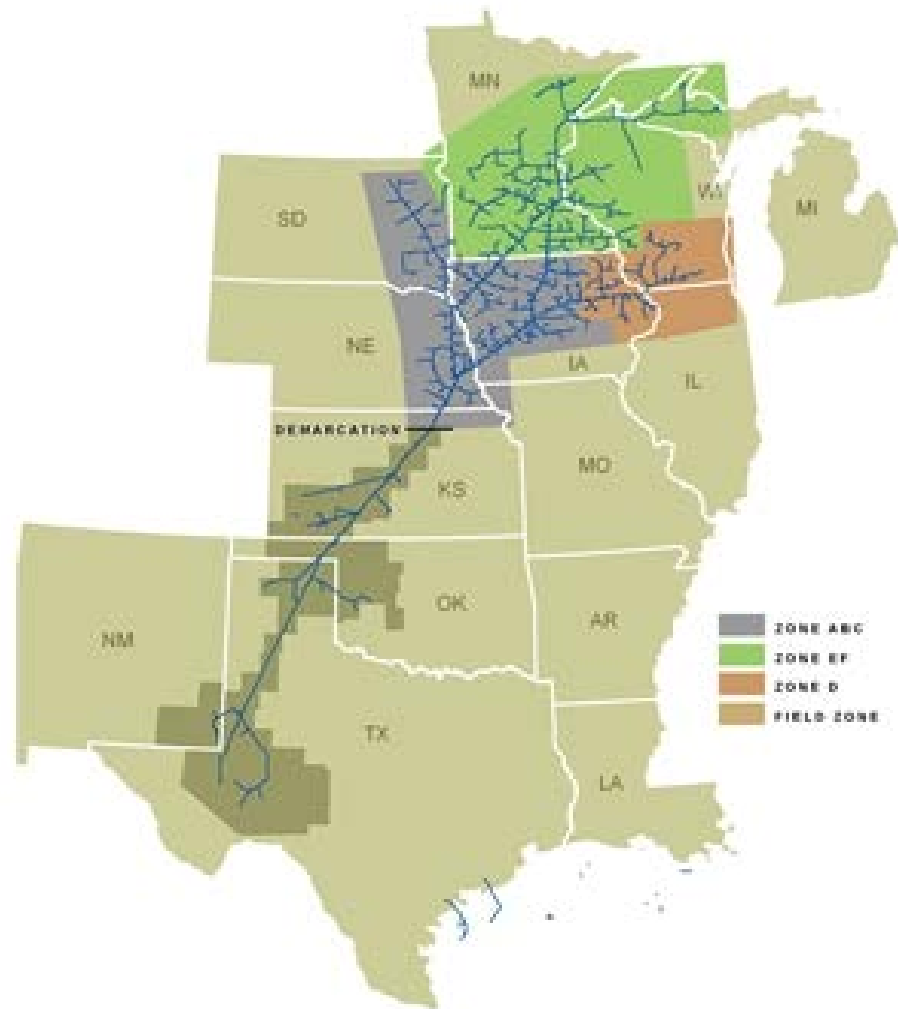
<http://www.co.winona.mn.us/>



Distribution of Values-Industry Perspective  
Minnesota Fall Forum  
November 2, 2016

Joann Wright & Mac Walton

# Northern Natural Gas System



# Minnesota Statistics

- 3,342 miles of pipeline, from 2"-36"
- 13 compressor stations
- LNG Storage facility
- Over 100 employees in Minnesota
- Property in 60 counties
- Paid \$16.8 million in property tax (2015)
- Assets put in service between 1938 thru 2016

# Minnesota System Map





# Unit Value Process

- Theory of Unit Value: The system value is different than a sum of all the assets.
  - values the entire system
  - value is then allocated from the unit to the state
    - Gross plant (75%)
    - Throughput (25%)
  - taxable Minnesota value is apportioned out to each county/taxing jurisdiction **on the basis of the company's historical cost**

# Filing Requirements

- NNG reports our *original cost* on each parcel in an electronic spreadsheet that is part of our filing documents returned to the Department of Revenue.

# Property Record File

Company ID	DUH	Parcel ID	County Name	City/Town Name	Property Name	New or Retired (0=New, 1=Pre-Existing)	Property Type Description	Prior Year Cost	Current Yr Additions	Current Yr Retirement	Cost of Pollution Control/Specific	Current Yr Total Cost	Company's Explanation
038	0049	P43.99.99.000.100	BLUE EARTH	TWP SHELBY			1 Trans Pipeline	444.00	15.00	0.00	0.00	459.00	
038	0050	P43.99.99.000.400	BLUE EARTH	TWP SHELBY			1 Trans Pipeline	121,393.00	3,995.00	0.00	0.00	125,388.00	
038	0051	P50.99.99.000.500	BLUE EARTH	TWP SOUTH BEND			1 Trans Pipeline	96,534.00	3,177.00	0.00	0.00	99,711.00	
038	0052	P52.99.99.000.400	BLUE EARTH	TWP VERNON CENTER			1 Trans Pipeline	908,114.00	23,888.00	0.00	0.00	938,002.00	
038	0724	R38.07.20.400.003	BLUE EARTH	TWP JUDSON	OVER		1 Other Machinery	31,755.00	0.00	27,312.00	0.00	3,843.00	Asset record cleanup
038	0725	R38.07.32.200.003	BLUE EARTH	TWP JUDSON	LAKE CRYSTAL TBS 1&2		1 Other Machinery	172,666.00	14,797.00	0.00	0.00	187,463.00	
038	0725	R38.07.32.200.003	BLUE EARTH	TWP JUDSON	LAKE CRYSTAL TBS 1&2		1 Structure, Owned Land	1,025.00	0.00	0.00	0.00	1,025.00	
038	0726	R33.10.19.300.004	BLUE EARTH	TWP LERAY	EAGLE LAKE TBS		1 Other Machinery	124,243.00	0.00	85,943.00	0.00	38,300.00	Asset record cleanup
038	0726	R33.10.19.300.004	BLUE EARTH	TWP LERAY	EAGLE LAKE TBS		1 Structure, Owned Land	4,416.00	0.00	3,509.00	0.00	907.00	Asset record cleanup
038	0727	R43.09.22.400.001	BLUE EARTH	TWP MANKATO	MANKATO TIE OVER STA		1 Other Machinery	52,950.00	0.00	48,047.00	0.00	4,903.00	Asset record cleanup
038	0727	R43.09.22.400.001	BLUE EARTH	TWP MANKATO	MANKATO TIE OVER STA		1 Structure, Owned Land	10,477.00	0.00	10,477.00	0.00	0.00	Asset record cleanup
038	0728	R01.09.19.226.001	BLUE EARTH	CITY MANKATO	MANKATO TBS #11#1C/#6		1 Other Machinery	469,651.00	74,216.00	0.00	0.00	543,867.00	Asset record cleanup
038	0728	R01.09.19.226.001	BLUE EARTH	CITY MANKATO	MANKATO TBS #11#1C/#6		1 Structure, Owned Land	66,331.00	13,796.00	0.00	0.00	80,127.00	Asset record cleanup

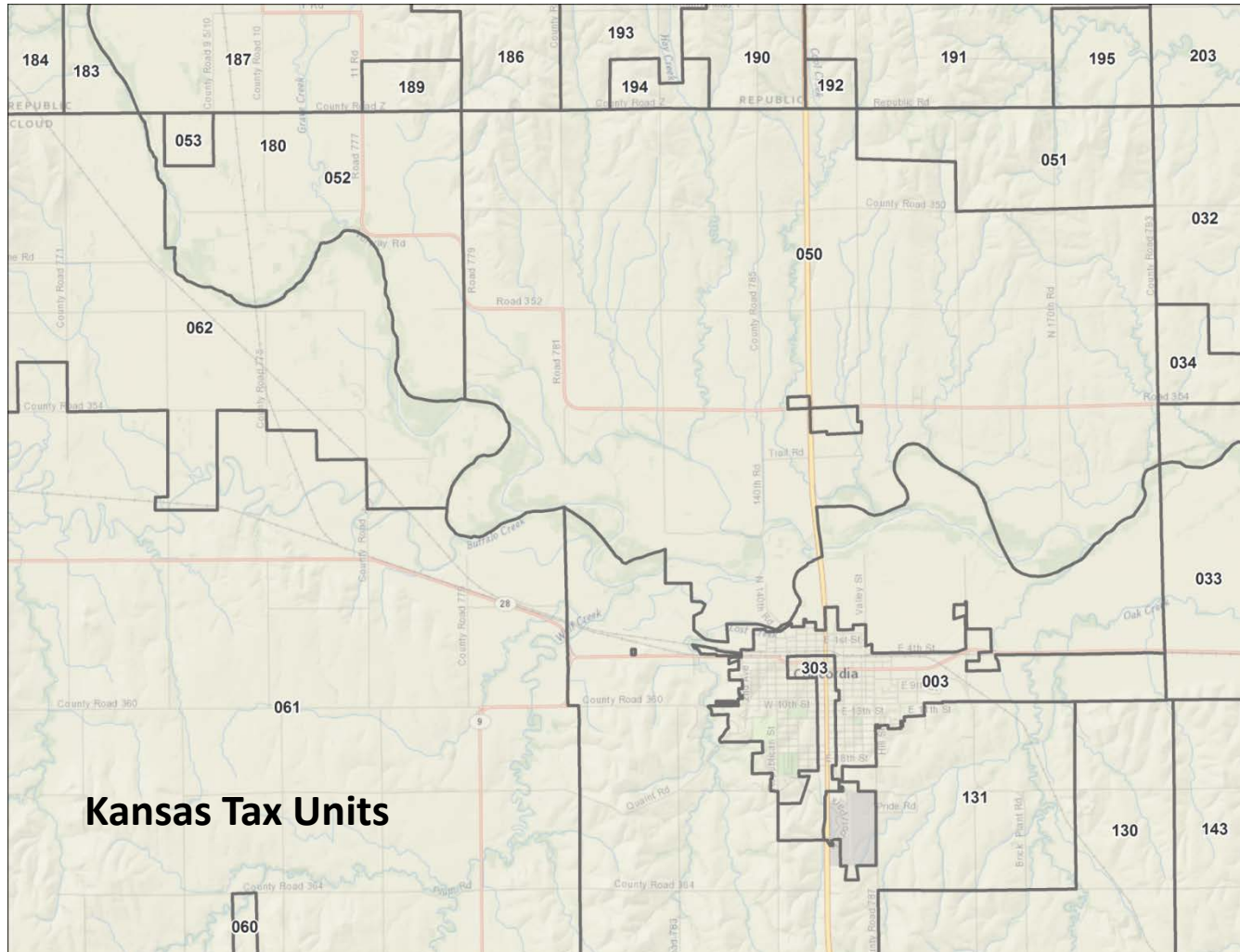
# What we think we need to provide

- Investment (original cost) by taxing district
  - Stations easily identified
    - Usually own the land
    - Costs are separated in fixed asset system
      - By Major Location and Asset Location
      - By FERC account
  - Pipeline
    - Usually on an easement
    - Costs are not easily extracted
      - Major Locations only
    - Overhead and other non-location specific costs are allocated

# Challenges

1. Parcel ID requirement
  - Tie to the landowner?
  - Owned vs. Leased
2. Volume of parcels
  - 1,500+ parcels, mailings of over 5,000 pieces
  - Summary statements needed
3. Explanation of cost change above 10%
4. Locally assessed values
  - Truth in Taxation statements
5. Property Record Excel file structure
  - One line per parcel
6. Transition in property record accounting methods and systems (internal)

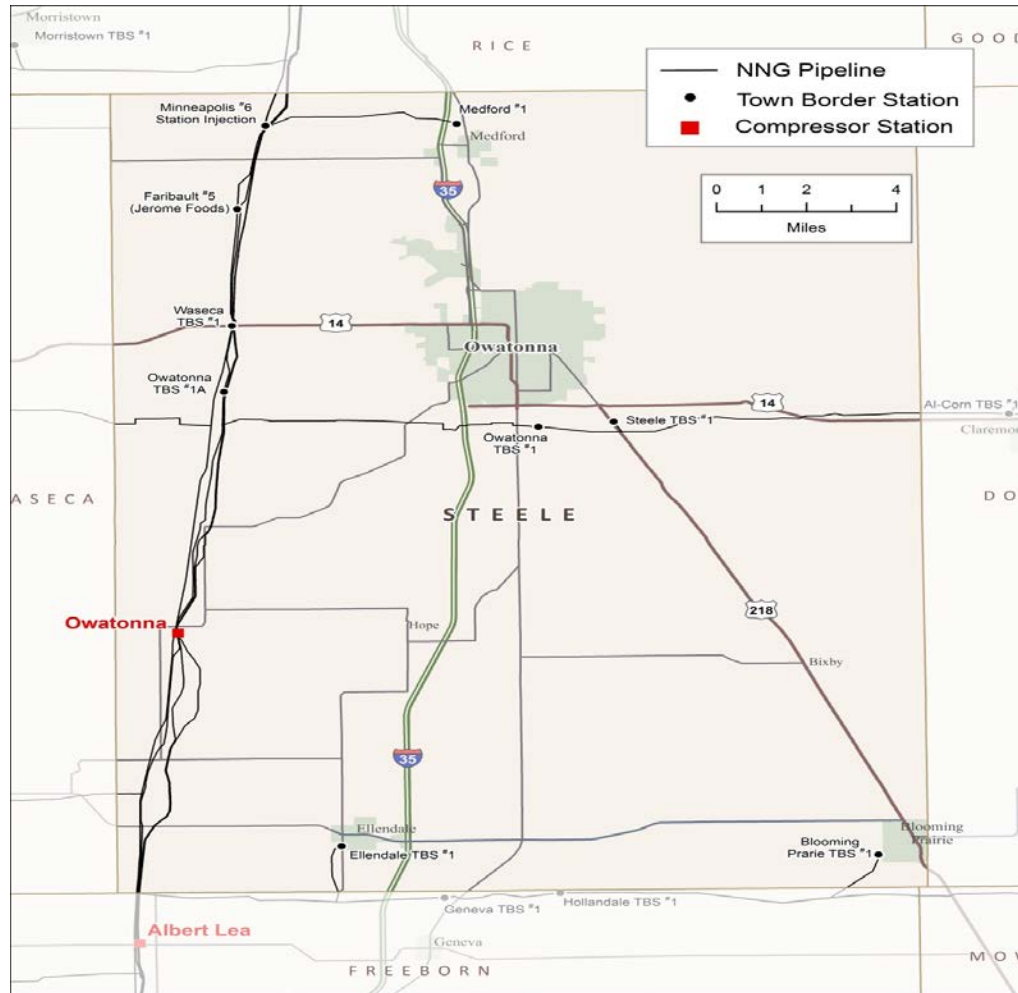
# Kansas Tax ID Example





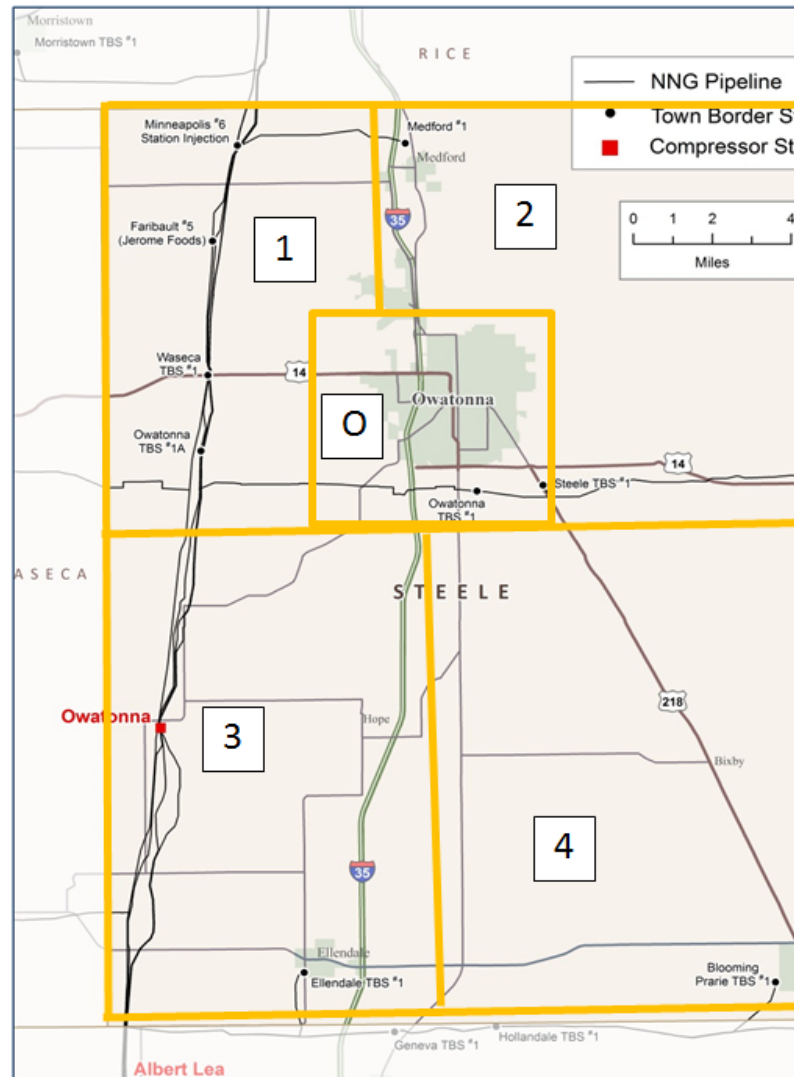
# Minnesota Example

Steele  
County



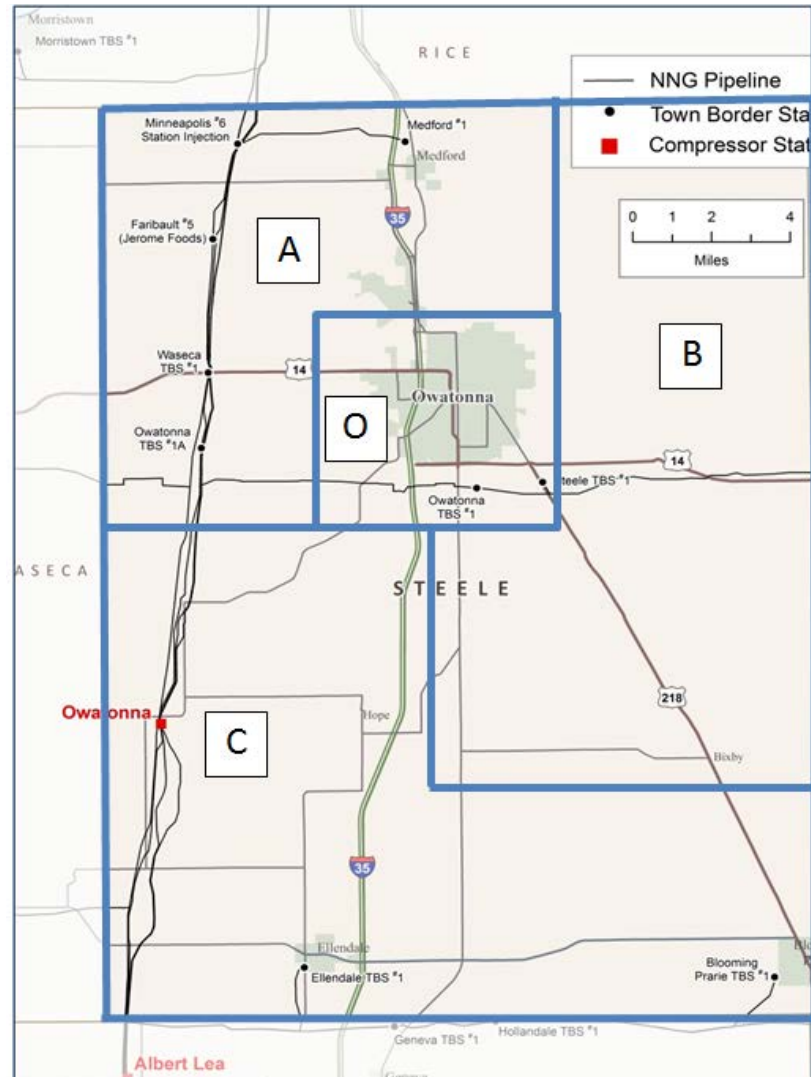
# Minnesota Example - Township

Steele  
County



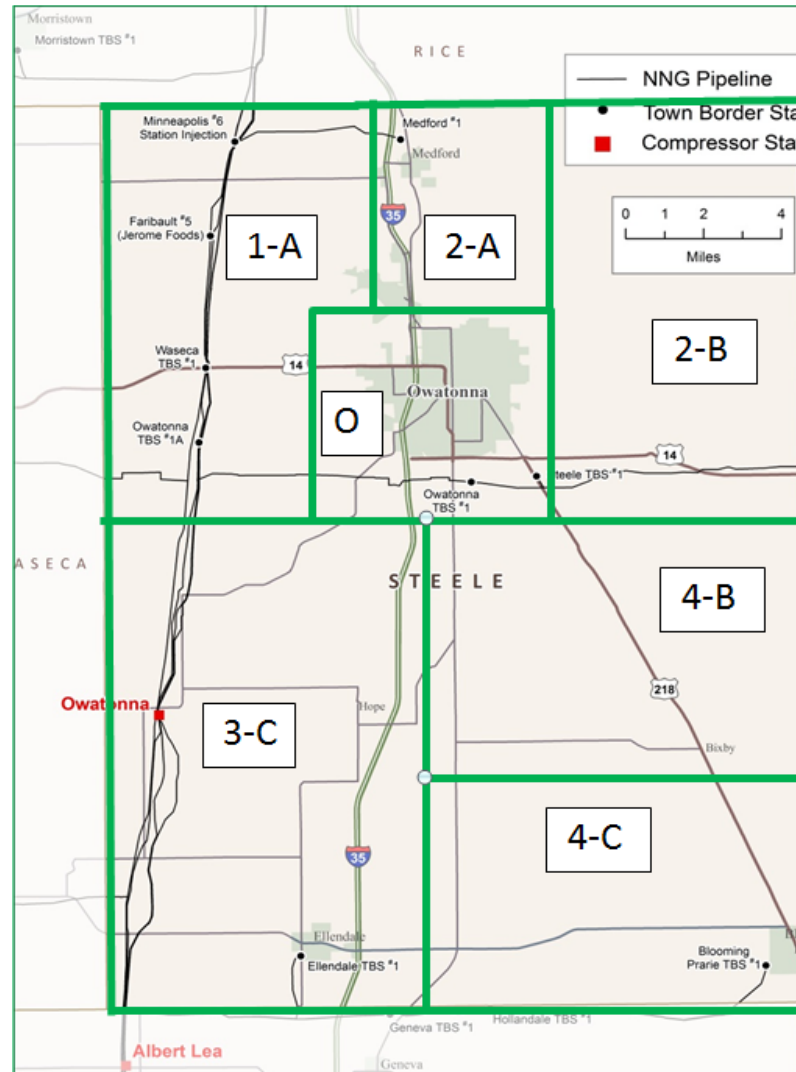
# Minnesota Example – School Districts

Steele  
County



# Minnesota Example – Tax Jurisdictions

Steele  
County



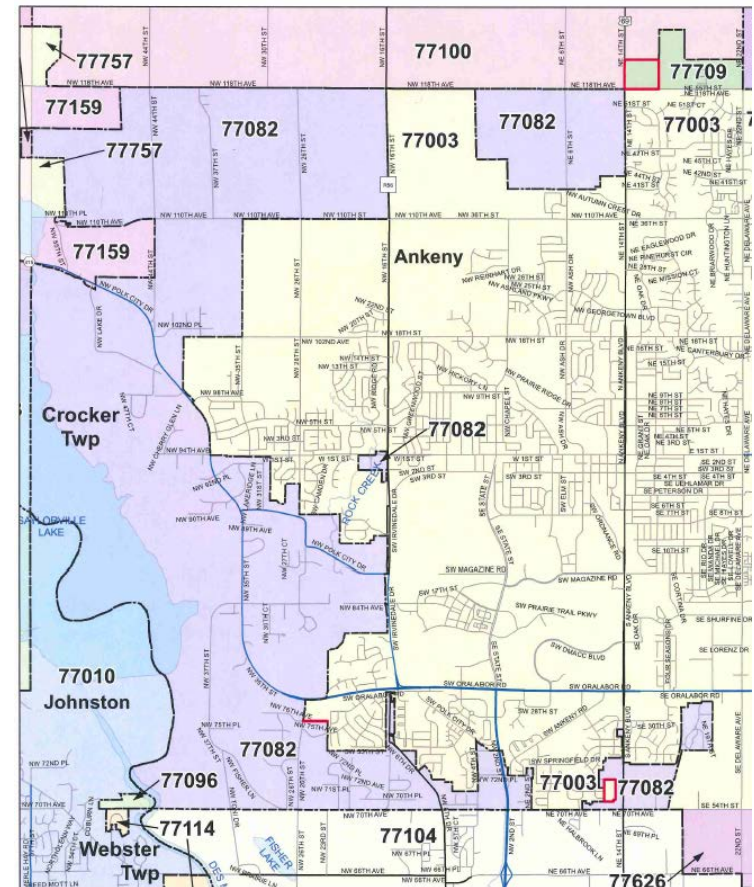
# Taxing Jurisdiction Changes

This map book was created by the Polk County Auditor's office to provide utility companies with the most current state reporting tax district codes, taking into consideration the most recent annexations. The annexations or de-annexations that have occurred since the last mailing of this map book are highlighted in **RED** on the maps. Below is a list of the annexations, where they are located in the map book, and their recording information. Also included on the following page, is a complete list of state reporting codes for Polk County, Iowa, for the purposes of reporting utility values and/or miles.

Annexations within Polk County, Iowa:

Property Annexed From:		Property Annexed Into:		Annexation Recorded Book & Page	Map Page
State Reporting Code	State Reporting Taxing Authority Combinations. (City or Township/ School/Additional Taxing Authority)	State Reporting Code	State Reporting Taxing Authority Combinations. (City or Township/ School/Additional Taxing Authority)		
77073	Allen Twp/Carlisle Sch	77005	Carlisle City/Carlisle Sch	15501/826	15
77005	Carlisle City/Carlisle Sch ✓	77073	Allen Twp/Carlisle Sch	15771/676	15
77005	Carlisle City/Carlisle Sch ✓	77073	Allen Twp/Carlisle Sch	15612/580	15
77080	Clay Twp/SE-Polk Sch	77002	Altoona City/SE-Polk Sch	15840/216	11
77082	Crocker Twp/Ankeny Sch	77003	Ankeny City/Ankeny Sch	15767/494	6
77086	Douglas Twp/Ankeny Sch	77003	Ankeny City/Ankeny Sch	15687/864	

## Polk County Tax Districts for Reporting Utility Values and/or Miles

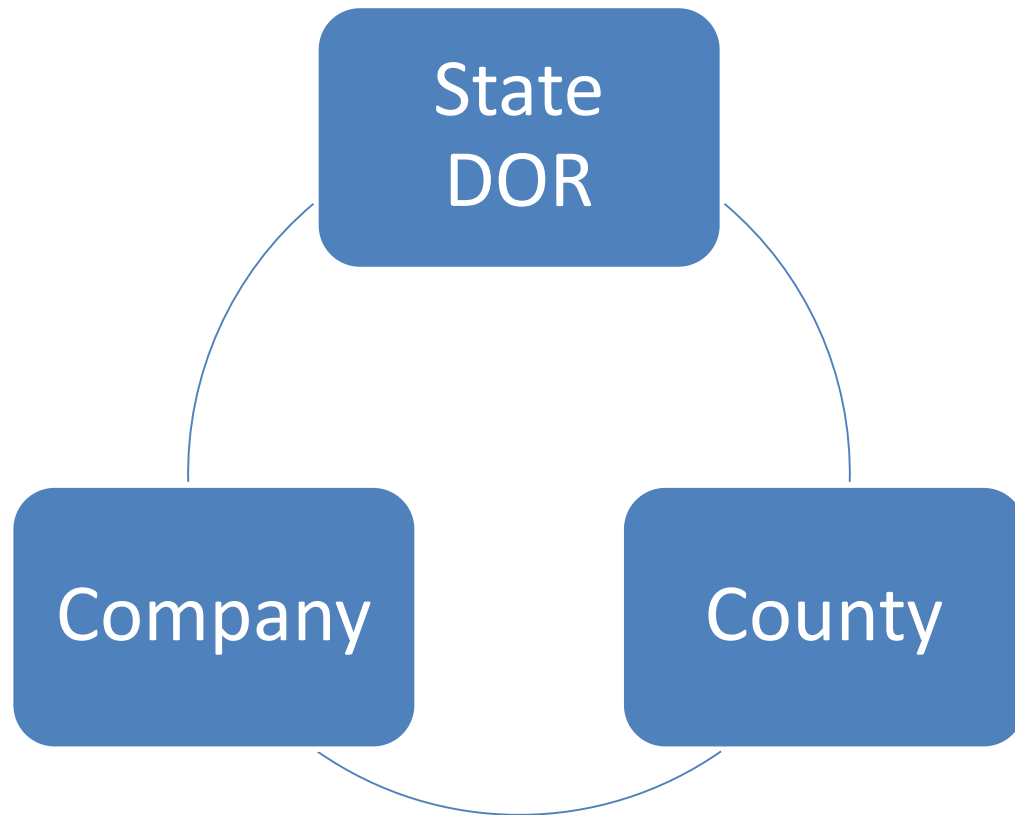


# What Minnesota does well

- County GIS maps
- Responsive staff
- Fall Forum



# Communication Issues



# What Northern Natural Gas is doing

- Implementing a GIS system (in process)
  - Cross-referencing state identifiers and internal IDs
- Upgrading legacy systems (ongoing)
- Consolidation of data (ongoing)
- Property Accounting Initiative (ongoing)
  - Tax Repair studies and Engineering requirements
  - Refinement of asset location, improved descriptions

# Questions?

# MN Property Tax Process

Xcel Proposal for Future Processes

November 2<sup>nd</sup>, 2016



# Topics

- Asset Allocation
  - Counties develop & implement UTA's (Unique Taxing Areas)
  - Underlying jurisdiction maps created by counties & compiled by the State
  - Asset maps created by companies & compiled by the State
- Bill Processing
  - Counties utilize UTA's in personal property numbers
  - Electronic statements & TNT's

# Asset Allocation – Counties Develop UTA's

- Dakota County already does this:
  - <https://www.co.dakota.mn.us/HomeProperty/TaxDistricts/RatesCapacityValues/Documents/2016TaxRates.pdf>

**DAKOTA COUNTY FINAL TAX RATES  
PAY 2016**

Municipality	UTA	SD	WS	Fisc Disp Ratio	TAX CAPACITY RATE					MARKET VALUE REFERENDA RATE			
					County	Municip.	School	Special District	TOTAL	County	Municip.	School	TOTAL
Apple Valley	0101	191		0.3843737	0.28570	0.44721	0.31065	0.04614	1.08970		0.0001994	0.0024692	0.0026686
	0102	196			0.28570	0.44721	0.24317	0.04614	1.02222		0.0001994	0.0026999	0.0028993
	0103	191	V		0.28570	0.44721	0.31065	0.05063	1.09419		0.0001994	0.0024692	0.0026686
	0104	196	V		0.28570	0.44721	0.24317	0.05063	1.02671		0.0001994	0.0026999	0.0028993
	0105	196	V		0.28570	0.44721	0.24317	0.05063	1.02671		0.0001994	0.0026999	0.0028993
Burnsville	0201	191		0.3735088	0.28570	0.46525	0.31065	0.05505	1.11665			0.0024692	0.0024692
	0202	191	M		0.28570	0.46525	0.31065	0.06196	1.12356			0.0024692	0.0024692
	0203	194			0.28570	0.46525	0.35319	0.05505	1.15919			0.0027898	0.0027898
	0205	196			0.28570	0.46525	0.24317	0.05505	1.04917			0.0026999	0.0026999
	0206	191	V		0.28570	0.46525	0.31065	0.05954	1.12114			0.0024692	0.0024692
	0207	196	V		0.28570	0.46525	0.24317	0.05954	1.05366			0.0026999	0.0026999
Castle Rock	0701	192		0.3109184	0.28570	0.12161	0.57584	0.03353	1.01668			0.0019065	0.0019065
	0702	195			0.28570	0.12161	0.18661	0.03353	0.62745			0.0015385	0.0015385
	0703	659			0.28570	0.12161	0.32847	0.03353	0.76931			0.0036073	0.0036073
	0704	192	V		0.28570	0.12161	0.57584	0.03802	1.02117			0.0019065	0.0019065
	0705	195	V		0.28570	0.12161	0.18661	0.03802	0.63194			0.0015385	0.0015385
Coates	0801	196		0.3421372	0.28570	0.17482	0.24317	0.03353	0.73722			0.0026999	0.0026999
	0802	196	V		0.28570	0.17482	0.24317	0.03802	0.74171			0.0026999	0.0026999
Douglas	0901	195		0.3917316	0.28570	0.15701	0.18661	0.03353	0.66285			0.0015385	0.0015385
	0902	200			0.28570	0.15701	0.20938	0.03353	0.68562			0.0025990	0.0025990
	0903	252			0.28570	0.15701	0.28498	0.03353	0.76122			0.0022288	0.0022288
	0904	200	V		0.28570	0.15701	0.20938	0.03802	0.69011			0.0025990	0.0025990





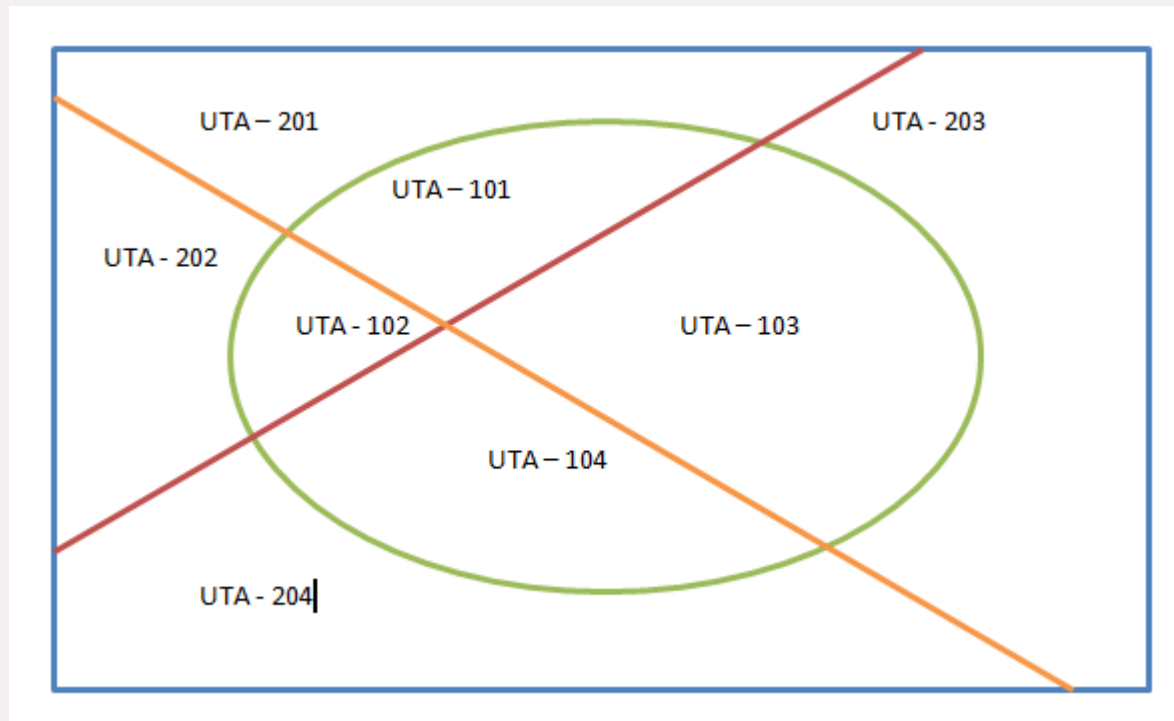
# Asset Allocation – State Compiles UTA Map

- Counties responsible for their own UTA map & submitting to State
- State responsible for combined map & distributing to companies
- Deadlines for submission can be set based on typical jurisdictional boundary changes, for example:
  - County to State deadline of November 1<sup>st</sup>
  - State to Company deadline of January 1<sup>st</sup>
- If no map submitted to state by deadline prior year map is used
- County responsible for eliminating overlap/underlapping jurisdictions
- If county creates map once, eliminates 100+ companies from doing the same duplicative work
- Kansas uses a similar mapping methodology:
  - <http://www.ksrevenue.org/pvdtaxunit.html>



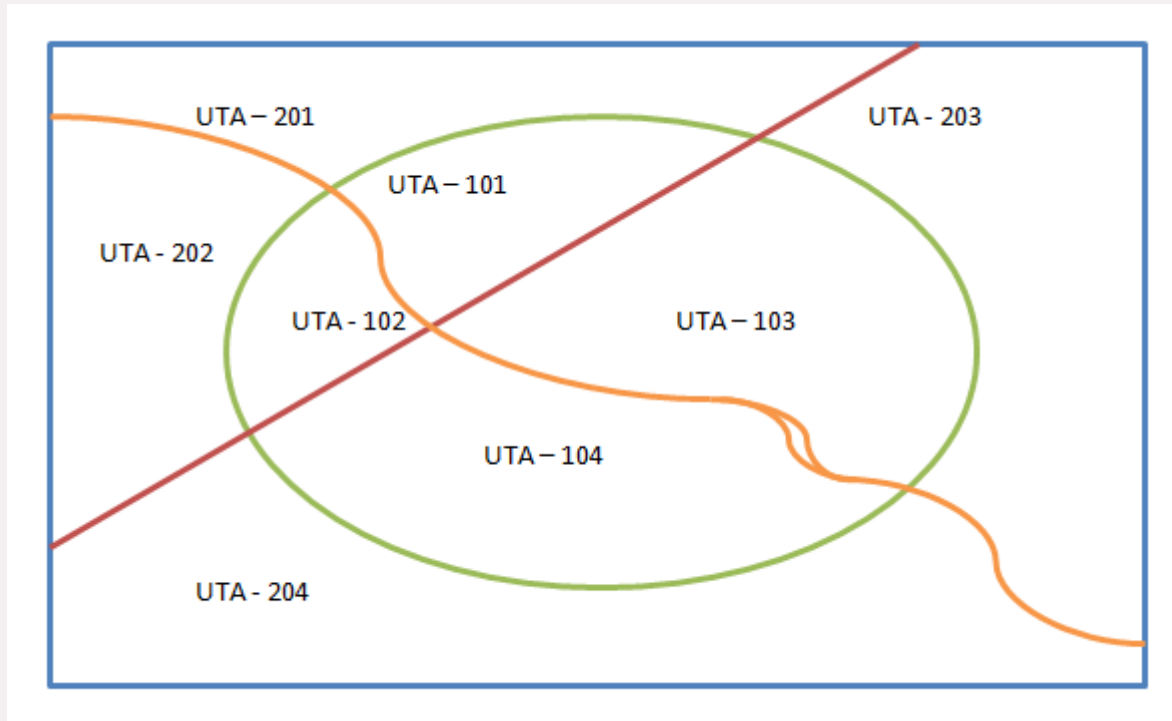
# Asset Allocation – UTA Map Example #1

- Green is city, yellow is watershed, red is school district, blue is county



# Asset Allocation – UTA Map Example #2

- Overlap/underlapping jurisdictional boundaries create slivers that don't belong to any UTA, easier to fix once vs dozens of times



# Asset Allocation – Company Asset Map

- Companies responsible for submission to State
- State responsible for combined maps & distributing to Counties
- Would be submitted along with property tax rendition
  - CWIP assets might not be available
- State would distribute to Counties with record listing
- Counties would be able to verify & audit company allocations
- Still verifying with our legal department our options for delivering asset maps that would not be considered FERC Critical Energy Infrastructure Information (CEII) and not subject to Non Disclosure Agreement (NDA)



# Bill Processing – UTA included in Parcel #

- Only relates to personal property parcel #'s
- Current methodology ranges from county to county but usually personal property #'s are randomly assigned with little to no relation to location
- Three options for including UTA in parcel ID #
  - State wide uniform personal property ID #'s
    - Long shot based on counties various systems & requirements
    - First 2 digits identify County, next 3 company, last 5 UTA, ex. 13-053-01078
  - County uses own format but includes UTA in personal property ID #'s
    - Ex. Washington 99.053.99.00.1078 vs 99.099.99.00.0001
    - Ex. Anoka 00053-1078 vs. 00004-0100
  - No changes to parcel ID format, included on bill & TNT under location, etc.
    - Simplest method to implement
    - Doesn't eliminate need for counties to issue parcel ID's to companies



# Bill Processing – Electronic Statements

- Paper statements are waste of time & money for everybody
  - We receive over 2,600 statements from 68 different counties
  - Some counties send in one large envelope, many send individually
  - Opening & sorting by parcel ID # is very time consuming
  - Manually entering into database takes time & easy to make mistakes
  - Takes about 2 weeks to process all bills, similar timeframe with TNT's
- One county sends electronically
  - Takes less than 15 minutes to import into database, no rekeying errors
  - We send electronic listing back instead of stubs for them to process
  - They import into system saving them time as well
  - All counties should have ability to do, already do for mortgage companies





Any Questions?



# Break-out Sessions



**Company representatives, find the designated area for your market segment.**

**County representatives, choose a market segment.**

# Thank You



## **State Assessed Property Section**

### **Contact Information**

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**Phone:** 651-556-6091