PRISM Reporting Examples

Linking, Exception Rate Districts, Power Lines, and Class 1b Property

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PRISM Reporting Examples
Summary

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Linking by Record

Summary

In this section it is assumed that the parcel linkage records are captured in line with the valuation records. In other words, the valuation and the linking records are both tracked at the parcel, property type, and taxpayer/owner level. PRISM captures either of these record storage situations, including any other variation of parcel, property type, and taxpayer/owner combination.

Refer to the most recent version of the PRISM File Layout when reading this document, as it gives a better visual representation of how the data appears.

The first five parts of this overview will cover the actual design and definitions of the tables shown on the logical file layout. The remaining sections provide examples of situations of increasing difficulty up to a very complex example. These examples reflect ownership entity information, taxable market values (TMV), net tax capacities (NTC), and tax information. Since these examples are given to show how ownership entity and parcel linking works, not a full data submission is given in the examples. To keep the length down, assume that conditional fields may not be reported because the information is not readily available. All rates, tier limits, and credit calculations have been set as they were for taxes payable year 2015 for these examples.

Valuation/Taxation Linkage Table

The Linkage Tree is where the information about the Valuation/Taxation Linkage (VTL) chain is gathered. The first table on this tree is the VTL Table. A VTL chain is reported when two or more parcels are linked together to gain class rate benefits due to changes in taxable market value (TMV) tiers. It is not required to report a VTL chain for single parcels, even if there are multiple ownerships within the parcel. Do not link an Agricultural Homestead VTL Chain to a 2a-Farming Entity VTL Chain, as this is considered an ownership linkage rather than a parcel linkage.

All three of the following fields MUST be reported for each VTL chain:

**C000-01: VTL Chain ID**

If parcels are chained together due to classification tier rate reductions or other reasons, then that group of parcels should be assigned an identification number. The identification number is established by the county.

**C000-02: Cross County Chain Indicator**

When parcels are linked across county boundaries, the cross county chain indicator must be marked 'Y'. If all the parcels are located within a single county, then the indicator must be marked ‘N’.

**C000-03: Home County Chain Indicator**

If the base parcel of the reported chain is located within the submitting county, then the indicator must be marked 'Y'. If the base parcel is not located within the submitting county, then the indicator must be marked 'N'.

PRISM Reporting Examples
Parcel Information Table

Currently, only one required field is recorded in this table and must reflect a value at all times:

*C100-01: Parcel ID*

The parcel ID is the unique number assigned by the county for the parcel and should be reported as it is recorded in the county database. This field should NOT match any other identifying number linked to the parcel (such as a social security number).

Property Information Table

The property information table reflects information about each parcel involved in the VTL Chain that is not tracked in the Valuation Tree and Taxation Tree. All four of the following fields must be reported for each VTL chain.

*C110-01: Valuation/Taxation Linkage (VTL) Sequence*

This is the sequential order number that a VTL chain follows for tier linking. The base parcel should be identified with 1. The number should increase by one for each record in the order the chain is linked. While we prefer to continue tracking the order of the parcels in this chain past the tier limit, we understand that some counties stop reporting the sequence or report ‘99’. In this situation, the next record in the chain, and every record after that, carries the next sequential number instead. Therefore, if a tier limit were reached at record 7, all subsequent records would reflect 8. In the future, it may become a requirement to continue the sequence number on all parcels involved in the chain.

*C110-02: VTL TMV*

This field is the taxable market value, included in the VTL chain, of a parcel. This may or may not be the full TMV of the parcel depending upon the taxpayer/ownership status.

*C110-03: Property Type Code*

The property type code represents all property classifications (such as 2a Agricultural and 1a Residential) and programs (such as Residential Homestead and Farming Entities) that could identify specific categories for estimated market values that will later have unique rates and/or tiers applied for calculating the taxable market value, net tax capacity and referendum market value. This field is not reported at the linkage by parcel level.

*C110-04: Property Subtype Code*

The property subtype code captures further real and personal property stratifications of the property type code. This field is not reported at the linkage by parcel level.

*C110-05: Exemption Code*

The exemption code may be used in those situations where there is exempt property within the linkage sequence.
Valuation and Taxation Trees

The valuation and taxation trees also reflect some linking information. This allows the parcels reported on those trees to be linked to a VTL chain. These fields are required at all times.

A140-01: Preferential Entity Type Code

This field is populated when the base parcel contains property types that are associated with agricultural homestead, residential homestead, commercial property, or industrial property.

A140-02: Number of Preferential Entities

This is the number of entities on the property receiving preferential rates. These counts will be one for commercial and industrial entities, but may be less than one for fractional agricultural and residential homesteads.

B310-09: VTL Chain ID

This is the same identification number reflected in C000-01, and is used to link the Valuation/Taxation Linkage Chain to a specific taxation modifier or credit for that chain (i.e. agricultural homesteads).
No Linking and Homestead Eligibilities

**Example 1**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(A)</td>
<td></td>
<td>(B)</td>
</tr>
<tr>
<td>Jerry</td>
<td>1a-$250,000</td>
<td>Sue &amp; Mary</td>
</tr>
<tr>
<td>(C)</td>
<td>Matt &amp; John</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Jerry owns a 1/4 acre parcel he claims as a residential homestead. Sue and Mary are unrelated and own a 1/3 acre parcel they both claim as a residential homestead; and Matt and John are unrelated and own a 30 acre parcel that John claims as a residential homestead and Matt as a residential non-homestead.

All three parcels are located in the same unique taxing area in Aspen County that has a total local NTC rate of 102.377%. No referendum market value (RMV) rates or special assessments exist on this parcel. The following rates are used to determine the fully taxable net tax capacity (NTC) by property type:

- 1a Residential Homestead – First $500,000 at 1.00%, Over $500,000 at 1.25%
- 2b Rural Vacant Non-Homestead – At 1.00%
- 4bb Residential Non-Homestead – First $500,000 at 1.00%, Over $500,000 at 1.25%

The county’s submissions in the parcel linkage, valuation, and taxation trees would look like the following. Note that anything in parentheses and italicized would not physically appear on the submission but is used to ease the reading of this example.

**Aspen County Valuation Tree**

- **Parcel Characteristics Table (1)**
  - **Parcel ID:** A
  - **Taxable Property Table (1)**
    - Property Type: 1a Residential Homestead
    - Property Subtype: Real Property
    - Land TMV: $75,000
    - Building TMV: $175,000
    - Fully Taxable NTC: 2,500 ($250,000 X .01)
  - **Preferential Entities Table (1)**
    - Preferential Entity Type Code: Residential Homestead
    - Number of Preferential Rate Entities: 1

- **Parcel Characteristics Table (2)**
  - **Parcel ID:** B
  - **Taxable Property Table (1)**
    - Property Type: 1a Residential Homestead
    - Property Subtype: Real Property
    - Land TMV: $37,500
    - Building TMV: $62,500
• Fully Taxable NTC: 1,000 ($100,000 X .01)

○ Taxable Property Table (2)
  ▪ Property Type: 1a Residential Homestead
  ▪ Property Subtype: Real Property
  ▪ Land TMV: $37,500
  ▪ Building TMV: $62,500
  ▪ Fully Taxable NTC: 1,000 ($100,000 X .01)

○ Preferential Entities Table (1)
  ▪ Preferential Entity Type Code: Residential Homestead
  ▪ Number of Preferential Rate Entities: 0.50

○ Preferential Entities Table (2)
  ▪ Preferential Entity Type Code: Residential Homestead
  ▪ Number of Preferential Rate Entities: 0.50

• Parcel Characteristics Table (3)
  ○ Parcel ID: C
  ○ Taxable Property Table (1)
    ▪ Property Type: 1a Residential Homestead
    ▪ Property Subtype: Real Property
    ▪ Land TMV: $25,000
    ▪ Building TMV: $75,000
    ▪ Fully Taxable NTC: 1,000 ($100,000 X .01)

  ○ Taxable Property Table (2)
    ▪ Property Type: 4bb Residential Non-Homestead
    ▪ Property Subtype: Real Property
    ▪ Land TMV: $25,000
    ▪ Building TMV: $75,000
    ▪ Fully Taxable NTC: 1,000 ($100,000 X .01)

  ○ Taxable Property Table (3)
    ▪ Property Type: 2b Rural Vacant Non-Homestead
    ▪ Property Subtype: Real Property
    ▪ Land TMV: $92,500
    ▪ Fully Taxable NTC: 925 ($92,500 X .01)

  ○ Taxable Property Table (4)
    ▪ Property Type: 2b Rural Vacant Non-Homestead
    ▪ Property Subtype: Real Property
    ▪ Land TMV: $92,500
    ▪ Fully Taxable NTC: 925 ($92,500 X .01)

  ○ Preferential Entities Table (1)
    ▪ Preferential Entity Type Code: Residential Homestead
    ▪ Number of Preferential Rate Entities: 0.5

Aspen County Taxation Tree
• Parcel Characteristics Table (1)
  ○ Parcel ID: A
  ○ Current Year Qualifying Tax Amount: $2,559.43
  ○ Current Year Total Property Tax and Special Assessments: $2,559.43
  ○ Gross Local NTC Tax: $2,559.43 (2,500 X 1.02377)
  ○ Net Local NTC Tax: $2,559.43
• **Parcel Characteristics Table (2)**
  o *Parcel ID: B*
  o Current Year Qualifying Tax Amount: $2,047.54
  o Current Year Total Property Tax and Special Assessments: $2,047.54
  o Gross Local NTC Tax: $2,047.54 (2,000 X 1.02377)
  o Net Local NTC Tax: $2,047.54

• **Parcel Characteristics Table (3)**
  o *Parcel ID: C*
  o Current Year Qualifying Tax Amount: $1,023.77 (1,000 X 1.02377)
  o Current Year Total Property Tax and Special Assessments: $3,941.51
  o Gross Local NTC Tax: $3,941.51 (3,850 X 1.02377)
  o Net Local NTC Tax: $3,941.51

All three parcels have information reflected in the valuation and taxation trees. However, because none of the parcels are linked to another parcel, the linking tree reflects no information. The number of preferential rate entities is 1 for parcel A (Jerry’s residential homestead), Mary’s residential homestead is .5 and Sue’s residential homestead is .5 for parcel B, and .5 for parcel C (Matt’s residential homestead).
Simple Linking

Example 2

<table>
<thead>
<tr>
<th>(A)</th>
<th>(B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Terri</td>
<td>Terri</td>
</tr>
<tr>
<td>1a-$175,000</td>
<td>1a-$20,000</td>
</tr>
</tbody>
</table>

Terri owns a 1/4 acre parcel in the city that she claims as a residential homestead. She also owns the sliver parcel next to her as part of her residential homestead. Both parcels are located in the same UTA within Aspen County that has a total local NTC rate of 102.377%. No referendum market value (RMV) rates or special assessments exist on this parcel. The following rates are used to determine the Fully Taxable Net Tax Capacity (NTC) by property type:

- 1a Residential Homestead – First $500,000 at 1.00%, Over $500,000 at 1.25%

The county’s submissions in the linking, valuation, and taxation trees would look like the following, but note that anything in parentheses and italicized would not physically appear on the submission and just used to ease the reading of this example.

Aspen County Linking Tree

- Valuation/Taxation Linkage Table (1)
  - VTL Chain ID: 8937 (Terri)
  - Cross County Chain Indicator: N
  - Home County Chain Indicator: Y

- Parcel Information Table (1)
  - Parcel ID: A
  - Property Information Table (1)
    - VTL Sequence: 1
    - VTL TMV: $175,000
    - Property Type: 1a Residential Homestead
    - Property Subtype: Real Property
  - Parcel Information Table (2)
    - Parcel ID: B
    - Property Information Table (1)
      - VTL Sequence: 2
      - VTL TMV: $20,000
      - Property Type: 1a Residential Homestead
      - Property Subtype: Real Property

Aspen County Valuation Tree

- Parcel Characteristics Table (1)
- **Parcel ID:** A
  - **Taxable Property Table (1)**
    - Property Type: 1a Residential Homestead
    - Property Subtype: Real Property
    - Land TMV: $25,000
    - Building TMV: $150,000
    - Fully Taxable NTC: 1,750 ($175,000 X .01)
  - **Preferential Entities Table (1)**
    - Preferential Entity Type Code: Residential Homestead
    - Number of Preferential Rate Entities: 1
- **Parcel Characteristics Table (2)**
  - **Parcel ID:** B
  - **Taxable Property Table (1)**
    - Property Type: 1a Residential Homestead
    - Property Subtype: Real Property
    - Land TMV: $20,000
    - Fully Taxable NTC: 200 ($20,000 X .01)

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**Aspen County Taxation Tree**
- **Parcel Characteristics Table (1)**
  - **Parcel ID:** A
    - Current Year Qualifying Tax Amount: $1,791.60
    - Current Year Total Property Tax and Special Assessments: $1,791.60
    - Gross Local NTC Tax: $1,791.60 (1,750 X 1.02377)
    - Net Local NTC Tax: $1,791.60
  - **Parcel Characteristics Table (2)**
    - **Parcel ID:** B
    - Current Year Total Property Tax and Special Assessments: $204.75
    - Gross Local NTC Tax: $204.75 (200 X 1.02377)
    - Net Local NTC Tax: $204.75

The two parcels are listed together on the parcel linkage tree under the same VTL Chain ID with the first, or base parcel, reflecting a VTL sequence of 1 and the second parcel linked reflecting a VTL sequence of 2. Terri’s residential homestead preferential entity is reflected on the base parcel (A) and the number of preferential rate entities is one.
Cross County Linking

Example 3

<table>
<thead>
<tr>
<th></th>
<th>(A)</th>
<th>(B)</th>
<th>(C)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Laurie</td>
<td>Laurie</td>
<td>Laurie</td>
</tr>
<tr>
<td>HGA-$150,000</td>
<td>2a-$100,000</td>
<td>2a-$165,000</td>
<td></td>
</tr>
<tr>
<td>2a-$75,000</td>
<td>2b-$50,000</td>
<td>2b-$20,000</td>
<td></td>
</tr>
</tbody>
</table>

Laurie owns three parcels that she claims as an agricultural homestead. Parcels A and B are located in Spruce County and Parcel C is located in Maple County.

The parcels located in Spruce county share the same UTA and have a total local NTC rate of 87.233%. The parcel located in Maple County has a total NTC rate of 92.534%. No referendum market value (RMV) rates or special assessments exist on this parcel. The following rates are used to determine the fully taxable net tax capacity (NTC) by property type:

- 2a HGA – First $500,000 at 1.00%, Over $500,000 at 1.25%
- Agricultural Homestead – First $1,900,000 at 0.50%, Over $1,900,000 at 1.00%
  - Both 2a Agricultural and 2b Rural Vacant Homestead are combined under this tier (except for 2a HGA) and are taken as a single unit for the tier break

The county’s submissions in the linking, valuation, and taxation trees would look like the following, but note that anything in parentheses and italicized would not physically appear on the submission and just used to ease the reading of this example.

Spruce County Parcel Linkage Tree

- **Valuation/Taxation Linkage Table (1)**
  - VTL Chain ID: 332585 (Laurie)
  - Cross County Chain Indicator: Y
  - Home County Chain Indicator: Y
- **Parcel Information Table (1)**
  - Parcel ID: A
- **Property Information Table (1)**
  - VTL Sequence: 1
  - VTL TMV: $150,000
  - Property Type: 2a Agricultural HGA
  - Property Subtype: Real Property
- **Property Information Table (1)**
  - VTL Sequence: 2
  - VTL TMV: $75,000
  - Property Type: 2a Agricultural Homestead
  - Property Subtype: Real Property
  - Parcel Information Table (2)
  - Parcel ID: B
- **Property Information Table (1)**
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- VTL Sequence: 3
- VTL TMV: $100,000
- Property Type: 2a Agricultural Homestead
- Property Subtype: Real Property

  - **Property Information Table (2)**
    - VTL Sequence: 4
    - VTL TMV: $50,000
    - Property Type: 2b Rural Vacant Homestead
    - Property Subtype: Real Property

Spruce County Valuation Tree

- **Parcel Characteristics Table (1)**
  - Parcel ID: A
  - **Taxable Property Table (1)**
    - Property Type: 2a HGA
    - Property Subtype: Real Property
    - Land TMV: $25,000
    - Building TMV: $125,000
    - Fully Taxable NTC: 1,500 ($150,000 X .01)
  - **Taxable Property Table (2)**
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
    - Land TMV: $55,000
    - Building TMV: $20,000
    - Fully Taxable NTC: 375 ($75,000 X .005)
  - **Preferential Entities Table (1)**
    - Preferential Entity Type Code: Agricultural Homestead
    - Number of Preferential Rate Entities: 1

- **Parcel Characteristics Table (2)**
  - Parcel ID: B
  - **Taxable Property Table (1)**
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
    - Land TMV: $100,000
    - Fully Taxable NTC: 500 ($100,000 X .005)
  - **Taxable Property Table (2)**
    - Property Type: 2b Rural Vacant Homestead
    - Property Subtype: Real Property
    - Land TMV: $50,000
    - Fully Taxable NTC: 250 ($50,000 X .005)

Spruce County Taxation Tree

- **Parcel Characteristics Table (1)**
  - Parcel ID: A
  - Current Year Qualifying Tax Amount: $1,308.50
  - Current Year Total Property Tax and Special Assessments: $1,145.62
  - Gross Local NTC Tax: $1,635.62 (1,875 X .87233)
  - Net Local NTC Tax: $1,145.62 (1,635.62 – 490.00)
Taxation Modifier Table (1)
- Modifier Type: Agricultural Homestead Credit
- NTC Modifier Amount: $490.00
- VTL Chain ID: 332585 (Laurie)

Parcel Characteristics Table (2)
- Parcel ID: B
- Current Year Total Property Tax and Special Assessments: $654.25
- Gross Local NTC Tax: $654.25 (750 X .87233)
- Net Local NTC Tax: $654.25

Maple County Parcel Linkage Tree
- Valuation/Taxation Linkage Table (1)
  - VTL Chain ID: 4955 (Laurie)
  - Cross County Chain Indicator: Y
  - Home County Chain Indicator: N

Maple County Valuation Tree
- Parcel Characteristics Table (1)
  - Parcel ID: C
  - Taxable Property Table (1)
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
    - Land TMV: $165,000
    - Fully Taxable NTC: 825 ($165,000 X .005)
  - Taxable Property Table (2)
    - Property Type: 2b Rural Vacant Homestead
    - Property Subtype: Real Property
    - Land TMV: $20,000
    - Fully Taxable NTC: 100 ($20,000 X .005)

Maple County Taxation Tree
- Parcel Characteristics Table (1)
  - Parcel ID: C
  - Current Year Total Property Tax and Special Assessments: $855.94
  - Taxation Data Table (1)
- Property Type: 2a Agricultural Homestead
- Gross Local NTC Tax: $855.94 (925 X .92534)
- Net Local NTC Tax: $855.94

The linking tree in Spruce County reflects parcels A and B, but also indicates that this is a cross-county relationship and that Spruce County is the home county. The linking tree in Maple County, however, reflects parcel C and indicates that this is a cross-county relationship and that Maple County is not the home county. It is also noted that the Spruce County and Maple County VTL chain IDs and VTL sequence are not connected to each other. Since parcels A, B, and C are shown as part of Laurie’s agricultural homestead, the number of preferential rate entities is shown as one on base parcel A.
Fractional Homestead on Base Parcel

Example 4

<table>
<thead>
<tr>
<th>(A) Toby &amp; Jill</th>
<th>(B) Toby</th>
<th>(C) Toby &amp; Jill</th>
</tr>
</thead>
<tbody>
<tr>
<td>4bb - $250,000</td>
<td>2b - $700,000</td>
<td>2a - $400,000</td>
</tr>
<tr>
<td>HGA - $250,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2a – $800,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In this example, the base parcel contains a fractional homestead. Toby and Jill are friends and co-own Parcel A, but only Toby lives there. Toby claims this property as his residential homestead. Toby also owns Parcel B, which is agricultural land. Finally, Toby and Jill also co-own Parcel C. Jill does not live in this county.

All three parcels are located in Cliff County within the same unique taxing area (UTA) and have a total local NTC rate of 87.407%. No referendum market value (RMV) rates or special assessments exist on these parcels. The following rates are used to determine the fully taxable net tax capacity (NTC) and state NTC by property type:

- 2a HGA – First $500,000 at 1.00%, Over $500,000 at 1.25%
- 4bb Residential Non-Homestead – First $500,000 at 1.00%, Over $500,000 at 1.25%
- Agricultural Homestead – First $2,050,000 at 0.50%, Over $2,050,000 at 1.00%
- Both 2a Agricultural and 2b Rural Vacant Homestead are combined under this tier (except for 2a HGA) and are taken as a single unit for the tier break
- Agricultural Non-homestead – At 1.00%

The county’s submissions in the linking, valuation, and taxation trees would look like the following, but note that anything in parentheses and italicized would not physically appear on the submission and just used to ease the reading of this example.

Cliff County Parcel Linkage

- Valuation/Taxation Linkage Table (1)
  - VTL Chain ID: 51168 (Toby)
  - Cross County Chain Indicator: N
  - Home County Chain Indicator: Y
  - Parcel Information Table (1)
    - Parcel ID: A
    - Property Information Table (1)
      - VTL Sequence: 1
      - VTL TMV: $250,000
      - Property Type: 2a Agricultural HGA
      - Property Subtype: Real Property
    - Property Information Table (2)
      - VTL Sequence: 2
      - VTL TMV: $400,000
      - Property Type: 2a Agricultural Homestead
      - Property Subtype: Real Property
  - Parcel Information Table (2)
    - Parcel ID: B
- **Property Information Table (1)**
  - VTL Sequence: 3
  - VTL TMV: $700,000
  - Property Type: 2b Rural Vacant Homestead
  - Property Subtype: Real Property

- **Parcel Information Table (3)**
  - Parcel ID: C
  - Property Information Table (1)
    - VTL Sequence: 4
    - VTL TMV: $200,000
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property

---

**Cliff County Valuation Tree**

- **Parcel Characteristics Table (1)**
  - Parcel ID: A
    - Taxable Property Table (1)
      - Property Type: 2a Agricultural HGA
      - Property Subtype: Real Property
      - Land TMV: $100,000
      - Building TMV: $150,000
      - Fully Taxable NTC: 2,500 ($250,000 X .01)
    - Taxable Property Table (2)
      - Property Type: 2a Agricultural Homestead
      - Property Subtype: Real Property
      - Land TMV: $400,000
      - Fully Taxable NTC: 2,000 ($400,000 X .005)
    - Taxable Property Table (3)
      - Property Type: 4bb Residential Non-Homestead
      - Property Subtype: Real Property
      - Land TMV: $100,000
      - Building TMV: $150,000
      - Fully Taxable NTC: 2,500 ($250,000 X .01)
    - Taxable Property Table (4)
      - Property Type: 2a Agricultural Non-Homestead
      - Property Subtype: Real Property
      - Land TMV: $400,000
      - Fully Taxable NTC: 4,000 ($400,000 X .01)

- **Parcel Characteristics Table (2)**
  - Parcel ID: B
    - Taxable Property Table (1)
      - Property Type: 2b Rural Vacant Homestead
      - Property Subtype: Real Property
      - Land TMV: $700,000
      - Fully Taxable NTC: 3875 ($625,000 X .005 + $75,000 X .01)

- **Parcel Characteristics Table (3)**
Parcel ID: C
Taxable Property Table (1)
- Property Type: 2a Agricultural Homestead
- Property Subtype: Real Property
- Land TMV: $200,000
- Fully Taxable NTC: 2,000 ($200,000 X .01)
Taxable Property Table (2)
- Property Type: 2a Agricultural Non-Homestead
- Property Subtype: Real Property
- Land TMV: $200,000
- Fully Taxable NTC: 2,000 ($200,000 X .01)

Cliff County Taxation Tree
- Parcel Characteristics Table (1)
  - Parcel ID: A
    - Current Year Qualifying Tax Amount: $2,185.18 (2,500 X .87407)
    - Current Year Total Property Tax and Special Assessments: $9,369.77
    - Gross Local NTC Tax: $9,614.77 (11,000 X .87407)
    - Net Local NTC Tax: $9,369.77
  - Taxation Data Table (1)
    - Modifier Type: Agricultural Homestead Credit
    - NTC Modifier Amount: $245.00
    - VTL Chain ID: 51168 (Toby)
- Parcel Characteristics Table (2)
  - Parcel ID: B
    - Current Year Total Property Tax and Special Assessments: $3,387.02
    - Gross Local NTC Tax: $3,387.02 (3,875 X .87407)
    - Net Local NTC Tax: $3,387.02
- Parcel Characteristics Table (3)
  - Parcel ID: C
    - Current Year Total Property Tax and Special Assessments: $3,496.28
    - Gross Local NTC Tax: $3,496.28 (4,000 X .87407)
    - Net Local NTC Tax: $3,496.28

A VTL Chain ID was created because Toby owns at least a part of all three parcels, A, B, and C. For parcels he co-owns with Jill, only his portion of the TMV shows in the linkage chain. Because Toby has a fractionalized parcel as his base parcel, his agricultural homestead tier limit is fractionalized to $1,025,000 and the maximum agricultural homestead credit he can receive is $245. The 2a HGA and 4bb Residential Homestead tiers are also fractionalized but are not utilized as the total value of the residence does not exceed $500,000.
Multi-Record and Multi-Ownership

Example 5

| (A) Alex  
| 4c(12)-$550,000  
| 2b-$150,000  
| (D) Blueberry Resort  
| 1a-$400,000  
| 1c-$2,400,000  
| (E) Walleye Resort  
| 1c-$1,000,000  
| (F) Lakeside Resort  
| 1a-$300,000  
| 1c-$1,500,000  
| (B) Alex & Juno  
| 2b-$300,000  
| (C) Juno  
| HGA-$450,000  
| 2a-$350,000  
| 2b-$75,000  

Consider an example involving dual ownership of a parcel, but also an ownership entity that has interest in a parcel that is not owned directly, or held, by the entity. Alex owns and homesteads 40-acre parcel A as his cabin while Juno owns and maintains 40-acre parcel C as her residence that qualifies for agricultural homestead. They also co-own 40-acre parcel B that is located between the two parcels. The other three lots (D, E, and F) are all classified as Homestead Resorts (formerly known as “Ma & Pa” Resorts). Blueberry Resort is owned by a Limited Liability Company (LLC) with four members: Josh, Kelly, Michael, and Alice. Lakeside Resort and Walleye resorts are owned by separate LLC’s, but the LLCs share the same members: Michael and Alice. Josh lives on parcel D, Alice lives on parcel F, and parcel E is not homesteaded at all.

All six parcels are located in Juniper County within the same unique taxing area (UTA) and have a total local NTC rate of 74.760% and a state NTC rate of 22.327% applied to seasonal recreational residential property. No referendum market value (RMV) rates or special assessments exist on these six parcels. The following rates are used to determine the fully taxable net tax capacity (NTC) and state NTC by property type:

- 1a Residential – First $500,000 at 1.00%, Over $500,000 at 1.25%
- 1c Homestead Resort
  - Fully Taxable NTC – First $600,000 at 0.50%, up to $2,300,000 at 1.00%, over $2,300,000 at 1.25%
  - State NTC – Over 2,300,000 at 1.25%
- 2a HGA – First $500,000 at 1.00%, Over $500,000 at 1.25%
- Agricultural Homestead – First $1,900,000 at 0.50%, Over $1,900,000 at 1.00%
  - Both 2a Agricultural and 2b Rural Vacant Homestead fall are combined under this tier (except for 2a HGA) and are taken as a single unit for the tier break
- 2b Rural Vacant Non-homestead – At 1.00%
• 4c(12) Non-Commercial Seasonal Recreational Residential
  o Fully Taxable NTC – First $500,000 at 1.00%, Over $500,000 at 1.25%
  o State NTC – First $76,000 at 0.40%, up to $500,000 at 1.00%, Over $500,000 at 1.25%

The county’s submissions in the linking, valuation, and taxation trees would look like the following, but note that anything in parentheses and italicized would not physically appear on the submission and just used to ease the reading of this example.

**Juniper County Parcel Linkage**

- **Valuation/Taxation Linkage Table (1)**
  - VTL Chain ID: 32845 (Juno)
  - Cross County Chain Indicator: N
  - Home County Chain Indicator: Y
  - **Parcel Information Table (1)**
    - **Parcel ID:** C
    - **Property Information Table (1)**
      - VTL Sequence: 1
      - VTL TMV: $450,000
      - Property Type: 2a Agricultural HGA
      - Property Subtype: Real Property
    - **Property Information Table (2)**
      - VTL Sequence: 2
      - VTL TMV: $350,000
      - Property Type: 2a Agricultural Homestead
      - Property Subtype: Real Property
    - **Property Information Table (3)**
      - VTL Sequence: 3
      - VTL TMV: $75,000
      - Property Type: 2b Rural Vacant Homestead
      - Property Subtype: Real Property
  - **Parcel Information Table (2)**
    - **Parcel ID:** B
    - **Property Information Table (1)**
      - VTL Sequence: 4
      - VTL TMV: $150,000
      - Property Type: 2b Rural Vacant Homestead
      - Property Subtype: Real Property

- **Valuation/Taxation Linkage Table (2)**
  - VTL Chain ID: 15884 (Lakeside Resort)
  - Cross County Chain Indicator: N
  - Home County Chain Indicator: Y
  - **Parcel Information Table (1)**
    - **Parcel ID:** F
    - **Property Information Table (1)**
      - VTL Sequence: 1
      - VTL TMV: $1,500,000
      - Property Type: 1c Homestead Resort
      - Property Subtype: Real Property
Parcel Information Table (2)
- Parcel ID: E

Property Information Table (1)
- VTL Sequence: 2
- VTL TMV: $1,000,000
- Property Type: 1c Homestead Resort
- Property Subtype: Real Property

Juniper County Valuation Tree
- Parcel Characteristics Table (1)
  - Parcel ID: A
  - Taxable Property Table (1)
    - Property Type: 4c(12) Non-Commercial Seasonal Recreational Residential
    - Property Subtype: Real Property
    - Land TMV: $150,000
    - Building TMV: $400,000
    - Fully Taxable NTC: 5,625 ($500,000 X .01 + $50,000 X .0125)
    - State NTC: 5,169 ($76,000 X .004 + $424,000 X .01 + $50,000 X .0125)

- Taxable Property Table (2)
  - Property Type: 2b Rural Vacant Non-Homestead
  - Property Subtype: Real Property
  - Land TMV: $150,000
  - Fully Taxable NTC: 1,500 ($150,000 X .01)

- Parcel Characteristics Table (2)
  - Parcel ID: B
  - Taxable Property Table (1)
    - Property Type: 2b Rural Vacant Homestead
    - Property Subtype: Real Property
    - Land TMV: $150,000
    - Fully Taxable NTC: 750 ($150,000 X .005)
  
  - Taxable Property Table (2)
    - Property Type: 2b Rural Vacant Non-Homestead
    - Property Subtype: Real Property
    - Land TMV: $150,000
    - Fully Taxable NTC: 1,500 ($150,000 X .01)

- Parcel Characteristics Table (3)
  - Parcel ID: C
  - Taxable Property Table (1)
    - Property Type: 2a HGA
    - Property Subtype: Real Property
    - Land TMV: $150,000
    - Building TMV: $300,000
    - Fully Taxable NTC: 4,500 ($450,000 X .01)
  
  - Taxable Property Table (2)
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
    - Land TMV: $300,000
    - Building TMV: $50,000
- Fully Taxable NTC: 1,750 ($350,000 \times 0.005)

- **Taxable Property Table (3)**
  - Property Type: 2b Rural Vacant Homestead
  - Property Subtype: Real Property
  - Land TMV: $75,000
  - Fully Taxable NTC: 375 ($75,000 \times 0.005)

- **Preferential Entities Table (1)**
  - Preferential Entity Type Code: Agricultural Homestead
  - Number of Preferential Rate Entities: 1

- **Parcel Characteristics Table (4)**
  - Parcel ID: D
  - **Taxable Property Table (1)**
    - Property Type: 1a Residential Homestead
    - Property Subtype: Real Property
    - Land TMV: $120,000
    - Building TMV: $280,000
    - Fully Taxable NTC: 4,000 ($400,000 \times 0.01)
  - **Taxable Property Table (2)**
    - Property Type: 1c Homestead Resort
    - Property Subtype: Real Property
    - Land TMV: $500,000
    - Building TMV: $1,900,000
    - Fully Taxable NTC: 21,000 ($600,000 \times 0.005 + $1,800,000 \times 0.01)
  - **Preferential Entities Table (1)**
    - Preferential Entity Type Code: Residential Homestead
    - Number of Preferential Rate Entities: 1

- **Parcel Characteristics Table (5)**
  - Parcel ID: E
  - **Taxable Property Table (1)**
    - Property Type: 1c Homestead Resort
    - Property Subtype: Real Property
    - Land TMV: $250,000
    - Building TMV: $750,000
    - Fully Taxable NTC: 10,750 ($700,000 \times 0.01 + $300,000 \times 0.0125)
    - State NTC: 3,750 ($300,000 \times 0.0125)

- **Parcel Characteristics Table (6)**
  - Parcel ID: F
  - **Taxable Property Table (1)**
    - Property Type: 1a Residential Homestead
    - Property Subtype: Real Property
    - Land TMV: $75,000
    - Building TMV: $225,000
    - Fully Taxable NTC: 3,000 ($300,000 \times 0.01)
  - **Taxable Property Table (2)**
    - Property Type: 1c Homestead Resort
    - Property Subtype: Real Property
    - Land TMV: $400,000
    - Building TMV: $1,100,000

PRISM Reporting Examples
- Fully Taxable NTC: $12,000 ($600,000 X .005 + $900,000 X .01)
  - Preferential Entities Table (1)
    - Preferential Entity Type Code: Residential Homestead
    - Number of Preferential Rate Entities: 1

Juniper County Taxation Tree

- **Parcel Characteristics Table (1)**
  - **Parcel ID**: A
    - Current Year Total Property Tax and Special Assessments: $6,480.73
    - Gross Local NTC Tax: $5,326.65 (7,125 X .74760)
    - Net Local NTC Tax: $5,326.65
    - State NTC Tax: $1,154.08 (5,169 X .22327)

- **Parcel Characteristics Table (2)**
  - **Parcel ID**: B
    - Current Year Total Property Tax and Special Assessments: $1,682.10
    - Gross Local NTC Tax: $1,682.10 (2,250 X .74760)
    - Net Local NTC Tax: $1,682.10

- **Parcel Characteristics Table (3)**
  - **Parcel ID**: C
    - Current Year Qualifying Tax Amount: $3,364.20 (4,500 X .74760)
    - Current Year Total Property Tax and Special Assessments: $4,462.85
    - Gross Local NTC Tax: $4,952.85 (6,625 X .74760)
    - Net Local NTC Tax: $4,952.85 ($4,952.85 – 490.00)
    - Taxation Modifier Table (1)
      - Modifier Type: Agricultural Homestead Credit
      - NTC Modifier Amount: $490.00
      - VTL Chain ID: 32845 (Juno)

- **Parcel Characteristics Table (4)**
  - **Parcel ID**: D
    - Current Year Qualifying Tax Amount: $2,990.40 (4,000 X .74760)
    - Current Year Total Property Tax and Special Assessments: $18,690.00
    - Gross Local NTC Tax: $18,690.00 (25,000 X .74760)
    - Net Local NTC Tax: $18,690.00

- **Parcel Characteristics Table (5)**
  - **Parcel ID**: E
    - Current Year Total Property Tax and Special Assessments: $8,873.96
    - Gross Local NTC Tax: $8,036.70 (10,750 X .74760)
    - Net Local NTC Tax: $8,036.70
    - State NTC Tax: $837.26 (3,750 X .22327)

- **Parcel Characteristics Table (6)**
  - **Parcel ID**: F
    - Current Year Qualifying Tax Amount: $2,242.80 (3,000 X .74760)
    - Current Year Total Property Tax and Special Assessments: $11,214.00
    - Gross Local NTC Tax: $11,214.00 (15,000 X .74760)
    - Net Local NTC Tax: $11,214.00
Alex has no reason to link parcels A & B, so a VTL Chain ID was not created. Juno benefits from linking parcels C and B under an agricultural homestead; however, since parcel B is co-owned with Alex, only half of the TMV is shown in the linkage chain. Parcel A also has an agricultural homestead preferential entity count of one.

For parcels D, E, and F, the situation is unique. Parcel D is the base parcel for Blueberry Resort while Parcel F is the base parcel for Lakeside Resort. Normally, since parcel E does not have a homestead on it, it would be classified as a 4c (1) commercial resort; however, since Walleye resort’s LLC members are exactly the same as Lakeside resort’s LLC’s members, the parcels are owned by a qualifying ownership entity type (LLC), the parcels are considered contiguous, and Lakeside resort is homesteaded by one of the members (Alice), then the parcels can be linked under the 1c Homestead Resort tier from Lakeside Resort. As a side note, Walleye resort could not be linked in the same manner to Blueberry resort because the LLCs do not have the same members in common. Both parcels D and F reflect a residential homestead preferential entity count of one.
Let us consider an example that could exist within a city where there is a mixture of residential and commercial property types with multiple parcels sharing the same land area due to building upwards. Consider the ten parcels above that are located in the city of Mariana. Parcel A is owned by Main Street Condominiums that manages four identical units (Parcels B, C, D, and E) in the building and the common areas. Two of the parcels are owner occupied while the other two are rented. Parcel G, owned by Sunny Days Cooperative, manages four identical units in the building, as well as the common areas. Three of the parcels are member occupied and one is rented. For both the condominium and the cooperative, the class rate applied to the common areas is weighted depending upon the estimated market values (EMVs) of the units. Because the Main Street Condominium units are all valued at $200,000, and the Sunny Days Cooperative units are all valued at $150,000, the division of the common areas is split into equal quarters. Parcels F and J are owned by Kevin and Angie. Each parcel contains a business; one is a restaurant ($300,000) and the other is an auto supply store ($250,000). Parcels H and I are both owned by Flower Manufacturing where they produce and sell high-end ceramics.
All ten parcels are located in Conifer County within the same unique taxing area (UTA) and have a total local NTC rate of 91.300% and a state NTC rate of 52.523% applied to commercial and industrial property. No referendum market value (RMV) rates or special assessments exist on these six parcels. The following rates are used to determine the fully taxable net tax capacity (NTC) and state NTC by property type:

- 1a Residential – First $500,000 at 1.00%, Over $500,000 at 1.25%
- 3a Commercial
  - Fully Taxable NTC – First $150,000 at 1.50%, Over $150,000 at 2.00%
  - State NTC – First $150,000 at 1.50%, Over $150,000 at 2.00%
- 4a Apartment/Residential Non-Homestead – 1.25%

The county’s submissions in the parcel linkage, valuation, and taxation trees would look like the following, but note that anything in parentheses and italicized would not physically appear on the submission and are only used here to ease the reading of this example.

**Conifer County Parcel Linkage**

- **Valuation/Taxation Linkage Table (1)**
  - VTL Chain ID: 422150 (Flower Manufacturing)
  - Cross County Chain Indicator: N
  - Home County Chain Indicator: Y
  - **Parcel Information Table (1)**
    - Parcel ID: H
    - Property Information Table (1)
      - VTL Sequence: 1
      - VTL TMV: $400,000
      - Property Type: 3a Commercial
      - Property Subtype: Real Property
  - **Parcel Information Table (2)**
    - Parcel ID: I
    - Property Information Table (1)
      - VTL Sequence: 2
      - VTL TMV: $350,000
      - Property Type: 3a Commercial
      - Property Subtype: Real Property

**Conifer County Valuation Tree**

- **Parcel Characteristics Table (1)**
  - Parcel ID: A
  - **Taxable Property Table (1)**
    - Property Type: 1a Residential Homestead
    - Property Subtype: Real Property
    - Land TMV: $80,000
    - Building TMV: $70,000
    - Fully Taxable NTC: 1,500 ($150,000 X .01)
  - **Taxable Property Table (2)**
    - Property Type: 4a Apartment
    - Property Subtype: Real Property
- Land TMV: $80,000
- Building TMV: $70,000
- Fully Taxable NTC: 1,875 ($150,000 * .0125)

- **Parcel Characteristics Table (2)**
  - **Parcel ID:** B
  - **Taxable Property Table (1)**
    - Property Type: 4a Apartment
    - Property Subtype: Real Property
    - Building TMV: $200,000
    - Fully Taxable NTC: 2,500 ($200,000 * .0125)

- **Parcel Characteristics Table (3)**
  - **Parcel ID:** C
  - **Taxable Property Table (1)**
    - Property Type: 1a Residential Homestead
    - Property Subtype: Real Property
    - Building TMV: $187,510
    - Fully Taxable NTC: 1,875 ($187,510 * .01)
  - **Preferential Entities Table (1)**
    - Preferential Entity Type Code: Residential Homestead
    - Number of Preferential Rate Entities: 1

- **Parcel Characteristics Table (4)**
  - **Parcel ID:** D
  - **Taxable Property Table (1)**
    - Property Type: 1a Residential Homestead
    - Property Subtype: Real Property
    - Building TMV: $187,510
    - Fully Taxable NTC: 1,875 ($187,510 * .01)
  - **Preferential Entities Table (1)**
    - Preferential Entity Type Code: Residential Homestead
    - Number of Preferential Rate Entities: 1

- **Parcel Characteristics Table (5)**
  - **Parcel ID:** E
  - **Taxable Property Table (1)**
    - Property Type: 4a Apartment
    - Property Subtype: Real Property
    - Building TMV: $200,000
    - Fully Taxable NTC: 2,500 ($200,000 * .0125)

- **Parcel Characteristics Table (6)**
  - **Parcel ID:** F
  - **Taxable Property Table (1)**
    - Property Type: 3a Commercial
    - Property Subtype: Real Property
    - Land TMV: $75,000
    - Building TMV: $175,000
    - Fully Taxable NTC: 4,250 ($150,000 * .015 + $100,000 * .02)
    - State NTC: 4,250 ($150,000 * .0150 + $100,000 * .0200)
  - **Preferential Entities Table (1)**
    - Preferential Entity Type Code: Commercial Entity
Number of Preferential Rate Entities: 1

- **Parcel Characteristics Table (7)**
  - **Parcel ID:** G
  - **Taxable Property Table (1)**
    - Property Type: 4a Apartment
    - Property Subtype: Real Property
    - Land TMV: $10,000
    - Building TMV: $40,000
    - Fully Taxable NTC: 625 ($50,000 X .0125)
  - **Taxable Property Table (2)**
    - Property Type: 1a Residential Homestead
    - Property Subtype: Real Property
    - Land TMV: $10,000
    - Building TMV: $40,000
    - Fully Taxable NTC: 625 ($50,000 X .0125)
  - **Taxable Property Table (3)**
    - Property Type: 1a Residential Homestead
    - Property Subtype: Real Property
    - Land TMV: $10,000
    - Building TMV: $40,000
    - Fully Taxable NTC: 625 ($50,000 X .0125)
  - **Taxable Property Table (4)**
    - Property Type: 1a Residential Homestead
    - Property Subtype: Real Property
    - Land TMV: $10,000
    - Building TMV: $40,000
    - Fully Taxable NTC: 625 ($50,000 X .0125)
  - **Taxable Property Table (5)**
    - Property Type: 1a Residential Homestead
    - Property Subtype: Real Property
    - Land TMV: $33,669
    - Building TMV: $92,591
    - Fully Taxable NTC: 1,266 ($125,000 X .01 + $1,260 X .0125)
  - **Taxable Property Table (6)**
    - Property Type: 1a Residential Homestead
    - Property Subtype: Real Property
    - Land TMV: $33,669
    - Building TMV: $92,591
    - Fully Taxable NTC: 1,266 ($125,000 X .01 + $1,260 X .0125)
  - **Taxable Property Table (7)**
    - Property Type: 1a Residential Homestead
    - Property Subtype: Real Property
    - Land TMV: $33,669
    - Building TMV: $92,591
    - Fully Taxable NTC: 1,266 ($125,000 X .01 + $1,260 X .0125)
  - **Taxable Property Table (8)**
    - Property Type: 1a Residential Homestead
    - Property Subtype: Real Property
- Land TMV: $33,669
- Building TMV: $92,591
- Fully Taxable NTC: 1,266 ($125,000 X .01 + $1,260 X .0125)
  
  **Preferential Entities Table (1)**
  - Preferential Entity Type Code: Residential Homestead
  - Number of Preferential Rate Entities: 0.25
  
  **Preferential Entities Table (2)**
  - Preferential Entity Type Code: Residential Homestead
  - Number of Preferential Rate Entities: 0.25
  
  **Preferential Entities Table (3)**
  - Preferential Entity Type Code: Residential Homestead
  - Number of Preferential Rate Entities: 0.25
  
  **Parcel Characteristics Table (8)**
  
  **Parcel ID: H**
  
  **Taxable Property Table (1)**
  - Property Type: 3a Commercial
  - Property Subtype: Real Property
  - Land TMV: $100,000
  - Building TMV: $300,000
  - Fully Taxable NTC: 7,250 ($150,000 X .015 + $250,000 X .02)
  - State NTC: 7,250 ($150,000 X .015 + $250,000 X .02)
  
  **Preferential Entities Table (1)**
  - Preferential Entity Type Code: Commercial Entity
  - Number of Preferential Rate Entities: 1
  
  **Parcel Characteristics Table (9)**
  
  **Parcel ID: I**
  
  **Taxable Property Table (1)**
  - Property Type: 3a Commercial
  - Property Subtype: Real Property
  - Land TMV: $100,000
  - Building TMV: $250,000
  - Fully Taxable NTC: 7,000 ($350,000 X .02)
  - State NTC: 7,000 ($350,000 X .02)
  
  **Parcel Characteristics Table (10)**
  
  **Parcel ID: J**
  
  **Taxable Property Table (1)**
  - Property Type: 3a Commercial
  - Land TMV: $75,000
  - Building TMV: $225,000
  - Fully Taxable NTC: 5,250 ($150,000 X .015 + $150,000 X .02)
  - State NTC: 5,250 ($150,000 X .0150 + $150,000 X .0200)
  
  **Preferential Entities Table (1)**
  - Preferential Entity Type Code: Commercial Entity
  - Number of Preferential Rate Entities: 1
Conifer County Taxation Tree

- **Parcel Characteristics Table (1)**
  - *Parcel ID: A*
  - Current Year Qualifying Tax Amount: $1,369.50 (1,500 X .91300)
  - Current Year Total Property Tax and Special Assessments: $3,081.38
  - Gross Local NTC Tax: $3,081.38 (3,375 X .91300)
  - Net Local NTC Tax: $3,081.38

- **Parcel Characteristics Table (2)**
  - *Parcel ID: B*
  - Current Year Total Property Tax and Special Assessments: $2,282.50
  - Gross Local NTC Tax: $2,282.50 (2,500 X .91300)
  - Net Local NTC Tax: $2,282.50

- **Parcel Characteristics Table (3)**
  - *Parcel ID: C*
  - Current Year Qualifying Tax Amount: $1,711.88
  - Current Year Total Property Tax and Special Assessments: $1,711.88
  - Gross Local NTC Tax: $1,711.88 (1,875 X .91300)
  - Net Local NTC Tax: $1,711.88

- **Parcel Characteristics Table (4)**
  - *Parcel ID: D*
  - Current Year Qualifying Tax Amount: $1,711.88
  - Current Year Total Property Tax and Special Assessments: $1,711.88
  - Gross Local NTC Tax: $1,711.88 (1,875 X .91300)
  - Net Local NTC Tax: $1,711.88

- **Parcel Characteristics Table (5)**
  - *Parcel ID: E*
  - Current Year Total Property Tax and Special Assessments: $2,282.50
  - Gross Local NTC Tax: $2,282.50 (2,500 X .91300)
  - Net Local NTC Tax: $2,282.50

- **Parcel Characteristics Table (6)**
  - *Parcel ID: F*
  - Current Year Total Property Tax and Special Assessments: $6,112.48
  - Gross Local NTC Tax: $3,880.25 (4,250 X .91300)
  - Net Local NTC Tax: $3,880.25
  - State NTC Tax: $2,232.23 (4,250 X .52523)

- **Parcel Characteristics Table (7)**
  - *Parcel ID: G*
  - Current Year Qualifying Tax Amount: $5,179.45 (5,673 X .91300)
  - Current Year Total Property Tax and Special Assessments: $7,461.95
  - Gross Local NTC Tax: $7,461.95 (8,173 X .91300)
  - Net Local NTC Tax: $7,461.95

- **Parcel Characteristics Table (8)**
  - *Parcel ID: H*
  - Current Year Total Property Tax and Special Assessments: $10,427.17
  - Gross Local NTC Tax: $6,619.25 (7,250 X .91300)
  - Net Local NTC Tax: $6,619.25
  - State NTC Tax: $3,807.92 (7,250 X .52523)
• **Parcel Characteristics Table (9)**
  - *Parcel ID: I*
  - Current Year Total Property Tax and Special Assessments: $10,067.61
  - Gross Local NTC Tax: $6,391.00 (7,000 X .91300)
  - Net Local NTC Tax: $6,391.00
  - State NTC Tax: $3,676.61 (7,000 X .52523)

• **Parcel Characteristics Table (10)**
  - *Parcel ID: J*
  - Current Year Total Property Tax and Special Assessments: $7,550.71
  - Gross Local NTC Tax: $4,793.25 (5,250 X .91300)
  - Net Local NTC Tax: $4,793.25
  - State NTC Tax: $2,757.46 (5,250 X .52523)

You can see that while there are individual records shown for both the condominium and the cooperative, and the common areas are apportioned in the same manner, the actual reporting of the records in terms of the valuation and taxation trees are very different. The condominium has owners while the cooperative has members. This results in the condominium having five owners (the 2 owner occupied units, the 2 rental units, and the common areas owned by the association) while the cooperative is solely owned by the association. This results in Parcels C and D reflecting one residential homestead entity each, and parcel G reflecting a fractional three-fourths residential homestead entity. Parcel A does not reflect a homestead entity as it is an extension of the homestead entities for parcels C and D, even though they are not linked.

None of the parcels, in the condominium or the cooperative, reflected any information in the parcel linkage data tree. On the other hand, the commercial property is linked for Flower Manufacturing because they share a single commercial entity across both parcels. Even though parcels F and J share the same ownership, the two businesses are completely separate and thus receive their own commercial entity.
Complex Combination

Example 7

<table>
<thead>
<tr>
<th>(A)</th>
<th>(D)</th>
<th>(G)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sue</td>
<td>Sue &amp; Bob</td>
<td>SBGM Trust</td>
</tr>
<tr>
<td>HGA-$150,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2a-$25,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2b-$125,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2a-$600,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2b-$150,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1a-$350,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2a-$1,600,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(B)</th>
<th>(E)</th>
<th>(F)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bob</td>
<td>Sue &amp; Mary</td>
<td>Sue &amp; Mary</td>
</tr>
<tr>
<td>HGA-$200,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2a-$100,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2a-$600,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2a-$550,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2b-$50,000</td>
<td></td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(C)</th>
<th>(H)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mary</td>
<td>Quinn</td>
</tr>
<tr>
<td>HGA-$225,000</td>
<td></td>
</tr>
<tr>
<td>2a-$200,000</td>
<td></td>
</tr>
<tr>
<td>2a-$175,000</td>
<td></td>
</tr>
<tr>
<td>HGA-$175,000</td>
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<tr>
<td>2a-$75,000</td>
<td></td>
</tr>
<tr>
<td>2b-$200,000</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(I)</th>
<th>(J)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sunnyside Farming LLC</td>
<td></td>
</tr>
<tr>
<td>2a-$2,000,000</td>
<td></td>
</tr>
<tr>
<td>Sunnyside Farming LLC</td>
<td></td>
</tr>
<tr>
<td>2a-$2,000,000</td>
<td></td>
</tr>
<tr>
<td>2b-$520,000</td>
<td></td>
</tr>
</tbody>
</table>

The following example shows how complex situations involving many ownership entities, parcels, records, and property types can be linked.

Consider the ten parcels owned by six ownership entities: Mary, Sue, Bob, Quinn, the SBGM Trust, and the Sunnyside Farming LLC. The SBGM trust was created by four siblings (Mary, Sue, Bob, and Gary) whose parents live at the property where they claim a residential homestead. The Sunnyside Farming LLC was created by all four siblings, as well as their friend Quinn, and is based in Spruce County. Each of the parcels reflects the different property types and the taxable market values (TMV). Mary, Sue, Bob, and Quinn each have a homestead that they farm, and Mary has a commercial repair shop business on her base parcel. Gary lives in his own residential homestead three counties away and does not own any other property. However, he does have interest in both the SBGM Trust and the Sunnyside Farming LLC.

Eight of the ten parcels involved (A, B, D, E, F, G, H, J) are located in Spruce County within the same unique taxing area (UTA) that has a total local NTC rate of 87.233%. The remaining two parcels (C, I) are located in Maple County within the same UTA that has a total NTC Rate of 92.534% and a state NTC rate of 52.523%. No referendum market value (RMV) rates or special assessments exist on these eight parcels.

The VTL sequence follows the order of the parcels to reach any tiers, and will always start with 1 regardless of whether there are any additional parcels involved. Once the tier limit for the property type has been reached, additional valuation chain orders are still reported. The following rates are used to determine the fully taxable net tax capacity (NTC) and state NTC by property type:

- 2a HGA – First $500,000 at 1.00%, Over $500,000 at 1.25%
• Agricultural Homestead – First $1,900,000 at 0.50%, Over $1,900,000 at 1.00%
  o Both 2a Agricultural and 2b Rural Vacant Homestead are combined under this tier (except for 2a HGA) and are taken as a single unit for the tier break
• Agricultural Non-homestead – At 1.00% for both 2a Agricultural and 2b Rural Vacant land
• Farming Entity – Unused Agricultural Homestead applied at .50%, Remaining at 1.00%
  o As much unused agricultural homestead provided by members can be applied, but when it runs out then the remainder must have the higher tax rate
  o The unused agricultural homestead is applied to both 2a Farming Entity and 2b Farming Entity property types under this tier and are taken as a single unit until all unused agricultural homestead is applied
• 3a Commercial
  o Fully Taxable NTC – First $150,000 at 1.50%, Over $150,000 at 2.00%
  o State NTC – First $150,000 at 1.50%, Over $150,000 at 2.00%

Their submissions in the ownership, valuation, and taxation trees would look like the following, but note that anything in parentheses and italicized would not physically appear on the submission and just used to ease the reading of this example.

Spruce County Parcel Linkage Tree

• Valuation/Taxation Linkage Table (1)
  o VTL Chain ID: 24889 (Sue)
  o Cross County Chain Indicator: N
  o Base County Chain Indicator: Y
  o Parcel Information Table (1)
    ▪ Parcel ID: A
    ▪ Property Information Table (1)
      ◇ VTL Sequence: 1
      ◇ VTL TMV: $150,000
      ◇ Property Type: 2a Agricultural HGA
    ▪ Property Subtype: Real Property
  ▪ Property Information Table (2)
    ◇ VTL Sequence: 2
    ◇ VTL TMV: $25,000
    ◇ Property Type: 2a Agricultural Homestead
    ◇ Property Subtype: Real Property
  ▪ Property Information Table (3)
    ◇ VTL Sequence: 3
    ◇ VTL TMV: $125,000
    ◇ Property Type: 2a Rural Vacant Homestead
    ◇ Property Subtype: Real Property
  o Parcel Information Table (2)
    ▪ Parcel ID: D
      ▪ Property Information Table (1)
        ◇ VTL Sequence: 4
        ◇ VTL TMV: $300,000
        ◇ Property Type: 2a Agricultural Homestead
        ◇ Property Subtype: Real Property
- **Property Information Table (2)**
  - VTL Sequence: 5
  - VTL TMV: $75,000
  - Property Type: 2b Rural Vacant Homestead
  - Property Subtype: Real Property
- **Parcel Information Table (3)**
  - **Parcel ID:** E
  - **Property Information Table (1)**
    - VTL Sequence: 6
    - VTL TMV: $300,000
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
- **Parcel Information Table (4)**
  - **Parcel ID:** F
  - **Property Information Table (1)**
    - VTL Sequence: 7
    - VTL TMV: $275,000
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
  - **Property Information Table (2)**
    - VTL Sequence: 8
    - VTL TMV: $25,000
    - Property Type: 2b Rural Vacant Homestead
    - Property Subtype: Real Property
- **Parcel Information Table (5)**
  - **Parcel ID:** G
  - **Property Information Table (1)**
    - VTL Sequence: 9
    - VTL TMV: $400,000
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
- **Valuation/Taxation Linkage Table (2)**
  - VTL Chain ID: 66723 (Bob)
  - Cross County Chain Indicator: N
  - Base County Chain Indicator: Y
- **Parcel Information Table (1)**
  - **Parcel ID:** B
  - **Property Information Table (1)**
    - VTL Sequence: 1
    - VTL TMV: $200,000
    - Property Type: 2a Agricultural HGA
    - Property Subtype: Real Property
  - **Property Information Table (2)**
    - VTL Sequence: 2
    - VTL TMV: $100,000
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
- **Parcel Information Table (2)**
- **Parcel ID: D**
  - **Property Information Table (1)**
    - VTL Sequence: 3
    - VTL TMV: $300,000
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
  - **Property Information Table (2)**
    - VTL Sequence: 4
    - VTL TMV: $75,000
    - Property Type: 2b Rural Vacant Homestead
    - Property Subtype: Real Property
- **Parcel Information Table (3)**
  - **Parcel ID: G**
  - **Property Information Table (1)**
    - VTL Sequence: 5
    - VTL TMV: $400,000
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
- **Valuation/Taxation Linkage Table (3)**
  - VTL Chain ID: 44573 (Mary)
  - Cross County Chain Indicator: Y
  - Base County Chain Indicator: N
- **Parcel Information Table (1)**
  - **Parcel ID: E**
    - **Property Information Table (1)**
      - VTL Sequence: 1
      - VTL TMV: $300,000
      - Property Type: 2a Agricultural Homestead
      - Property Subtype: Real Property
- **Parcel Information Table (2)**
  - **Parcel ID: F**
    - **Property Information Table (1)**
      - VTL Sequence: 2
      - VTL TMV: $275,000
      - Property Type: 2a Agricultural Homestead
      - Property Subtype: Real Property
    - **Property Information Table (2)**
      - VTL Sequence: 3
      - VTL TMV: $25,000
      - Property Type: 2b Rural Vacant Homestead
      - Property Subtype: Real Property
- **Parcel Information Table (3)**
  - **Parcel ID: G**
    - **Property Information Table (1)**
      - VTL Sequence: 4
      - VTL TMV: $400,000
      - Property Type: 2a Agricultural Homestead
      - Property Subtype: Real Property
• **Valuation/Taxation Linkage Table (4)**
  - VTL Chain ID: 77389 (Sunnyside Farming LLC)
  - Cross County Chain Indicator: Y
  - Base County Chain Indicator: Y
  - **Parcel Information Table (1)**
    - **Parcel ID:** J
    - **Property Information Table (1)**
      - VTL Sequence: 1
      - VTL TMV: $2,000,000
      - Property Type: 2a Farming Entity
      - Property Subtype: Real Property
    - **Property Information Table (2)**
      - VTL Sequence: 2
      - VTL TMV: $520,000
      - Property Type: 2b Farming Entity
      - Property Subtype: Real Property

Spruce County Valuation Tree
• **Parcel Characteristics Table (1)**
  - **Parcel ID:** A
    - **Taxable Property Table (1)**
      - Property Type: 2a HGA
      - Property Subtype: Real Property
      - Land TMV: $25,000
      - Building TMV: $125,000
      - Fully Taxable NTC: 1,500 ($150,000 X .01)
    - **Taxable Property Table (2)**
      - Property Type: 2a Agricultural Homestead
      - Property Subtype: Real Property
      - Land TMV: $25,000
      - Fully Taxable NTC: 125 ($25,000 X .005)
    - **Taxable Property Table (3)**
      - Property Type: 2b Rural Vacant Homestead
      - Property Subtype: Real Property
      - Land TMV: $125,000
      - Fully Taxable NTC: 625 ($125,000 X .005)
  - **Preferential Entities Table (1)**
    - Preferential Entity Type Code: Agricultural Homestead
    - Number of Preferential Rate Entities: 1

• **Parcel Characteristics Table (2)**
  - **Parcel ID:** B
    - **Taxable Property Table (1)**
      - Property Type: 2a HGA
      - Property Subtype: Real Property
      - Land TMV: $50,000
      - Building TMV: $150,000
      - Fully Taxable NTC: 2,000 ($200,000 X .001)
    - **Taxable Property Table (2)**
- Property Type: 2a Agricultural Homestead
- Property Subtype: Real Property
- Land TMV: $100,000
- Fully Taxable NTC: 500 ($100,000 X .005)
- **Preferential Entities Table (1)**
  - Preferential Entity Type Code: Agricultural Homestead
  - Number of Preferential Rate Entities: 1

- **Parcel Characteristics Table (3)**
  - **Parcel ID: D**
  - **Taxable Property Table (1)**
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
    - Land TMV: $300,000
    - Fully Taxable NTC: 1,500 ($300,000 X .005)
  - **Taxable Property Table (2)**
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
    - Land TMV: $300,000
    - Fully Taxable NTC: 1,500 ($300,000 X .005)
  - **Taxable Property Table (3)**
    - Property Type: 2b Rural Vacant Homestead
    - Property Subtype: Real Property
    - Land TMV: $75,000
    - Fully Taxable NTC: 375 ($75,000 X .005)
  - **Taxable Property Table (4)**
    - Property Type: 2b Rural Vacant Homestead
    - Property Subtype: Real Property
    - Land TMV: $75,000
    - Fully Taxable NTC: 375 ($75,000 X .005)

- **Parcel Characteristics Table (4)**
  - **Parcel ID: E**
  - **Taxable Property Table (1)**
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
    - Land TMV: $300,000
    - Fully Taxable NTC: 1,500 ($300,000 X .005)
  - **Taxable Property Table (2)**
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
    - Land TMV: $300,000
    - Fully Taxable NTC: 1,500 ($300,000 X .005)

- **Parcel Characteristics Table (5)**
  - **Parcel ID: F**
  - **Taxable Property Table (1)**
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
    - Land TMV: $225,000
    - Fully Taxable NTC: 1,375 ($225,000 X .005)
- **Taxable Property Table (2)**
  - Property Type: 2a Agricultural Homestead
  - Property Subtype: Real Property
  - Land TMV: $225,000
  - Fully Taxable NTC: 1,375 ($225,000 X .005)

- **Taxable Property Table (3)**
  - Property Type: 2b Rural Vacant Homestead
  - Property Subtype: Real Property
  - Land TMV: $25,000
  - Fully Taxable NTC: 125 ($25,000 X .005)

- **Taxable Property Table (4)**
  - Property Type: 2b Rural Vacant Homestead
  - Property Subtype: Real Property
  - Land TMV: $25,000
  - Fully Taxable NTC: 125 ($25,000 X .005)

- **Parcel Characteristics Table (6)**
  - **Parcel ID:** G
  - **Taxable Property Table (1)**
    - Property Type: 1a Residential Homestead
    - Property Subtype: Real Property
    - Land TMV: $125,000
    - Building TMV: $225,000
    - Fully Taxable NTC: 3,500 ($350,000 X .01)
  - **Taxable Property Table (2)**
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
    - Land TMV: $400,000
    - Fully Taxable NTC: 2,000 ($400,000 X .005)
  - **Taxable Property Table (3)**
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
    - Land TMV: $400,000
    - Fully Taxable NTC: 2,000 ($400,000 X .005)
  - **Taxable Property Table (4)**
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
    - Land TMV: $400,000
    - Fully Taxable NTC: 2,000 ($400,000 X .005)
  - **Taxable Property Table (5)**
    - Property Type: 2a Agricultural Non-Homestead
    - Property Subtype: Real Property
    - Land TMV: $400,000
    - Fully Taxable NTC: 4,000 ($400,000 X .01)
  - **Preferential Entities Table (1)**
    - Preferential Entity Type Code: Residential Homestead
    - Number of Preferential Rate Entities: 1

- **Parcel Characteristics Table (7)**
  - **Parcel ID:** H
- **Taxable Property Table (1)**
  - Property Type: 2a HGA
  - Property Subtype: Real Property
  - Land TMV: $50,000
  - Building TMV: $125,000
  - Fully Taxable NTC: 1,750 ($175,000 X .01)

- **Taxable Property Table (2)**
  - Property Type: 2a Agricultural Homestead
  - Property Subtype: Real Property
  - Land TMV: $75,000
  - Fully Taxable NTC: 375 ($75,000 X .005)

- **Taxable Property Table (3)**
  - Property Type: 2b Rural Vacant Homestead
  - Property Subtype: Real Property
  - Land TMV: $200,000
  - Fully Taxable NTC: 1,000 ($200,000 X .005)

- **Preferential Entities Table (1)**
  - Preferential Entity Type Code: Agricultural Homestead
  - Number of Preferential Rate Entities: 1

- **Parcel Characteristics Table (8)**
  - **Parcel ID: J**
  - Taxable Property Table (1)
    - Property Type: 2a Farming Entity
    - Property Subtype: Real Property
    - Land TMV: $2,000,000
    - Fully Taxable NTC: 10,000 ($2,000,000 X .005)

  - Taxable Property Table (2)
    - Property Type: 2b Farming Entity
    - Property Subtype: Real Property
    - Land TMV: $520,000
    - Fully Taxable NTC: 2,600 ($520,000 X .005)

- **Spruce County Taxation Tree**

- **Parcel Characteristics Table (1)**
  - **Parcel ID: A**
    - Current Year Qualifying Tax Amount: $1,308.50 (1,500 X .87233)
    - Gross Local NTC Tax: $1,962.74 (2,250 X .87233)
    - Net Local NTC Tax: $1,472.74 ($1,962.74 - $490.00)
    - Taxation Data Table (1)
      - Modifier Type: Agricultural Homestead Credit
      - NTC Modifier Amount: $490.00
      - VTL Chain ID: 24889 (Sue)

- ** Parcel Characteristics Table (2)**
  - **Parcel ID: B**
    - Current Year Qualifying Tax Amount: $1,744.66 (2,000 X .87233)
    - Gross Local NTC Tax: $2,180.83 (2,500 X .87233)
o Net Local NTC Tax: $1,690.83 ($2,180.83 - $490.00)
o Taxation Data Table (1)
  ▪ Modifier Type: Agricultural Homestead Credit
  ▪ NTC Modifier Amount: $490.00
  ▪ VTL Chain ID: 66723 (Bob)

- Parcel Characteristics Table (3)
o Parcel ID: D
  o Current Year Total Property Tax and Special Assessments: $3,271.24
  o Gross Local NTC Tax: $3,271.24 (3,750 X .87233)
  o Net Local NTC Tax: $3,271.24

- Parcel Characteristics Table (4)
o Parcel ID: E
  o Current Year Total Property Tax and Special Assessments: $2,616.99
  o Gross Local NTC Tax: $2,616.99 (3,000 X .87233)
  o Net Local NTC Tax: $2,616.99

- Parcel Characteristics Table (5)
o Parcel ID: F
  o Current Year Total Property Tax and Special Assessments: $2,616.99
  o Gross Local NTC Tax: $2,616.99 (3,000 X .87233)
  o Net Local NTC Tax: $2,616.99

- Parcel Characteristics Table (6)
o Parcel ID: G
  o Current Year Qualifying Tax Amount: $3,053.16 (3,500 X .87233)
  o Current Year Total Property Tax and Special Assessments: $11,776.46
  o Gross Local NTC Tax: $11,776.46 (13,500 X .87233)
  o Net Local NTC Tax: $11,776.46

- Parcel Characteristics Table (7)
o Parcel ID: H
  o Current Year Qualifying Tax Amount: $1,526.58 (1,750 X .87233)
  o Current Year Total Property Tax and Special Assessments: $2,236.03
  o Gross Local NTC Tax: $2,236.03 (3,125 X .87233)
  o Net Local NTC Tax: $2,236.03 ($2,726.03 - $490.00)
o Taxation Data Table (1)
  ▪ Modifier Type: Agricultural Homestead Credit
  ▪ NTC Modifier Amount: $490.00
  ▪ VTL Chain ID: 05563 (Quinn)

- Parcel Characteristics Table (8)
o Parcel ID: J
  o Current Year Total Property Tax and Special Assessments: $10,991.36
  o Gross Local NTC Tax: $10,991.36 (12,600 X .87233)
  o Net Local NTC Tax: $10,991.36

- Valuation/Taxation Linkage Table (1)
o VTL Chain ID: 3451124 (Mary)
o Cross County Chain Indicator: Y
o Base County Chain Indicator: Y

Maple County Parcel Linkage Tree
- **Parcel Information Table (1)**
  - **Parcel ID:** C
- **Property Information Table (1)**
  - VTL Sequence: 1
  - VTL TMV: $225,000
  - Property Type: 2a Agricultural HGA
- **Property Subtype:** Real Property
- **Property Information Table (2)**
  - VTL Sequence: 2
  - VTL TMV: $200,000
  - Property Type: 2a Agricultural Homestead
  - Property Subtype: Real Property

- **Valuation/Taxation Linkage Table (2)**
  - VTL Chain ID: 9874333 (Sunnyside Farming LLC)
  - Cross County Chain Indicator: Y
  - Base County Chain Indicator: N
  - **Parcel Information Table (1)**
    - **Parcel ID:** I
    - **Property Information Table (1)**
      - VTL Sequence: 1
      - VTL TMV: $2,000,000
      - Property Type: 2a Farming Entity
      - Property Subtype: Real Property

---

**Maple County Valuation Tree**

- **Parcel Characteristics Table (1)**
  - **Parcel ID:** C
  - **Taxable Property Table (1)**
    - Property Type: 2a HGA
    - Property Subtype: Real Property
    - Land TMV: $50,000
    - Building TMV: $175,000
    - Fully Taxable NTC: 2,250 ($225,000 X .01)
  - **Taxable Property Table (2)**
    - Property Type: 2a Agricultural Homestead
    - Property Subtype: Real Property
    - Land TMV: $100,000
    - Building TMV: $100,000
    - Fully Taxable NTC: 1,000 ($200,000 X .005)
  - **Taxable Property Table (3)**
    - Property Type: 3a Commercial
    - Property Subtype: Real Property
    - Land TMV: $50,000
    - Building TMV: $125,000
    - State NTC: 2,750 ($150,000 X .015 + $25,000 X .02)
    - Fully Taxable NTC: 2,750 ($150,000 X .015 + $25,000 X .02)
  - **Preferential Entities Table (1)**
    - Preferential Entity Type Code: Agricultural Homestead
- Number of Preferential Rate Entities: 1
  - Preferential Entities Table (2)
    - Preferential Entity Type Code: Commercial Entity
    - Number of Preferential Rate Entities: 1

- Parcel Characteristics Table (2)
  - Parcel ID: I
  - Taxable Property Table (1)
    - Property Type: 2a Farming Entity
    - Property Subtype: Real Property
    - Land TMV: $2,000,000
    - Fully Taxable NTC: 13,975 ($1,205,000 X .005 + $795,000 X .01)

Maple County Taxation Tree
- Parcel Characteristics Table (1)
  - Parcel ID: C
    - Current Year Qualifying Tax Amount: $2,077.97 (2,250 X .92354)
    - Current Year Total Property Tax and Special Assessments: $6,495.62
    - Gross Local NTC Tax: $5,541.24 (6,000 X .92354)
    - Net Local NTC Tax: $5,051.24 ($5,541.24 - $490.00)
    - State NTC Tax: $1,444.38 (2,750 X .52523)
    - Taxation Data Table (1)
      - Modifier Type: Agricultural Homestead Credit
      - NTC Modifier Amount: $490.00
      - VTL Chain ID: 3451124 (Mary)

- Parcel Characteristics Table (2)
  - Parcel ID: I
    - Current Year Total Property Tax and Special Assessments: $12,906.47
    - Gross Local NTC Tax: $12,906.47 (13,975 X .92354)
    - Net Local NTC Tax: $12,906.47

As you can see in this example, many linkages follow the same path as earlier examples. Parcels A, B, C, and H each reflect an agricultural homestead preferential entity count of one. Parcel C reflects two preferential entity tables to account for the commercial entity, as well. Even though parcel G is owned by a trust, it reflects a single residential homestead to account for the parents of the trust holders who homestead the parcel. Sue, Bob, Mary, and Quinn have $3,725,000 of unused agricultural homestead tier that is applied to the properties owned by Sunnyside Farming LLC. Parcel J is completely covered by this unused agricultural homestead, but parcel I only has $1,205,000 covered.
Exception Rate Districts

Summary

This section explains how to report exception rate district information for PRISM. An exception rate district exists when a taxing authority (county, city, township, school district, or special taxing district) decides to tax their constituents at different levels resulting in one or more smaller geographic areas within the taxing district having a different rate than the remainder of the district. These areas may provide services at a higher level than are provided throughout the entire taxing district or provide services that are not provided to the entire taxing district. If the taxing district crosses county boundaries, then it is only considered an exception rate district if within that county the taxing authority decides to tax their constituents at different levels (see Cross County example). Not all taxing authorities qualify for every type of exception rate. For example, a city cannot qualify for a subordinate service district, while a county or township does qualify. However, a city can qualify for a rural service district when a county or township cannot.

This overview does not explain the individual exception rate programs in detail. If you need detailed explanations of each program, refer to the Auditor/Treasurer Manual or the specific statute for that exception rate district. These instructions demonstrate how to report the data generated by the creation and/or maintenance of an exception rate district.

The next four parts cover the actual design and definitions of the tables shown on the logical file layout. The remaining sections provide an explanation and example of the three different categories of exception rate districts. The examples will only reflect exception rate information, taxable market values (TMV), net tax capacities (NTC), and tax information. These examples are given to show how exception rate districts work, so they do not depict a full data submission.

Exception Rate Type Codes

There are 11 specific and one general, or “other”, exception rate types reported in the Exception Rate Type Code field (A300-01, B200-01, and D100-10). These exception rates are further explained in Minnesota Statute. If you need further information about an exception rate, either contact us at proptax.questions@state.mn.us or review the statutes shown below.

01 – Rural Service District (M.S. 272.67): City
02 – Area Annexation with Phase-in of Rates (M.S. 272.67): City
03 – Subordinate Service Districts (M.S. 365A and M.S. 375B): County or Township¹
04 – Consolidations with Outstanding Debt: Primarily School Districts
05 – Fire Protection District (M.S. 368.85): Township
06 – Ambulance Service District (M.S. 471.476): Township
07 – Storm Sewer Improvement District (M.S. 441.16 to M.S. 441.21): City or Township
08 – Lake Improvement District (M.S. 103B.501 to M.S. 103B.581): County
09 – Special Service District (M.S. 428A.01 to M.S. 428A.101): City
10 – Housing Improvement District (M.S. 428A.11 to M.S. 428A.21): City
11 – Main Service District: City²
99 – Other Exception Rate District
Counties within the seven county metropolitan area, as well as St. Louis County, are not authorized to establish a subordinate service district.

The Main Service District will only be used by those cities that are reflecting Rural Service Districts (01) or Area Annexation with Phase-in of Rates (02) in order to reflect the non-Rural Service or non-Area Annexation portion of the city.

The exception rate districts can be broken into two separate categories: Property tax exception rate districts and non-property tax exception rate districts. Non-property tax exception rate districts allow fees or service charges that do not represent property tax levies, even though it may be based on net tax capacity. Only special service districts and housing improvement districts fall under this category. Property tax exception rate districts do not allow fees or service charges. For more information regarding special service districts, refer to the Auditor/Treasurer Manual.

**Valuation Tree – Exception Rate District Table**

The exception rate district table on the Valuation Tree is used to capture the geographical area in which an exception rate district is located. Report the information on this table in all second, third and fourth file submissions if there is an exception rate within the boundaries of the unique taxing area (UTA).

All four of the following fields MUST be reported for each exception rate district:

- **A300-01: Exception Rate Type Code**
  
  The state assigned code identifies the type of exception rate. The exception rate type should best describe the reason why one or more geographical areas have a different tax rate than elsewhere within that taxing district.

- **A300-02: Exception Rate ID**
  
  The identification number assigned to the exception rate district by the taxing authority, so it can be uniquely identified throughout the submission and over time. It should only change for valid reasons (i.e. the exception rate district changed in a significant manner).

- **A300-03: Taxing Authority Type**
  
  This field reflects the taxing authority of which the exception rate is a geographical subset. These are county, city, township, school district, and special taxing district.

- **A300-04: Special Taxing District Code**
  
  This field reflects the state assigned special taxing district code if the exception rate is extended by a special taxing district.
**Taxation Tree – Exception Rate District Table**

The exception rate district table on the Taxation Tree is used to capture the geographical area in which an exception rate district is located, and all taxation information about the district within the unique taxing area. Report the information on this table in submissions three and four, if there is an exception rate within the boundaries of the UTA.

All four of the following fields **MUST** be reported for each exception rate district. The remaining five fields are conditional depending upon the type of exception rate district:

**B200-01: Exception Rate Type Code**

The state assigned code identifies the type of exception rate. The exception rate type should best describe the reason why one or more geographical areas have a different tax rate than elsewhere within that taxing district.

**B200-02: Exception Rate ID**

The identification number assigned to the exception rate district by the taxing authority, so it can be uniquely identified throughout the submission and over time. It should only change for valid reasons (i.e. the exception rate district changed in a significant manner).

**B200-03: Taxing Authority Type Code**

This field reflects the taxing authority of which the exception rate is a geographical subset. These are county, city, township, school district, and special taxing district.

**B200-04: Special Taxing District Code**

This field reflects the state assigned special taxing district code if the exception rate is extended by a special taxing district.

**B200-05: Benefit Ratio**

For a rural service district or an area annexation district with a phase-in of rates, this field captures the benefit ratio showing the reduction percentage applied to the district variables used in calculating the levy.

**B200-06: Number of Phase-in Years**

For an area annexation district with a phase-in of rates, this field is used to capture the total number of years for the phase-in. This field is currently deferrable if it is not already captured by your systems; however, in the future it will become conditional.

**B200-07: Current Year of Phase-in**

For an area annexation district with a phase-in of rates, this field is used to capture the current year of the phase-in. This field is currently deferrable if it is not already captured by your systems; however, in the future it will become conditional.
**B200-08: Main Area Original Rate**

For an area annexation district with a phase-in of rates, this field is used to capture the original local tax rate of the taxing authority annexing (part of) another jurisdiction at the time of the annexation.

**B200-09: Annexed Area Original Rate**

For an area annexation district with a phase-in of rates, this field is used to capture the original local tax rate of the taxing authority that was annexed at the time of the annexation.

**Taxing Authority Tree – Fund Data Table**

The exception rate district information reflected on a taxing authority tree is used to capture levy information about the district at the overall taxing authority level on the third file submission (if an exception rate district exists within the taxing authority district).

When a levy is collected for the exception rate district, or a levy is distributed between multiple exception rate districts, then these three fields are required.

**D100-10: Exception Rate Type Code**

The state assigned code identifies the type of exception rate. The exception rate type should best describe the reason why one or more geographical areas have a different tax rate than elsewhere within that taxing district.

**D100-11: Exception Rate ID**

The identification number assigned to the exception rate district by the taxing authority, so it can be uniquely identified throughout the submission and over time. It should only change for valid reasons (i.e. the exception rate district changed in a significant manner).

**D100-12: Exception Rate Description**

A complete explanation for why the exception rate was created. For example, if a city needs to levy for a library district, then the explanation could be public library district levy.

**Rural Service Districts**

Rural service districts (or Rural/Main service districts) create separate taxing districts in the city for the purpose of property taxes, except for those levied for bonds, and judgments and interest. The statute allows rural service districts to include only unplatted lands that are judged to be rural in character and not developed for commercial, industrial or urban use. Some counties have large administrative plats covering all rural areas of the county. In this case, the administratively platted lands could be included if, (as in the case with class 2b determinations) these parcels do not benefit from municipal services to the same degree as other developed parcels which constitute the “main” service district. Active rural-main service districts will cause city tax rates to vary within the city. Lesser benefits, within a rural service district, result in lower tax rates for taxpayers within its boundaries. When property is developed, it must be transferred to the main service district.
The governing body of the city establishes a benefit ratio for the rural service district. This is the city’s estimate of the ratio that exists between the levels of tax supported city services in the rural service district to the level of tax supported city services in the main service district. This benefit ratio should be reviewed annually by the governing body of the city.

The recommended method for determining tax rates for main and rural service districts is to (1) multiply the net tax capacity of the rural service district by the benefit ratio for the purpose of determining city tax rates for non-bonded debt purposes, (2) multiply the benefit ratio by the main service district tax rate for non-bonded debt purposes to determine the city tax rate for non-bonded debt purposes within the rural service district, and (3) multiply this reduced city tax rate by the full net tax capacity of property within the rural service district. For bonded debt, the tax rates in both the rural and main districts should be equal. The benefit ratio should not be used for bonded debt, unless special legislation has been passed.

The cut-off date for recognition and determination of a benefit ratio in the current levy year is August 1. It is noted that if a city is in a fiscal disparity area, then an adjusted levy needs to be determined by subtracting the fiscal disparity distribution tax.

Consider an example with the city of Aspen that has decided to separate the city into a main and rural service district. The city has the following characteristics once all calculations are performed:

Certified levy of $2,000,000
- $1,600,000 General Levy
- $400,000 of General Obligation Bonded Debt Levy

Net Tax Capacity (NTC) tax base of 12,000,000
- 8,000,000 in the main service district
- 4,000,000 in the rural service district

Benefit ratio of .25000 or 25.000% for the rural service district

NTC used to determine non-bonded debt levy rate of 9,000,000
- 8,000,000 in the main service district (8,000,000 X 100%)
- 1,000,000 in the rural service district (4,000,000 X 25%)

Non-bonded debt levy initial rate of:
- 0.17778 or 17.778% in the main service district (1,600,000/9,000,000)
- 0.04444 or 4.444% in the rural service district (0.17778 X 25%)  

Bonded debt levy initial rate of 0.03334 (400,000/12,000,000)
Total local tax rate of:
- 0.21112 or 21.112% in the main service district (0.03334 + 0.17778)
- 0.07778 or 7.778% in the rural service district (0.03334 + 0.04444)

For simplicity, the city of Aspen has an initial tax rate equal to its local tax rate, is not located within a fiscal disparity area, has no JOBZ NTC, and if the main/rural service district did not exist, the city would be located within a single unique taxing area (i.e. no changes in county, school, or special taxing district rates). Also, assume
the only other levy that is collected by the city is through the General Other Liability fund, and the spread levy is equal to the certified levy.

The county’s submissions in the parcel linkage, valuation, and taxation trees would look like the following. Note that anything in parentheses or italicized would not physically appear on the submission but is used to ease the reading of this example. There are two options listed for reporting data in the Taxing Authority Data tree.

Spruce County Valuation Tree
- **Unique Taxing Area Table (1)**
  - County Code: 97 (Spruce County)
  - City/Township Code: 0100 (City of Aspen)
  - School District Code: 4560
  - Unique Taxing Area ID: 00
  - **Exception Rate District Table (1)**
    - Exception Rate Type Code: 11 (Main Service District)
    - Exception Rate ID: 35
    - Taxing Authority Type Code: City
  - **Parcel Characteristics Table (1 - ∞)**
    - Parcel ID: All parcels within the main area the City

- **Unique Taxing Area Table (2)**
  - County Code: 97 (Spruce County)
  - City/Township Code: 0100 (City of Aspen)
  - School District Code: 4560
  - Unique Taxing Area ID: 01
  - **Exception Rate District Table (1)**
    - Exception Rate Type Code: 01 (Rural Service District)
    - Exception Rate ID: 36
    - Taxing Authority Type Code: City
  - **Parcel Characteristics Table (1 - ∞)**
    - Parcel ID: All parcels within the Rural Service District of the City

Spruce County Taxation Tree
- **Unique Taxing Area Table (1)**
  - County Code: 97 (Spruce County)
  - City/Township Code: 0100 (City of Aspen)
  - School District Code: 4560
  - Unique Taxing Area ID: 00
  - Total Local City/Township NTC Rate: 0.21112
  - Total JOBZ City/Township NTC Rate: 0
  - **Exception Rate District Table (1)**
    - Exception Rate Type Code: 11 (Main Service District)
    - Exception Rate ID: 35
    - Taxing Authority Type Code: City
  - **Parcel Characteristics Table (1 - ∞)**
    - Parcel ID: All parcels within the main area of the City

- **Unique Taxing Area Table (2)**
  - County Code: 97 (Spruce County)
o City/Township Code: 0100 (City of Aspen)
o School District Code: 4560
o Unique Taxing Area ID: 01
o Total Local City/Township NTC Rate: 0.07778
o Total JOBZ City/Township NTC Rate: 0

o Exception Rate District Table (1)
  ▪ Exception Rate Type Code: 01 (Rural Service District)
  ▪ Exception Rate ID: 36
  ▪ Taxing Authority Type Code: City
  ▪ Benefit Ratio: 0.25000

o Parcel Characteristics Table (1 - ∞)
  ▪ Parcel ID: All parcels within the Rural Service District of the City

Spruce County Taxing Authority Tree

Option 1
  o Taxing Authority Table (1)
    o Taxing Authority Type: City/Township
    o County Code: 97 (Spruce County)
    o City/Township Code: 0100 (City of Aspen)
    o Taxing Authority Name: Aspen

  o Fund Data Table (1)
    ▪ Fund Type Code: B2 (General Other Liability)
    ▪ Levy Base Type: NTC
    ▪ Taxing NTC or RMV: 9,000,000 (City of Aspen)
    ▪ Fund Amount: $1,600,000 (City of Aspen)
    ▪ Initial NTC Rate: .17778 (Main Service District)
    ▪ Exception Rate Type Code: 11 (Main Service District)
    ▪ Exception Rate ID: 35

  o Fund Data Table (2)
    ▪ Fund Type Code: B3 (General Obligation Bond Debt)
    ▪ Levy Base Type: NTC
    ▪ Taxing NTC or RMV: 12,000,000
    ▪ Fund Amount: $400,000
    ▪ Initial NTC Rate: .03334

As you can see from this example, there are two exception rate districts created and identified as the Main Service District (exception rate type code – 11) and Rural Service District (exception rate type code – 01) within the valuation and taxation trees; however, the taxing authority data tree only reflects the ‘Main’ exception rate area or the city of Aspen as a whole. The full fund amount of $1,600,000 and the full levy base of 9,000,000 for the city of Aspen is reported, but the initial tax rate reported is for the Main Service district only. The rural service district information collected in the taxation tree will be used to break out the initial rate, fund amount and tax base information for each area as needed. The General Obligation Bond Debt could be split into the two service areas if necessary, but it is not required. A description may be entered in for each area if desired, but is not required as the Exception Rate Type Code of Rural/Main is adequate explanation. Further details regarding the Rural Service Districts can be found in Chapter 5 in the Auditor/Treasurer Manual.
Spruce County Taxing Authority Tree

Option 2

- **Taxing Authority Table (1)**
  - Taxing Authority Type: City/Township
  - County Code: 97 (Spruce County)
  - City/Township Code: 0100 (City of Aspen)
  - Taxing Authority Name: Aspen

  **Fund Data Table (1)**
  - Fund Type Code: B2 (General Other Liability)
  - Levy Base Type: NTC
  - Taxing NTC or RMV: 8,000,000
  - Fund Amount: $1,422,240
  - Initial NTC Rate: .17778
  - Exception Rate Type Code: 11 (Main Service District)
  - Exception Rate ID: 35

- **Fund Data Table (2)**
  - Fund Type Code: B2 (General Other Liability)
  - Levy Base Type: NTC
  - Taxing NTC or RMV: 4,000,000
  - Fund Amount: $177,760
  - Initial NTC Rate: .04444
  - Exception Rate Type Code: 01 (Rural Service District)
  - Exception Rate ID: 36

- **Fund Data Table (3)**
  - Fund Type Code: B3 (General Obligation Bond Debt)
  - Levy Base Type: NTC
  - Taxing NTC or RMV: 12,000,000
  - Fund Amount: $400,000
  - Initial NTC Rate: .03334

As you can see from this example, there are two exception rate districts created and identified as the Main Service District (exception rate type code – 11) and Rural Service District (exception rate type code – 01). The $1,600,000 in General Other Liability is split proportionally between the exception rate areas, with each district reporting the base NTC and initial rate, but the $400,000 in General Obligation Bond Debt is applied equally across the entire city. The General Obligation Bond Debt could be split into the two service areas if necessary, but it is not required. A description may be entered in for each area if desired, but is not required as the Exception Rate Type Code of Rural/Main is adequate explanation. Further details regarding the Rural Service Districts can be found in Chapter 5 in the Auditor/Treasurer Manual.
Area Annexation Districts (Containing Rate Phase-ins)

When a city or township decides to annex part of another city or township with a lower initial tax rate, then an option exists where the original city can phase in the rates for the annexed area over a course of several years. August 1 is the cut-off date for recognition of annexations for the following payable year. For example, annexations occurring after August 1, 2014 would not be recognized for property tax purposes until the payable 2016 year.

The recommended method for determining tax rates is to (1) annually recognize an increasing percentage of the net tax capacity of the annexed area for the purpose of determining city tax rate, (2) multiply this percentage by the original city tax rate to determine the city tax rate for the annexed area, and (3) multiply this reduced city tax rate by the full net tax capacity of property within the annexed area. If a city were within the seven county metropolitan area or iron range fiscal disparity area, then an adjusted levy would need to be determined by subtracting the fiscal disparity distribution tax.

Consider the city of Elm that has decided to annex a portion of Maple Township, which has a lower local tax rate than the city. The city has decided to phase-in the area’s rates over a three-year period. The city has the following characteristics once all calculations are performed for the first year period:

- **First Year of Three Year Phase-in**
  - Original Tax Rates Before Annexation
    - Original city is .20000 or 20.000%
    - Annexed area is .14000 or 14.000%
  - Total Certified Levy After Annexation is $2,000,000
  - Net Tax Capacity After Annexation is 10,500,000
    - Original city is 10,000,000
    - Annexed area is 500,000
  - Rate Difference is .06000 or 6.000% (.20000 - .14000)
  - New Annexed Area Rate is .16000 or 16.000% (.06000 X (1/3) +.14000)
  - Annexed Area Benefit Ratio is .80000 or 80.000% (.16000 / .20000)
  - Tax Extension to each area
    - Annexed area is $64,000 ($500,000 X .80000 X .16000)
    - Original city is $1,936,000 ($2,000,000 - $64,000)
  - Current Local Tax Rates
    - Annexed area is .16000 or 16.000% (64,000/(500,000 X .80)).
    - Original city is .19360 or 19.360% ($1,936,000 / 10,000,000)

For simplicity, the city of Elm has an initial tax rate equal to its local tax rate, is not located within a fiscal disparity area, has no JOBZ NTC, and if the annexation district did not exist, the city would be located within a single unique taxing area (i.e. no changes in county, school, or special taxing district rates). Also, assume the only other levy collected by the city is through the General Other Liability fund, and the spread levy is equal to the certified levy.

The county’s submissions in the parcel linkage, valuation, and taxation trees would look like the following, but note that anything in parentheses or italicized would not physically appear on the submission but is used to ease the reading of this example. There are two options listed for reporting data in the Taxing Authority Data tree.
**Spruce County Valuation Tree**

- **Unique Taxing Area Table (1)**
  - County Code: 97 (Spruce County)
  - City/Township Code: 0500 (City of Elm)
  - School District Code: 4560
  - Unique Taxing Area ID: 00
  - Exception Rate District Table (1)
    - Exception Rate Type Code: 11 (Main Service District)
    - Exception Rate ID: 52
    - Taxing Authority Type Code: City
  - **Parcel Characteristics Table (1 - ∞)**
    - Parcel ID: All parcels within the Main (Original) City area

- **Unique Taxing Area Table (2)**
  - County Code: 97 (Spruce County)
  - City/Township Code: 0500 (City of Elm)
  - School District Code: 4560
  - Unique Taxing Area ID: 01
  - Exception Rate District Table (1)
    - Exception Rate Type Code: 02 (Area Annexation with Phase-in of Rates)
    - Exception Rate ID: 53
    - Taxing Authority Type Code: City
  - **Parcel Characteristics Table (1 - ∞)**
    - Parcel ID: All parcels within the Annexed area of the City

**Spruce County Taxation Tree**

- **Unique Taxing Area Table (1)**
  - County Code: 97 (Spruce County)
  - City/Township Code: 0500 (City of Elm)
  - School District Code: 4560
  - Unique Taxing Area ID: 00
  - Total Local City/Township NTC Rate: 0.19360
  - Total JOBZ City/Township NTC Rate: 0
  - Exception Rate District Table (1)
    - Exception Rate Type Code: 11 (Main Service District)
    - Exception Rate ID: 52
    - Taxing Authority Type Code: City
  - **Parcel Characteristics Table (1 - ∞)**
    - Parcel ID: All parcels within the Main (Original) City area

- **Unique Taxing Area Table (2)**
  - County Code: 97 (Spruce County)
  - City/Township Code: 0500 (City of Elm)
  - School District Code: 4560
  - Unique Taxing Area ID: 01
  - Total Local City/Township NTC Rate: 0.1600
  - Total JOBZ City/Township NTC Rate: 0
  - Exception Rate District Table (1)
    - Exception Rate Type Code: 02 (Area Annexation with Phase-in of Rates)
    - Exception Rate ID: 53
- Taxing Authority Type Code: City
- Benefit Ratio: .80000
- Number of Phase-in Years: 3
- Current Year of Phase-in: 1
- Main Area Original Rate: .20000
- Annexed Area Original Rate: .14000
- **Parcel Characteristics Table (1 - ₢**
  - Parcel ID: All parcels within the Annexed area of the City

### Spruce County Taxing Authority Tree

#### Option 1
- **Taxing Authority Table (1)**
  - Taxing Authority Type: City/Township
  - County Code: 97 (Spruce County)
  - City/Township Code: 0500 (City of Elm)
  - Taxing Authority Name: Elm
- **Fund Data Table (1)**
  - Fund Type Code: B2 (General Other Liability)
  - Levy Base Type: NTC
  - Taxable NTC or RMV: 10,500,000 (City of Elm)
  - Fund Amount: $2,000,000 (City of Elm)
  - Initial NTC Rate: .19360 (Main Service District)
  - Exception Rate Type Code: 11 (Main Service District)
  - Exception Rate ID: 52

As you can see from this example, there are now two exception rate areas that are identified as the Main Service District and Area Annexation with Phase-in of Rates within the valuation and taxation trees; however, the taxing authority data tree only reflects the ‘Main’ exception rate area. The full fund amount of $2,000,000 and the full levy base of 10,500,000 for the city of Elm is reported, but the initial tax rate reported is for the Main Service district only. The area annexation with phase-in of rate information collected in the taxation tree will be used to break out the initial rate, fund amount and tax base information for each area as needed. A description may be entered in for each area if desired, but is not required as the Exception Rate Type Code of Main/Annexation is adequate explanation. Further details regarding the Annexation with Phase-in of Rates can be found in Chapter 5 of the Auditor/Treasurer Manual.

#### Option 2
- **Taxing Authority Table (1)**
  - Taxing Authority Type: City/Township
  - County Code: 97 (Spruce County)
  - City/Township Code: 0500 (City of Elm)
  - Taxing Authority Name: Elm
- **Fund Data Table (1)**
  - Fund Type Code: B2 (General Other Liability)
  - Levy Base Type: NTC
  - Taxable NTC or RMV: 10,000,000
  - Fund Amount: $1,936,000
- Initial NTC Rate: .19360
- Exception Rate Type Code: 11 (Main Service District)
- Exception Rate ID: 52
- **Fund Data Table (2)**
  - Fund Type Code: B2 (General Other Liability)
  - Levy Base Type: NTC
  - Taxable NTC or RMV: 500,000
  - Fund Amount: $64,000
  - Initial NTC Rate: .19360
  - Exception Rate Type Code: 02 (Area Annexation with Phase-in of Rates)
  - Exception Rate ID: 53

As you can see from this example, there are now two exception rate areas that are identified as the Main Service District and Area Annexation with Phase-in of Rates. The $2,000,000 in General Other Liability is split between the two service areas in the proportions each area will collect and the rates are calculated on that service area’s base NTC. A description may be entered in for each area if desired, but is not required as the Exception Rate Type Code of Main/Annexation is adequate explanation. Further details regarding the Annexation with Phase-in of Rates can be found in Chapter 5 of the Auditor/Treasurer Manual.
Property Tax Exception Rate Districts and Levies

Property tax exception rate districts are those that allow a county, city, township, or school district to levy additional funds to provide services that are not provided to the entire taxing district. Most of the remaining exception rate districts fall under this category, other than the non-property tax exception rate districts.

There is a slight difference between the information submitted for a property tax exception rate district and a non-property tax exception rate district. A non-property tax exception rate district will not have a taxable NTC/RMV or a total initial NTC/RMV tax rate reflected in the taxing authority tree. Instead of a levy, the amount collected is generated from revenues collected from service charges. The service charges collected should be reflected in the levy amount field, and the tax base should reflect NTC.

Consider Lorken County, which is comprised of two cities (Oak and Birch) and two townships (Pine and Conifer). The county has set up a lake improvement district that covers the geographical boundaries of the City of Oak and the Township of Conifer, but not the City of Birch or the Township of Pine. The county has the following characteristics once all calculations are performed:

- Certified levies of the county
  - $2,000,000 General Levy
  - $150,000 of Lake Improvement District Levy
- Net Tax Capacity (NTC) tax base of each city/township
  - 2,000,000 in the city of Oak
  - 2,500,000 in the city of Birch
  - 1,000,000 in the township of Pine
  - 500,000 in the township of Conifer
- Initial Tax Rates by Fund
  - .33333 or 33.333% for General Levy ($2,000,000 / 6,000,000)
  - .06000 or 6.000% for Lake Improvement District Levy ($150,000 / 2,500,000)

For simplicity, Lorken County has an initial tax rate equal to its local tax rate, is not located within a fiscal disparity area, has no JOBZ NTC, has a single school district, has no special taxing districts, and if the lake improvement district did not exist, the county would have a single tax rate. Also, assume that the only other levy the county is collecting is through the general fund, and that the spread levy is equal to the certified levy.

The county’s submissions in the parcel linkage, valuation, and taxation trees would look like the following, but note that anything in parentheses or italicized would not physically appear on the submission but is used to ease the reading of this example.

Lorken County Valuation Tree
- **Unique Taxing Area Table (1)**
  - County Code: 98 (Lorken County)
  - City/Township Code: 0100 (City of Oak)
  - School Code: 4000
  - Unique Taxing Area ID: 00
- **Exception Rate District Table (1)**
  - Exception Rate Type Code: 08 (Lake Improvement District)
  - Exception Rate ID: 29
  - Taxing Authority Type Code: County
o Parcel Characteristics Table (1 - ∞)
  ▪ Parcel ID: All parcels within the city of Oak

• Unique Taxing Area Table (2)
  o County Code: 98 (Lorken County)
  o City/Township Code: 0200 (City of Birch)
  o School Code: 4000
  o Unique Taxing Area ID: 00
  o Parcel Characteristics Table (1 - ∞)
    ▪ Parcel ID: All parcels within the city of Birch

• Unique Taxing Area Table (3)
  o County Code: 98 (Lorken County)
  o City/Township Code: 0300 (Pine Township)
  o School Code: 4000
  o Unique Taxing Area ID: 00
  o Parcel Characteristics Table (1 - ∞)
    ▪ Parcel ID: All parcels within Pine Township

• Unique Taxing Area Table (4)
  o County Code: 98 (Lorken County)
  o City/Township Code: 0400 (Conifer Township)
  o School Code: 4000
  o Unique Taxing Area ID: 00
  o Exception Rate District Table (1)
    ▪ Exception Rate Type Code: 08 (Lake Improvement District)
    ▪ Exception Rate ID: 29
    ▪ Taxing Authority Type Code: County
  o Parcel Characteristics Table (1 - ∞)
    ▪ Parcel ID: All parcels within Conifer Township

Lorken County Taxation Tree

• Unique Taxing Area Table (1)
  o County Code: 98 (Lorken County)
  o City/Township Code: 0100 (City of Oak)
  o School Code: 4000
  o Unique Taxing Area ID: 00
  o Total Local County NTC Rate: 0.39333
  o Total JOBZ County NTC Rate: 0
  o Exception Rate District Table (1)
    ▪ Exception Rate Type Code: 08 (Lake Improvement District)
    ▪ Exception Rate ID: 29
    ▪ Taxing Authority Type Code: County
  o Parcel Characteristics Table (1 - ∞)
    ▪ Parcel ID: All parcels within the city of Oak

• Unique Taxing Area Table (2)
  o County Code: 98 (Lorken County)
  o City/Township Code: 0200 (City of Birch)
  o School Code: 4000
  o Unique Taxing Area ID: 00
• Total Local County NTC Rate: 0.33333
• Total JOBZ County NTC Rate: 0
• **Parcel Characteristics Table (1 - ∞)**
  ▪ Parcel ID: All parcels within the city of Birch

• **Unique Taxing Area Table (3)**
  o County Code: 98 (Lorken County)
  o City/Township Code: 0300 (Pine Township)
  o School Code: 4000
  o Unique Taxing Area ID: 00
  o Total Local County NTC Rate: 0.33333
  o Total JOBZ County NTC Rate: 0

• **Unique Taxing Area Table (4)**
  o County Code: 98 (Lorken County)
  o City/Township Code: 0400 (Conifer Township)
  o School Code: 4000
  o Unique Taxing Area ID: 00
  o Total Local County NTC Rate: 0.39333
  o Total JOBZ County NTC Rate: 0
  o **Exception Rate District Table (1)**
    ▪ Exception Rate Type Code: 08 (Lake Improvement District)
    ▪ Exception Rate ID: 29
    ▪ Taxing Authority Type Code: County

• **Parcel Characteristics Table (1 - ∞)**
  ▪ Parcel ID: All parcels within Conifer Township

**Lorken County Taxing Authority Tree**

• **Taxing Authority Table (1)**
  o Taxing Authority Type: County
  o County Code: 98 (Lorken County)
  o Taxing Authority Name: Lorken

  o **Fund Data Table (1)**
    ▪ Fund Type Code: A1 (General)
    ▪ Levy Base Type: NTC
    ▪ Taxable NTC or RMV: 6,000,000
    ▪ Fund Amount: $2,000,000
    ▪ Initial NTC Rate: .33333

  o **Fund Data Table (2)**
    ▪ Fund Type Code: A9 (Lake Improvement District)
    ▪ Levy Base Type: NTC
    ▪ Taxable NTC or RMV: 2,500,000
    ▪ Fund Amount: $150,000
    ▪ Initial NTC Rate: .06000
    ▪ Exception Rate Type Code: 08 (Lake Improvement District)
    ▪ Exception Rate ID: 29
    ▪ Exception Rate Description: For improving the area surrounding Blueberry Lake
Cross County

Consider two counties, Ponderosa County and Spruce County. The Twin Lakes Emergency Medical Services District (Special Taxing District 678) levies in all of Ponderosa County and in part of Spruce County. There is also an ambulance service exception rate district that covers all of Ponderosa County and only some of the parcels on the Spruce County side of the special taxing district. The city of Oak is in Ponderosa County. The city of Elm is in Spruce County and is within the special taxing district but not the exception rate district. The city of Aspen is in Spruce County, is within the special taxing district, and is within the exception rate district. The city of Birch is in Spruce County and is outside the special taxing district and the exception rate district.

Light shading indicates the area of The Twin Lakes Emergency Medical Services District (Special Taxing District 678), and dark shading indicates the area where Ambulance service exception rate district and Twin Lakes Emergency Medical Services District (Special Taxing District 678) overlap.

- Certified levies of Ponderosa County
  - $1,000,000 General Levy
- Certified levies of Emergency Medical Services Special Taxing District
  - $189,000 of Emergency Medical Services Levy
  - $120,000 of Ambulance Service Levy
- Net Tax Capacity (NTC) tax base of each city/township
  - 3,000,000 in the city of Oak
- Initial Tax Rates by Fund
  - .33333 or 33.33% for General Levy ($1,000,000 / 3,000,000)
  - .06300 or 6.300% for Emergency Medical Services Levy ($189,000 / 3,000,000)
  - .04000 or 4.000% for Ambulance Service Levy ($120,000 / 3,000,000)

- Certified levies of Spruce County
  - $2,000,000 General Levy
- Certified levies of Emergency Medical Services Special Taxing District
  - $441,000 of Emergency Medical Services Levy
  - $200,000 of Ambulance Service Levy
- Net Tax Capacity (NTC) tax base of each city/township
  - 2,000,000 in the city of Elm
  - 5,000,000 in the city of Aspen
- 1,000,000 in the city of Birch

- **Initial Tax Rates by Fund**
  - .25000 or 25.000% for General Levy ($2,000,000 / 8,000,000)
  - .06300 or 6.300% for Emergency Medical Services Levy ($441,000 / 7,000,000)
  - .04000 or 4.000% for Ambulance Service Levy ($200,000 / 5,000,000)

For simplicity, Ponderosa County and Spruce County have an initial tax rate equal to their local tax rate, are not located within a fiscal disparity area, and have no JOBZ NTC. Also, assume that the only other levy the county is collecting is through the general fund, and that the spread levy is equal to the certified levy. The levies and tax rates for the cities, townships and school districts have been bypassed for this example, even though they would be included in an actual submission, in order to keep the focus on the special taxing district and exception rate district.

The county’s submissions in the valuation and taxation trees would look like the following, but note that anything in parentheses or italicized would not physically appear on the submission but is used to ease the reading of this example.

**Ponderosa County Valuation Tree**

- **Unique Taxing Area Table**
  - County Code: 97 (Ponderosa County)
  - City/Township Code: 0100 (City of Oak)
  - School Code: 4000
  - Unique Taxing Area ID: 00
  - **Special Taxing District Table**
    - Special Taxing District Code: 678 (Twin Lakes Emergency Medical Services)
  - **Parcel Characteristics Table (1 - ∞)**
    - Parcel ID: All parcels within the City of Oak

**Spruce County Valuation Tree**

- **Unique Taxing Area Table (1)**
  - County Code: 98 (Spruce County)
  - City/Township Code: 0200 (City of Elm)
  - School Code: 2000
  - Unique Taxing Area ID: 00
  - **Special Taxing District Table**
    - Special Taxing District Code: 678 (Twin Lakes Emergency Medical Services)
  - **Parcel Characteristics Table (1 - ∞)**
    - Parcel ID: All parcels within the city of Elm

- **Unique Taxing Area Table (2)**
  - County Code: 98 (Spruce County)
  - City/Township Code: 0300 (City of Aspen)
  - School Code: 2000
  - Unique Taxing Area ID: 01
  - **Special Taxing District Table**
    - Special Taxing District Code: 678 (Twin Lakes Emergency Medical Services)
  - **Parcel Characteristics Table (1 - ∞)**
    - Parcel ID: All parcels within the city of Aspen
Exception Rate District Table
- Exception Rate Type Code: 06 (Ambulance Service)
- Exception Rate ID: 56
- Taxing Authority Type: Special Taxing District
  - Special Taxing District Code: 678

Unique Taxing Area Table (3)
- County Code: 98 (Spruce County)
- City/Township Code: 0400 (City of Birch)
- School Code: 2000
- Unique Taxing Area ID: 02
- Parcel Characteristics Table (1 - ∞)
  - Parcel ID: All parcels within the city of Birch

Ponderosa County Taxation Tree
- Unique Taxing Area Table
  - County Code: 97 (Ponderosa County)
  - City/Township Code: 0100 (City of Oak)
  - School Code: 4000
  - Unique Taxing Area ID: 00
  - Total Local County NTC Rate: .33333
  - All other county, city/township, and school district local rates
  - Special Taxing District Table
    - Special Taxing District Code: 678 (Twin Lakes Emergency Medical Services)
    - Total Local STD NTC Rate: .10300
  - Parcel Characteristics Table (1 - ∞)
    - Parcel ID: All parcels within the city of Oak

Spruce County Taxation Tree
- Unique Taxing Area Table (1)
  - County Code: 98 (Spruce County)
  - City/Township Code: 0200 (City of Elm)
  - School Code: 2000
  - Unique Taxing Area ID: 00
  - Total Local County NTC Rate: .25000
  - All other county, city/township, and school district local rates
  - Special Taxing District Table
    - Special Taxing District Code: 678 (Twin Lakes Emergency Medical Services)
    - Total Local STD NTC Rate: .06300
  - Parcel Characteristics Table (1 - ∞)
    - Parcel ID: All parcels within the city of Elm

- Unique Taxing Area Table (2)
  - County Code: 98 (Spruce County)
  - City/Township Code: 0300 (City of Aspen)
  - School Code: 2000
  - Unique Taxing Area ID: 01
  - Total Local County NTC Rate: .25000
  - All other county, city/township, and school district local rates
- **Special Taxing District Table**
  - Special Taxing District Code: 678 (Twin Lakes Emergency Medical Services)
  - Total Local STD NTC Rate: .10300

- **Exception Rate District Table**
  - Exception Rate Type Code: 06 (Ambulance Service)
  - Exception Rate ID: 56
  - Taxing Authority Type: Special Taxing District
  - Special Taxing District Code: 678

- **Parcel Characteristics Table (1 - ∞)**
  - Parcel ID: All parcels within the city of Aspen

- **Unique Taxing Area Table (3)**
  - County Code: 98 (Spruce County)
  - City/Township Code: 0400 (City of Birch)
  - School Code: 2000
  - Unique Taxing Area ID: 00
  - Total Local County NTC Rate: .25000
  - All other county, city/township, and school district local rates

- **Parcel Characteristics Table (1 - ∞)**
  - Parcel ID: All parcels within the city of Birch

**Ponderosa County Taxing Authority Data Tree**

- **Taxing Authority Data Table (1)**
  - Taxing Authority Type: County
  - County Code: 97 (Ponderosa County)
  - Taxing Authority Name: Ponderosa
  - **Fund Data Table**
    - Fund Type Code: A01 (General)
    - Tax Base Type: NTC
    - Taxable NTC or RMV: 3,000,000
    - Fund Amount: $1,000,000
    - Initial NTC Rate: .33333

- **Taxing Authority Data Table (2)**
  - Taxing Authority Type: Special Taxing District
  - County Code: 97 (Ponderosa County)
  - Special Taxing District Code: 678 (Twin Lakes Emergency Medical Services)
  - Special Taxing District Type Code: 22 (Emergency Medical Services)
  - Taxing Authority Name: Twin Lakes Emergency Medical Services District
  - **Fund Data Table (1)**
    - Fund Type Code: D01 (General)
    - Tax Base Type: NTC
    - Taxable NTC or RMV: 3,000,000
    - Fund Amount: $309,000
    - Initial NTC Rate: .10300

**Spruce County Taxing Authority Data Tree**

- **Taxing Authority Data Table (1)**
  - Taxing Authority Type: County
- County Code: 98 (Spruce County)
- Taxing Authority Name: Spruce

**Fund Data Table**
- Fund Type Code: A01 (General)
- Tax Base Type: NTC
- Taxable NTC or RMV: 8,000,000
- Fund Amount: $2,000,000
- Initial NTC Rate: .25000

**Taxing Authority Data Table (2)**
- Taxing Authority Type: Special Taxing District
- County Code: 98 (Spruce County)
- Special Taxing District Code: 678 (Twin Lakes Emergency Medical Services)
- Special Taxing District Type Code: 22 (Emergency Medical Services)
- Taxing Authority Name: Twin Lakes Emergency Medical Services District

**Fund Data Table (1)**
- Fund Type Code: D01 (General)
- Tax Base Type: NTC
- Taxable NTC or RMV: 7,000,000
- Fund Amount: $441,000
- Initial NTC Rate: .06300

**Fund Data Table (2)**
- Fund Type Code: D01 (General)
- Tax Base Type: NTC
- Taxable NTC or RMV: 5,000,000
- Fund Amount: $200,000
- Initial NTC Rate: .04000
- Exception Rate Type Code: 06 (Ambulance Service)
- Exception Rate ID: 56
- Exception Rate Description: For providing ambulance service to the Twin Lakes area

The area for Special Taxing District 678 located within Ponderosa County does not have any exception rate districts as the rate is applied uniformly across the full taxing district within the county (Oak City). If the county wanted to report the two general funds separately in the Taxing Authority Tree, rather than combining them as they are shown here, that would also be allowable for PRISM submission. The area of Special Taxing District 678 located within Spruce County, on the other hand, needs to have an exception rate district for the portion covering Aspen City as only that city receives the ambulance services. Birch City is not located within the special taxing district and is unaffected by either fund.
Non-Property Tax Exception Rate Districts and Service Charges

The non-property tax exception rate districts allow a county, city, township, or school district to provide special services paid from revenues collected from services charges. These are service charges, not property tax levies, even though they are based on NTC and payable and collected in the same manner as property taxes. The service charges are not included in computations of tax increments, fiscal disparities, or any other law that applies to general ad valorem levies. Due to this, a non-property tax exception rate district will not have a taxable NTC/RMV, initial NTC, or initial RMV tax rate reflected in the taxing authority tree. There are only two types of non-property tax exception rate districts: special service districts and housing improvement districts.

Consider a housing improvement district within the City of Oak in Lorken County. The city has created a qualified housing improvement district and has collected some service charges based on the services rendered. The city has the following characteristics once all calculations are performed:

- Service Charges for the district are $263,124
- Net Tax Capacity (NTC) tax base for the home improvement district is 1,550,000
- Net Tax Capacity (NTC) tax base for the city of Oak is 2,000,000
- Certified levy for the city is a $980,000 General Levy
- The initial tax rate for the city is 49.000%

For simplicity, the City of Oak has an initial tax rate equal to its local tax rate, is not located within a fiscal disparity area, has no JOBZ NTC, a single school district, there are no special taxing districts, and if the housing improvement district did not exist, the city would have a unique taxing area. Also, assume that the only levy collected by the city is through the General/Other fund and that the spread levy is equal to the certified levy.

The county’s submissions in the parcel linkage, valuation, and taxation trees would look like the following, but note that anything in parentheses or italicized would not physically appear on the submission but is used to ease the reading of this example.

Lorken County Valuation Tree

- Unique Taxing Area Table (1)
  - County Code: 98 (Lorken County)
  - City/Township Code: 0100 (City of Oak)
  - School Code: 4000
  - Unique Taxing Area ID: 00
  - Parcel Characteristics Table (1 - ∞)
    - Parcel ID: All parcels within the unique taxing area

- Unique Taxing Area Table (2)
  - County Code: 98 (Lorken County)
  - City/Township Code: 0100 (City of Oak)
  - School Code: 4000
  - Unique Taxing Area ID: 01
  - Exception Rate District Table (1)
    - Exception Rate Type Code: 10 (Housing Improvement District)
    - Exception Rate ID: 112
    - Taxing Authority Type Code: City
  - Parcel Characteristics Table (1 - ∞)
- Parcel ID: All parcels within the unique taxing area

**Lorken County Taxation Tree**

- **Unique Taxing Area Table (1)**
  - County Code: 98 (Lorken County)
  - City/Township Code: 0100 (City of Oak)
  - School Code: 4000
  - Unique Taxing Area ID: 00
  - Total Local City NTC Rate: 0.49000
  - Total JOBZ City NTC Rate: 0
  - **Parcel Characteristics Table (1 - ∞)**
    - Parcel ID: All parcels within the unique taxing area

- **Unique Taxing Area Table (2)**
  - County Code: 98 (Lorken County)
  - City/Township Code: 0100 (City of Oak)
  - Total Local City NTC Rate: 0.49000
  - Total JOBZ City NTC Rate: 0
  - **Exception Rate District Table (1)**
    - Exception Rate Type Code: 10 (Housing Improvement District)
    - Exception Rate ID: 112
    - Taxing Authority Type Code: City
  - **Parcel Characteristics Table (1 - ∞)**
    - Parcel ID: All parcels within the unique taxing area

**Lorken County Taxing Authority Tree**

- **Taxing Authority Table (1)**
  - Taxing Authority Type: City/Township
  - County Code: 98 (Lorken County)
  - City/Township Code: 0100 (City of Oak)
  - Taxing Authority Name: Oak
  - **Fund Data Table (1)**
    - Fund Type Code: B02 (General)
    - Levy Base Type: NTC
    - Taxable NTC or RMV: 2,000,000
    - Fund Amount: $980,000
    - Initial NTC Rate: .49000
  - **Fund Data Table (2)**
    - Fund Type Code: B05 (Miscellaneous)
    - Levy Base Type: NTC
    - Fund Amount: $263,124
    - Exception Rate Type Code: 10 (Housing Improvement District)
    - Exception Rate ID: 112
    - Exception Rate Description: For improving the housing in the Cherry Lane Neighborhood
Power Line Reporting

Summary

This section explains how power line valuation and taxation information will be reported for PRISM. The information that is shown in this section will be different from what the counties currently report on the Assessment Abstract and Abstract of Tax Lists. This is due to the Minnesota Department of Revenue’s State Assessed Property Section (SAPS) changing how power line information will be reported for assessment year 2015, which coincides with the first beta test of PRISM submissions. Further details regarding the new property types and subtypes can be found below.

This section will go into detail on how to report the valuation and taxation information for each power line parcel, and how to report individual power line credit information for non-power line parcels. How power lines are valued and how the power line credit is calculated will not be explained in detail in this section. If you need detailed explanations of how power lines are valued, then contact SAPS at sa.property@state.mn.us. If you need detailed explanations regarding the power line credit, refer to the Auditor/Treasurer Manual. These instructions have been created to show how to report the data that is generated by power line valuation and taxation, and the power line credit calculation in a PRISM submission.

The next three parts will cover the actual design and definitions of the tables shown on the logical file layout. The remaining sections will cover an explanation and example of a locally taxed power line, a county taxed power line, and then a power line credit. The examples will only reflect power line information, taxable market values (TMV), net tax capacities (NTC), and tax information. These examples are given to show how power line reporting works, and do not depict a full data submission. To keep the length down, assume conditional fields may not be reported because the information is not readily available.

Power Line Property Type and Subtype Codes

In 2014, SAPS changed the property classifications of the power lines that are sent to the electric utility companies. On the Assessment Abstract, there are two different power line property types: Transmission Lines – 44T (Item 980) and Distribution Lines – 44D (Item 985). On the Abstract of Tax Lists, the power lines reflected on the 2014 Assessment Abstract are then taxed at the local level; however, additional power line net tax capacities and taxes are reported separately in Items 1870 to 1920 for those transmission lines and distribution lines taxed using the countywide average rates.
### SAPS Power Line Categories

<table>
<thead>
<tr>
<th>Power Line Categories</th>
<th>Power Line Location</th>
<th>Property Type</th>
<th>Property Subtype</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric Transmission Lines less than 69kV</td>
<td>City, Township, Unorganized Township</td>
<td>K41</td>
<td>B06</td>
<td>County-Wide Average</td>
</tr>
<tr>
<td>Electric Transmission Lines 69kV and greater</td>
<td>Unorganized Township</td>
<td>K42</td>
<td>B06</td>
<td>County-Wide Average</td>
</tr>
<tr>
<td>Electric Transmission Lines 69kV and greater</td>
<td>City, Township</td>
<td>K42</td>
<td>B07</td>
<td>Local</td>
</tr>
<tr>
<td>High Voltage Transmission Lines 100 to 200kV (excluding 200kV)</td>
<td>Unorganized Township</td>
<td>K43</td>
<td>B06</td>
<td>County-Wide Average</td>
</tr>
<tr>
<td>High Voltage Transmission Lines 100 to 200kV (excluding 200kV)</td>
<td>City, Township</td>
<td>K43</td>
<td>B07</td>
<td>Local</td>
</tr>
<tr>
<td>High Voltage Transmission Lines 200kV and greater</td>
<td>Unorganized Township</td>
<td>K44</td>
<td>B06</td>
<td>County-Wide Average</td>
</tr>
<tr>
<td>High Voltage Transmission Lines 200kV and greater</td>
<td>City, Township</td>
<td>K44</td>
<td>B07</td>
<td>Local</td>
</tr>
<tr>
<td>Electric Distribution Lines</td>
<td>Township, Unorganized Township</td>
<td>K50</td>
<td>B06</td>
<td>County-Wide Average</td>
</tr>
<tr>
<td>Electric Distribution Lines</td>
<td>City</td>
<td>K50</td>
<td>B07</td>
<td>Local</td>
</tr>
</tbody>
</table>

1. To be considered High Voltage the transmission line must be 100kV or more, over 1,500 feet in length, and built after 7/1/1974. (M.S. 216E.01).
2. Power lines between 100kV and 200kV located in a city or organized township may not be identified separately from the Electric Transmission Line 69kV and greater in a City or Organized Township.
3. Distribution of taxes shall be 50% to the general revenue fund of the county, 40% to the general school fund of the county, and 10% to the utility property tax credit fund (M.S. 273.42).
4. 10% of NTC based tax revenue derived from the tax on this line funds the utility property tax credit, the remaining funds are distributed according to local tax rates.
5. Land over which these power lines travel may qualify for power line credit. (M.S. 273.42, subd. 2)
6. Does not include distribution lines taxed as provided in M.S. 273.40 and 273.41 (Related to the REA Tax)

### Property Types

- K41 – Public Utility – Electric Transmission Line Less than 69kV
- K42 – Public Utility – Electric Transmission Line 69kV and greater
- K43 – Public Utility – High Voltage Transmission Lines 100kV to 200kV (excluding 200kV)
When creating power line parcels, separate the distribution lines and transmission lines by property type and property subtype. Group distribution lines by the taxing jurisdiction and the electric company that owns them. Group transmission lines by the taxing jurisdiction and by the run of towers, the lines to which they are attached. Multiple electric companies may own percentages of these transmission lines, and each would receive their own tax statements for their percentage. This means that unlike non-power line parcels (except for possibly natural gas and water), you can have multiple tax statements, going to different taxpayers, with different tax amounts reported for the same parcel.

Due to the multiple ways power line information may be stored in a county's computer system, there are multiple ways that data could be reported through PRISM. For the following examples, we are assuming each property type and subtype combination receives their own parcel ID, and each parcel is owned by a single power company. If your county reflects multiple power company ownerships of a single parcel ID, or multiple power line property types within a single parcel, then that information can be reported by using multiple records. Review the Linking by Record section for examples of how identical information stored in different manners can be reported.

A power line parcel should not contain non-power line property types; however, this does not mean that a non-power line parcel cannot contain a limited amount of power line property types. For example, an electric substation parcel may contain land value, building value, electric generating machinery value, other machinery value, transmission line value and distribution line value. In this situation, when the transmission and distribution lines leave the substation parcel boundaries, then they are reported under their own parcel ID.

Most transmission lines and distribution lines will be taxed at the unique taxing area’s local rates, the same as any non-power line parcel. The exception for this is for transmission lines that are located within an unorganized township and some specific distribution lines as defined in M.S. 273.42, which are then taxed using the countywide average rates. This section includes an example for each type of taxed power line.
High-Voltage Transmission Line Parcels 200kV or More

Power lines are valued and taxed using the same fields as all other property types; however, four additional fields have been included for those power lines that meet the definition of a High-Voltage Transmission Line 200kV or more (property type K44) in order to track information needed for power line credits.

Only the power line contribution NTC and power line contribution tax fields are listed as conditional with the two line length fields identified as deferrable; however, these will become conditional in the future.

A110-14: Power Line Contribution NTC

That portion of the high-voltage transmission line net tax capacity that is subject to the local tax rate, but is excluded from the initial tax rate determination value. This is 10% of the net tax capacity of the high-voltage transmission lines 200kV or more constructed in cities and organized townships (property subtype B07).

A110-19: Line Length

The total length of high-voltage transmission lines 200kV or more described by the Parcel ID (A100-01). Only those parcels that are taxed at the unique taxing area’s local NTC rate are reported in this field for the second and third PRISM submissions. Line length is the physical length of the line within a unique taxing area for that parcel and is not affected by the apportionment of EMV amongst multiple utility companies.

B300-12: Power Line Contribution Tax

The tax on the power line contribution NTC (A110-14) that was not included in the net tax capacity used to determine initial tax rates. This is calculated by multiplying the power line contribution NTC by the prevailing total local tax rate. The state general tax is NOT included in this field.

D210-12: Line Length

The total length of high-voltage transmission lines 200kV or more described by the Parcel ID (D200-04). Only those parcels that are taxed at the county’s average NTC rate are reported in this field for the third PRISM submission. Line length is the physical length of the line within a county for that parcel and is not affected by the apportionment of EMV amongst multiple utility companies.
Parcels Eligible for the Power Line Credit

When a parcel, or group of parcels, are eligible to receive a power line credit there is additional information that needs to be collected. This additional information is required for the calculation of the power line credit. Only qualifying parcels that have High-Voltage Transmission Lines 200kV or more (property type K44) crossing over them can receive this credit.

Both of these fields are identified as deferrable; however, they will become conditional in the future.

B310-07: Line Parcel ID

The parcel ID of the high-voltage transmission line 200kV or more that crosses qualifying property receiving the power line credit. This field is only completed for those parcels reporting a power line credit on the third PRISM submission. If the crossing power line has multiple line parcel IDs due to the line EMV being apportioned to multiple utility companies, then report one of the line parcel IDs within this field. If multiple high-voltage power lines 200kV and above cross the property, then a taxation modifier has to be created for each line.

B310-08: Percentage of Line on Parcel

The percentage of the high-voltage transmission line 200kV or more that crosses the parcel that receives the power line credit. This percentage includes any right-of-way situations where the power line straddles the border between two separate qualifying properties. This field is only completed for those parcels reporting a power line credit on the third PRISM submission. (MS 273.42)
Power Line Parcels Taxed at the Local NTC Rate

<table>
<thead>
<tr>
<th>Unique Taxing Area 00</th>
<th>Unique Taxing Area 01</th>
</tr>
</thead>
<tbody>
<tr>
<td>County: Spruce</td>
<td>County: Spruce</td>
</tr>
<tr>
<td>City Town: Oak City</td>
<td>City: Oak City</td>
</tr>
<tr>
<td>School: Aspen Lakes</td>
<td>School: Cherrywood Pines</td>
</tr>
<tr>
<td>Special: None</td>
<td>Special: None</td>
</tr>
<tr>
<td>(A) Transmission ≥ 69kV: $325,000</td>
<td>(D) Transmission &lt; 69kV: $95,000</td>
</tr>
<tr>
<td>(B) Transmission ≥ 200kV: $1,000,000</td>
<td>(E) Transmission ≥ 69kV: $400,000</td>
</tr>
<tr>
<td>(C) Distribution Line: $225,000</td>
<td>(F) Distribution Line: $150,000</td>
</tr>
</tbody>
</table>

This example will involve power line parcels that are taxed at the unique taxing area’s local tax rate. The above city contains two separate unique taxing areas and the relevant information regarding each UTA is as follows:

**Unique Taxing Area 00:**
- Spruce County has a local tax rate of 67.444%.
- The city of Oak has a local tax rate of 22.553%.
- The school district of Aspen Lakes has a local tax rate of 12.380%.
- Parcel A – $325,000 of Electric Transmission Lines 69kV or more.
- Parcel B - $1,000,000 of High-Voltage Transmission Lines 200kV or more.
- Parcel C – $225,000 of Electric Distribution Lines in a City.
- The length of the Electric Transmission Lines 200kV or more is 12,455 feet.

**Unique Taxing Area 01:**
- Spruce County has a local tax rate of 67.444%.
- The city of Oak has a local tax rate of 22.553%.
- The school district of Cherrywood Pines has a local tax rate of 18.992%.
- Parcel D – $95,000 of Electric Transmission Lines under 69kV.
- Parcel E – $400,000 of Electric Transmission Lines 69kV or more.
- Parcel F – $150,000 Electric Distribution Lines in a City.

**Other Important Information**
- There are no Special Taxing Districts in either UTA.
- All power line Local NTC Tax Base: First $150,000 at 1.50%, over $150,000 at 2.00%.
- All power line State NTC Tax Base: First $150,000 at 1.50%, over $150,000 at 2.00%.
- The state general tax rate for commercial/industrial property is 52.523%.

For simplicity, the City of Oak has an initial tax rate equal to its local tax rate, is not located within a fiscal disparity area, and does not have any special taxing or exception rate districts. There is no referendum market value (RMV) or special assessments on the parcels either. Also, assume the above power lines are owned by a
single power company, and the first $150,000 in value is already covered by the base parcel (not reflected on this example).

The county’s submissions in the valuation and taxation trees would look like the following, but note that anything in parentheses and italicized would not physically appear on the submission and is just used to ease the reading of this example.

Spruce County Valuation Tree
- Unique Taxing Area (1)
  - County Code: 97 (Spruce County)
  - City/Township Code: 0100 (City of Oak)
  - School District Code: 3450 (Aspen Lakes)
  - Unique Taxing Area ID: 00
  - Parcel Characteristics Table (1)
    - Parcel ID: A
      - Taxable Property Table (1)
        - Property Type: Electric Transmission Line 69kV or More
        - Property Subtype: Power Line Recommended Values
        - Building/Other TMV: 325,000
        - Fully Taxable NTC: 6,500 ($325,000 X .02)
        - State NTC: 6,500 ($325,000 X .02)
  - Parcel Characteristics Table (2)
    - Parcel ID: B
      - Taxable Property Table (1)
        - Property Type: High-Voltage Transmission Line 200kV or More
        - Property Subtype: Power Line Ordered Values
        - Building/Other TMV: 1,000,000
        - Fully Taxable NTC: 20,000 ($1,000,000 X .02)
        - State NTC: 20,000 ($1,000,000 X .02)
        - Power Line Contribution NTC: 2,000 (20,000 X .10)
        - Line Length: 12,455
  - Parcel Characteristics Table (3)
    - Parcel ID: C
      - Taxable Property Table (1)
        - Property Type: Electric Distribution Lines
        - Property Subtype: Power Line Recommended Values
        - Building/Other TMV: 225,000
        - Fully Taxable NTC: 4,500 ($225,000 X .02)
        - State NTC: 4,500 ($225,000 X .02)
- Unique Taxing Area (2)
  - County Code: 97 (Spruce County)
  - City/Township Code: 0100 (City of Oak)
  - School District Code: 4770 (Cherrywood Pines)
  - Unique Taxing Area ID: 01
  - Parcel Characteristics Table (1)
    - Parcel ID: D
      - Taxable Property Table (1)
        - Property Type: Electric Transmission Line under 69kV
Property Subtype: Power Line Ordered Values
Building/Other TMV: 95,000
Fully Taxable NTC: 1,900 ($95,000 X .02)
State NTC: 1,900 ($95,000 X .02)

Parcel Characteristics Table (2)
- Parcel ID: E
- Taxable Property Table (1)
  - Property Type: Electric Transmission Line 69kV or More
  - Property Subtype: Power Line Recommended Values
  - Building/Other TMV: 400,000
  - Fully Taxable NTC: 8,000 ($400,000 X .02)
  - State NTC: 8,000 ($400,000 X .02)

Parcel Characteristics Table (3)
- Parcel ID: F
- Taxable Property Table (1)
  - Property Type: Electric Distribution Lines
  - Property Subtype: Power Line Recommended Values
  - Building/Other TMV: 150,000
  - Fully Taxable NTC: 3,000 ($150,000 X .02)
  - State NTC: 3,000 ($150,000 X .02)

Spruce County Taxation Tree
- Unique Taxing Area (1)
  - County Code: 97 (Spruce County)
  - City/Township Code: 0100 (City of Oak)
  - School District Code: 3450 (Aspen Lakes)
  - Unique Taxing Area ID: 00
  - Total Local County NTC Rate: 0.67444
  - Total Local City/Township NTC Rate: 0.22553
  - Total Local School District NTC Rate: 0.12380
- Parcel Characteristics Table (1)
  - Parcel ID: A
  - Current Year Total Property Tax and Special Assessments: $10,068.51
  - Gross Local NTC Tax: $6,654.51 (6,500 X 1.02377)
  - Net Local NTC Tax: $6,654.51
  - State NTC Tax: $3,414.00 (6,500 X 0.52523)
- Parcel Characteristics Table (2)
  - Parcel ID: B
  - Current Year Total Property Tax and Special Assessments: $30,980.00
  - Gross Local NTC Tax: $20,475.40 (20,000 X 1.02377)
  - Net Local NTC Tax: $20,475.40
  - State NTC Tax: $10,504.60 (20,000 X 0.52523)
  - Power Line Contribution Tax: $2,047.54
- Parcel Characteristics Table (3)
  - Parcel ID: C
  - Current Year Total Property Tax and Special Assessments: $6,970.51
  - Gross Local NTC Tax: $4,606.97 (4,500 X 1.02377)
  - Net Local NTC Tax: $4,606.97
- State NTC Tax: $2,363.54 (4,500 X 0.52523)

- Unique Taxing Area (2)
  - County Code: 97 (Spruce County)
  - City/Township Code: 0100 (City of Oak)
  - School District Code: 4770 (Cherrywood Pines)
  - Unique Taxing Area ID: 01
  - Total Local County NTC Rate: 0.67444
  - Total Local City/Township NTC Rate: 0.22553
  - Total Local School District NTC Rate: 0.18992

- Parcel Characteristics Table (1)
  - Parcel ID: D
  - Current Year Total Property Tax and Special Assessments: $3,068.73
  - Gross Local NTC Tax: $2,070.79 (1,900 X 1.08989)
  - Net Local NTC Tax: $2,070.79
  - State NTC Tax: $997.94 (1,900 X 0.52523)

- Parcel Characteristics Table (2)
  - Parcel ID: E
  - Current Year Total Property Tax and Special Assessments: $12,920.96
  - Gross Local NTC Tax: $8,719.12 (8,000 X 1.08989)
  - Net Local NTC Tax: $8,719.12
  - State NTC Tax: $4,201.84 (8,000 X 0.52523)

- Parcel Characteristics Table (3)
  - Parcel ID: F
  - Current Year Total Property Tax and Special Assessments: $4,845.36
  - Gross Local NTC Tax: $3,269.67 (3,000 X 1.08989)
  - Net Local NTC Tax: $3,269.67
  - State NTC Tax: $1,575.69 (3,000 X 0.52523)

There are no power line credit fields completed, as these parcels are for the power lines themselves, not for the parcels over which they cross. Parcel B is the only parcel containing high-voltage power lines 200kV or more that require the power line contribution NTC, power line contribution tax, and power line length fields to be completed.
Power Line Parcels Taxed at the Countywide Average Rate

This example will involve the valuation and taxation of power line parcels that are taxed at the countywide average rate. In this case, the power line is within Spruce County, and is owned by Elm Electric. The relevant information regarding the parcel is as follows:

- The Countywide Average NTC rate is 167.444%.
- All power line Local NTC Tax Base: First $150,000 at 1.50%, over $150,000 at 2.00%.
- All power line State NTC Tax Base: First $150,000 at 1.50%, over $150,000 at 2.00%.
- The state general tax rate for commercial/industrial property is 52.523%.

For simplicity, the County of Spruce is not located within a fiscal disparity area, and the county does not have any special taxing or exception rate districts. There are no referendum market value (RMV) rates or special assessments on the parcel. Also, assume the above power lines are owned by a single power company, are located within unorganized townships within the county, and the first $150,000 in value is already covered by the base parcel (not reflected on this example).

The county’s submissions in the taxing authority tree would look like the following, but note that anything in parentheses and italicized would not physically appear on the submission and just used to ease the reading of this example.

**Spruce County Taxing Authority Tree**

- **Taxing Authority Data (1)**
  - Taxing Authority Type: County
  - County Code: 97 (Spruce County)
  - Taxing Authority Name: Spruce County
  - County Average NTC Rate: 1.67444
- **Taxation Data (1)**
  - Net Local NTC Tax: $50,233.20 (30,000 X 1.67444)
  - State NTC Tax: $15,756.90 (30,000 X 0.52523)
  - Parcel ID: G

- **Valuation Data (1)**
  - Property Type: Electric Transmission Line 69kV or more
  - Property Subtype: Power Line Ordered Values
  - Building/Other TMV: 1,500,000
  - Fully Taxable NTC: 30,000 ($1,500,000 X .02)
  - State NTC: 30,000 ($1,500,000 X .02)
o **Taxation Data (2)**
   - Net Local NTC Tax: $30,139.92 (18,000 X 1.67444)
   - State NTC Tax: $9,454.14 (18,000 X 0.52523)
   - **Parcel ID:** H

   **Valuation Data (1)**
   ✷ Property Type: High-Voltage Transmission Line 100kV to 200kV
   ✷ Property Subtype: Power Line Ordered Values
   ✷ Building/Other TMV: 900,000
   ✷ Fully Taxable NTC: 18,000 ($900,000 X .02)
   ✷ State NTC: 18,000 ($900,000 X .02)

o **Taxation Data (3)**
   - Net Local NTC Tax: $77,024.24 (46,000 X 1.67444)
   - State NTC Tax: $24,160.58 (46,000 X 0.52523)
   - **Parcel ID:** I

   **Valuation Data (1)**
   ✷ Property Type: High-Voltage Transmission Line 200kV or More
   ✷ Property Subtype: Power Line Recommended Values
   ✷ Building/Other TMV: 2,300,000
   ✷ Fully Taxable NTC: 46,000 ($2,300,000 X .02)
   ✷ State NTC: 46,000 ($2,300,000 X .02)
   ✷ Line Length: 220,113

o **Taxation Data (4)**
   - Net Local NTC Tax: $20,093.28 (12,000 X 1.67444)
   - State NTC Tax: $6,302.76 (12,000 X 0.52523)
   - **Parcel ID:** J

   **Valuation Data (1)**
   ✷ Property Type: Electric Distribution Lines
   ✷ Property Subtype: Power Line Ordered Values
   ✷ Building/Other TMV: 600,000
   ✷ Fully Taxable NTC: 12,000 ($600,000 X .02)
   ✷ State NTC: 12,000 ($600,000 X .02)

Since all of these parcels are taxed at a countywide average rate, none of the parcels are reported in the valuation and taxation trees. There are no power line credit fields completed, as these parcels are for the power lines themselves, not for the parcels over which they cross. Parcel I is the only parcel containing high-voltage power lines 200kV or more that required the power line length field to be completed.
Power Lines with Multiple Utility Companies and/or Covering Multiple UTAs

<table>
<thead>
<tr>
<th>Unique Taxing Area 00</th>
<th>Unique Taxing Area 01</th>
<th>Unique Taxing Area 02</th>
</tr>
</thead>
<tbody>
<tr>
<td>County: Spruce</td>
<td>County: Spruce</td>
<td>County: Spruce</td>
</tr>
<tr>
<td>City Town: Basswood City</td>
<td>City: Basswood City</td>
<td>City: Basswood City</td>
</tr>
<tr>
<td>School: Aspen Lakes</td>
<td>School: Cherrywood Pines</td>
<td>School: Cherrywood Pines</td>
</tr>
<tr>
<td>Special: None</td>
<td>Special: None</td>
<td>Special: Basswood HRA</td>
</tr>
<tr>
<td>Line Value: $6,000,000</td>
<td>Line Value: $3,000,000</td>
<td>Line Value: $1,000,000</td>
</tr>
<tr>
<td>Line Length: 60,000 ft.</td>
<td>Line Length: 30,000 ft.</td>
<td>Line Length: 10,000 ft.</td>
</tr>
</tbody>
</table>

It is possible to have a single power line within a city or township that has been divided into multiple parcels due to the line EMV being apportioned amongst multiple utility companies within a unique taxing area and/or multiple unique taxing areas existing within a city or township. Consider the above situation where there is a single High Voltage Transmission Line 200kV and above within the city of Basswood that is worth $10,000,000 and has a length of 100,000 ft. The city of Basswood is comprised of three unique taxing areas where 60% of the power line is in UTA 00, 30% is in UTA 01, and 10% is in UTA 02. The situation is further complicated by the fact that there are three utility companies that own the line so each company has EMV for the line within Basswood: 50% of the line EMV is apportioned to Edison Electric Company, 30% of the line EMV is apportioned to Tesla Electric Company, and 20% of the line EMV is apportioned to Holonyak Electric Company. If a separate power line parcel id is created for each utility company within a UTA for the city, then this results in nine individual parcels being reported for a single power line.

For this example we are using a high-voltage transmission line 200kV and above as it has the most fields attributed to it.

**Unique Taxing Area 00:**
- Spruce County has a local tax rate of 67.444%.
- The city of Basswood has a local tax rate of 26.750%.
- The school district of Aspen Lakes has a local tax rate of 12.380%.
- Parcel K – 30% of the total High-Voltage Transmission Line 200kV or more EMV.
- Parcel L – 18% of the total High-Voltage Transmission Line 200kV or more EMV.
- Parcel M – 12% of the total High-Voltage Transmission Line 200kV or more EMV.
- The length of the Electric Transmission Lines 200kV or more is 12,455 feet.

**Unique Taxing Area 01:**
• Spruce County has a local tax rate of 67.444%.
• The city of Basswood has a local tax rate of 26.750%.
• The school district of Cherrywood Pines has a local tax rate of 18.992%.
• Parcel N – 15% of the total High-Voltage Transmission Line 200kV or more EMV.
• Parcel O – 9% of the total High-Voltage Transmission Line 200kV or more EMV.
• Parcel P – 6% of the total High-Voltage Transmission Line 200kV or more EMV.

Unique Taxing Area 02:
• Spruce County has a local tax rate of 67.444%.
• The city of Basswood has a local tax rate of 26.750%.
• The school district of Cherrywood Pines has a local tax rate of 18.992%.
• The special taxing district of Basswood HRA has a local tax rate of 0.952%.
• Parcel Q – 5% of the total High-Voltage Transmission Line 200kV or more EMV.
• Parcel R – 3% of the total High-Voltage Transmission Line 200kV or more EMV.
• Parcel S – 2% of the total High-Voltage Transmission Line 200kV or more EMV.

Other Important Information
• All power line Local NTC Tax Base: First $150,000 at 1.50%, over $150,000 at 2.00%.
• All power line State NTC Tax Base: First $150,000 at 1.50%, over $150,000 at 2.00%.
• The state general tax rate for commercial/industrial property is 52.523%.

For simplicity, all initial tax rates are equal to their local tax rates, are not located within a fiscal disparity area, and do not have any exception rate districts. There is no referendum market value (RMV) or special assessments on the parcels either. Also, assume that the first $150,000 in value is already covered by the base parcel (not reflected on this example).

The county’s submissions in the valuation and taxation trees would look like the following, but note that anything in parentheses would not physically appear on the submission and is just used to ease the reading of this example.

Spruce County Valuation Tree
• **Unique Taxing Area (1)**
  o County Code: 97 (Spruce County)
  o City/Township Code: 0300 (City of Basswood)
  o School District Code: 3450 (Aspen Lakes)
  o Unique Taxing Area ID: 00
  o **Parcel Characteristics Table (1)**
    ▪ **Parcel ID: K**
    ▪ **Taxable Property Table (1)**
      ✤ Property Type: High Voltage Transmission Line 200kV or More
      ✤ Property Subtype: Power Line Recommended Values
      ✤ Building/Other TMV: 3,000,000 (10,000,000 X .30 or 6,000,000 X .50)
      ✤ Fully Taxable NTC: 60,000 ($3,000,000 X .02)
      ✤ State NTC: 60,000 ($3,000,000 X .02)
      ✤ Power Line Contribution NTC: 6,000 (60,000 X .10)
      ✤ Line Length: 60,000 ft.
  o **Parcel Characteristics Table (2)**
- **Parcel ID:** L
  - **Taxable Property Table (1)**
    - Property Type: High Voltage Transmission Line 200kV or More
    - Property Subtype: Power Line Recommended Values
    - Building/Other TMV: 1,800,000 (10,000,000 X .18 or 6,000,000 X .30)
    - Fully Taxable NTC: 36,000 ($1,800,000 X .02)
    - State NTC: 36,000 ($1,800,000 X .02)
    - Power Line Contribution NTC: 3,600 (36,000 X .10)
    - Line Length: 60,000 ft.
  - **Parcel Characteristics Table (3)**

- **Parcel ID:** M
  - **Taxable Property Table (1)**
    - Property Type: High Voltage Transmission Line 200kV or More
    - Property Subtype: Power Line Recommended Values
    - Building/Other TMV: 1,200,000 (10,000,000 X .12 or 6,000,000 X .20)
    - Fully Taxable NTC: 24,000 ($1,200,000 X .02)
    - State NTC: 24,000 ($1,200,000 X .02)
    - Power Line Contribution NTC: 2,400 (24,000 X .10)
    - Line Length: 60,000 ft.
  - **Unique Taxing Area (2)**
    - County Code: 97 (Spruce County)
    - City/Township Code: 0300 (City of Basswood)
    - School District Code: 4770 (Cherrywood Pines)
    - Unique Taxing Area ID: 01
  - **Parcel Characteristics Table (1)**

- **Parcel ID:** N
  - **Taxable Property Table (1)**
    - Property Type: High Voltage Transmission Line 200kV or More
    - Property Subtype: Power Line Recommended Values
    - Building/Other TMV: 1,500,000 (10,000,000 X .15 or 3,000,000 X .50)
    - Fully Taxable NTC: 30,000 ($1,500,000 X .02)
    - State NTC: 30,000 ($1,500,000 X .02)
    - Power Line Contribution NTC: 3,000 (30,000 X .10)
    - Line Length: 30,000 ft.
  - **Parcel Characteristics Table (2)**

- **Parcel ID:** O
  - **Taxable Property Table (1)**
    - Property Type: High Voltage Transmission Line 200kV or More
    - Property Subtype: Power Line Recommended Values
    - Building/Other TMV: 900,000 (10,000,000 X .09 or 3,000,000 X .30)
    - Fully Taxable NTC: 18,000 ($900,000 X .02)
    - State NTC: 18,000 ($900,000 X .02)
    - Power Line Contribution NTC: 1,800 (18,000 X .10)
    - Line Length: 30,000 ft.
  - **Parcel Characteristics Table (3)**

- **Parcel ID:** P
  - **Taxable Property Table (1)**
    - Property Type: High Voltage Transmission Line 200kV or More
- **Property Subtype:** Power Line Recommended Values
  - Building/Other TMV: 600,000 (10,000,000 x .06 or 3,000,000 x .20)
  - Fully Taxable NTC: 12,000 ($600,000 x .02)
  - State NTC: 12,000 ($600,000 x .02)
  - Power Line Contribution NTC: 1,200 (12,000 x .10)
  - Line Length: 30,000 ft.

- **Unique Taxing Area (3)**
  - County Code: 97 (Spruce County)
  - City/Township Code: 0300 (City of Basswood)
  - School District Code: 4770 (Cherrywood Pines)
  - Unique Taxing Area ID: 02
  - **Special Taxing District Table (1)**
    - Special Taxing District Code: 873 (Basswood HRA)
  - **Parcel Characteristics Table (1)**
    - Parcel ID: Q
    - Taxable Property Table (1)
      - Property Type: High Voltage Transmission Line 200kV or More
      - Property Subtype: Power Line Recommended Values
      - Building/Other TMV: 500,000 (10,000,000 x .05 or 1,000,000 x .50)
      - Fully Taxable NTC: 10,000 ($500,000 x .02)
      - State NTC: 10,000 ($500,000 x .02)
      - Power Line Contribution NTC: 1,000 (10,000 x .10)
      - Line Length: 10,000 ft.
  - **Parcel Characteristics Table (2)**
    - Parcel ID: R
    - Taxable Property Table (1)
      - Property Type: High Voltage Transmission Line 200kV or More
      - Property Subtype: Power Line Recommended Values
      - Building/Other TMV: 300,000 (10,000,000 x .03 or 1,000,000 x .30)
      - Fully Taxable NTC: 6,000 ($300,000 x .02)
      - State NTC: 6,000 ($300,000 x .02)
      - Power Line Contribution NTC: 600 (6,000 x .10)
      - Line Length: 10,000 ft.
  - **Parcel Characteristics Table (3)**
    - Parcel ID: S
    - Taxable Property Table (1)
      - Property Type: High Voltage Transmission Line 200kV or More
      - Property Subtype: Power Line Recommended Values
      - Building/Other TMV: 200,000 (10,000,000 x .02 or 1,000,000 x .20)
      - Fully Taxable NTC: 4,000 ($200,000 x .02)
      - State NTC: 4,000 ($200,000 x .02)
      - Power Line Contribution NTC: 400 (4,000 x .10)
      - Line Length: 10,000 ft.

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Spruce County Taxation Tree

- **Unique Taxing Area (1)**
  - County Code: 97 (Spruce County)
City/Township Code: 0300 (City of Basswood)
School District Code: 3450 (Aspen Lakes)
Unique Taxing Area ID: 00
Total Local County NTC Rate: 0.67444
Total Local City/Township NTC Rate: 0.22553
Total Local School District NTC Rate: 0.12380

Parcel Characteristics Table (1)
- Parcel ID: K
- Current Year Total Property Tax and Special Assessments: $92,940.00
- Gross Local NTC Tax: $61,426.20 (60,000 X 1.02377)
- Net Local NTC Tax: $61,426.20
- State NTC Tax: $31,513.80 (60,000 X 0.52523)
- Power Line Contribution Tax: $6,142.62

Parcel Characteristics Table (2)
- Parcel ID: L
- Current Year Total Property Tax and Special Assessments: $55,764.00
- Gross Local NTC Tax: $36,855.72 (36,000 X 1.02377)
- Net Local NTC Tax: $36,855.72
- State NTC Tax: $18,908.28 (36,000 X 0.52523)
- Power Line Contribution Tax: $3,685.58

Parcel Characteristics Table (3)
- Parcel ID: M
- Current Year Total Property Tax and Special Assessments: $37,176.00
- Gross Local NTC Tax: $24,570.48 (24,000 X 1.02377)
- Net Local NTC Tax: $24,570.48
- State NTC Tax: $12,605.52 (24,000 X 0.52523)
- Power Line Contribution Tax: $2,457.05

Unique Taxing Area (2)
- County Code: 97 (Spruce County)
- City/Township Code: 0300 (City of Basswood)
- School District Code: 4770 (Cherrywood Pines)
- Unique Taxing Area ID: 01
- Total Local County NTC Rate: 0.67444
- Total Local City/Township NTC Rate: 0.22553
- Total Local School District NTC Rate: 0.18992

Parcel Characteristics Table (1)
- Parcel ID: N
- Current Year Total Property Tax and Special Assessments: $48,453.60
- Gross Local NTC Tax: $32,696.70 (30,000 X 1.08989)
- Net Local NTC Tax: $32,696.70
- State NTC Tax: $15,756.90 (30,000 X 0.52523)
- Power Line Contribution Tax: $3,269.67

Parcel Characteristics Table (2)
- Parcel ID: O
- Current Year Total Property Tax and Special Assessments: $29,072.16
- Gross Local NTC Tax: $19,618.02 (18,000 X 1.08989)
- Net Local NTC Tax: $19,618.02
- State NTC Tax: $9,454.14 (18,000 X 0.52523)
- Power Line Contribution Tax: $1,961.81
- **Parcel Characteristics Table (3)**
  - **Parcel ID:** P
  - Current Year Total Property Tax and Special Assessments: $19,381.44
  - Gross Local NTC Tax: $13,078.68 (12,000 X 1.08989)
  - Net Local NTC Tax: $13,078.68
  - State NTC Tax: $6,302.76 (12,000 X 0.52523)
  - Power Line Contribution Tax: $1,307.87

- **Unique Taxing Area (3)**
  - County Code: 97 (Spruce County)
  - City/Township Code: 0300 (City of Basswood)
  - School District Code: 4770 (Cherrywood Pines)
  - Unique Taxing Area ID: 02
  - Total Local County NTC Rate: 0.67444
  - Total Local City/Township NTC Rate: 0.22553
  - Total Local School District NTC Rate: 0.18992

- **Special Taxing District**
  - Special Taxing District Code: 873 (Basswood HRA)
  - Total Local Special Taxing District NTC Rate: 0.00925

- **Parcel Characteristics Table (1)**
  - **Parcel ID:** Q
  - Current Year Total Property Tax and Special Assessments: $16,243.70
  - Gross Local NTC Tax: $10,991.40 (10,000 X 1.09914)
  - Net Local NTC Tax: $10,991.40
  - State NTC Tax: $5,252.30 (10,000 X 0.52523)
  - Power Line Contribution Tax: $1,099.14

- **Parcel Characteristics Table (2)**
  - **Parcel ID:** R
  - Current Year Total Property Tax and Special Assessments: $9,746.22
  - Gross Local NTC Tax: $6,594.84 (6,000 X 1.09914)
  - Net Local NTC Tax: $6,594.84
  - State NTC Tax: $3,151.38 (6,000 X 0.52523)
  - Power Line Contribution Tax: $659.49

- **Parcel Characteristics Table (3)**
  - **Parcel ID:** S
  - Current Year Total Property Tax and Special Assessments: $6,497.48
  - Gross Local NTC Tax: $4,396.56 (4,000 X 1.09914)
  - Net Local NTC Tax: $4,396.56
  - State NTC Tax: $2,100.92 (4,000 X 0.52523)
  - Power Line Contribution Tax: $439.66

As you can see the estimated market value, taxable market value, and net tax capacities are split by the utility company apportionment by UTA. Since this is a High Voltage Transmission Line 200kV and above the power line contribution net tax capacity is split by the utility company apportionment by UTA; however, the line length reported for each parcel is the actual physical length of the line within the UTA. If the line was located in unorganized townships then the line length reported would be for all unorganized townships within the county.
Parcels Qualifying for a Power Line Credit

<table>
<thead>
<tr>
<th>(AA)</th>
<th>Line Parcel ID: B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jerry City of Oak 1a-$275,000</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(BB)</th>
<th>Line Parcel IDs: N, O &amp; P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mary City of Basswood 1a-$300,000</td>
<td></td>
</tr>
</tbody>
</table>

Consider this example involving two different parcels receiving a power line credit. Jerry and Mary each own a 3/4 acre parcel in their respective city that they each claim as a residential homestead. Jerry’s parcel has a 200kV high-voltage transmission line crossing the southwest corner (parcel B that was described in the Power Line Parcels Taxed at the Local NTC Rate example) Mary’s Parcel has a 200kV high-voltage transmission line crossing the northwest corner (parcels N, O & P that were described in the Power Lines with Multiple Utility Companies and/or Multiple UTAs example). No referendum market value (RMV) rates or special assessments exist on this parcel. The following rates are used to determine the fully taxable net tax capacity (NTC) by property type:

- The total local tax rate for Jerry’s parcel is 102.377%.
- The total local tax rate for Mary’s parcel is 108.989%
- 1a Residential Homestead – First $500,000 at 1.00%, Over $500,000 at 1.25%.
- The length of the transmission line parcel B crossing parcel AA is 75 feet.
- The total length of the city of Oak transmission line is 12,455 feet.
- The total power line contribution tax of the city of Oak transmission line is $2,047.54
- The length of the transmission line parcel N, O & P crossing parcel BB is 95 feet
- The total length of the city of Basswood transmission line is 100,000 feet.
- The total power line contribution tax of the city of Basswood transmission line is $21,022.89.

The county’s submissions in the valuation, and taxation trees would look like the following, but note that anything in parentheses and italicized would not physically appear on the submission and just used to ease the reading of this example.

Spruce County Valuation Tree
- **Unique Taxing Area (UTA) Table (1)**
  - County Code: 97 (Spruce County)
  - City/Township Code: 0100 (city of Oak)
  - School District Code: 3450 (Aspen Lakes)
  - Unique Taxing Area ID: 00

- **Parcel Characteristics Table (1)**
  - Parcel ID: AA

- **Taxable Property Table (1)**
  - Property Type: 1a Residential Homestead
  - Property Subtype: Real Property
  - Land TMV: $75,000
Building TMV: $200,000
Fully Taxable NTC: 2,750 ($275,000 X .01)

- **Preferential Entities Table (1)**
  - Preferential Entity Type Code: Residential Homestead
  - Number of Preferential Rate Entities: 1

- **Unique Taxing Area (UTA) Table (2)**
  - **County Code:** 97 (Spruce County)
  - **City/Township Code:** 0300 (city of Basswood)
  - **School District Code:** 4770 (Cherrywood Pines)
  - **Unique Taxing Area ID:** 01

- **Parcel Characteristics Table (1)**
  - **Parcel ID:** BB

- **Taxable Property Table (1)**
  - Property Type: 1a Residential Homestead
  - Property Subtype: Real Property
  - Land TMV: $80,000
  - Building TMV: $220,000
  - Fully Taxable NTC: 3,000 ($300,000 X .01)

- **Preferential Entities Table (1)**
  - Preferential Entity Type Code: Residential Homestead
  - Number of Preferential Rate Entities: 1

**Spruce County Taxation Tree**

- **Unique Taxing Area (UTA) Table (1)**
  - **County Code:** 97 (Spruce County)
  - **City/Township Code:** 0100 (city of Oak)
  - **School District Code:** 3450 (Aspen Lakes)
  - **Unique Taxing Area ID:** 00
  - **Total Local County NTC Rate:** 0.67444
  - **Total Local City/Township NTC Rate:** 0.22553
  - **Total Local School District NTC Rate:** 0.12380

- **Parcel Characteristics Table (1)**
  - **Parcel ID:** AA
    - Current Year Qualifying Tax Amount: $2,803.04
    - Current Year Total Property Tax and Special Assessments: $2,803.04
    - Gross Local NTC Tax: $2,815.37 (2,750 X 1.02377)
    - Net Local NTC Tax: $2,803.04 ($2,815.37 – $12.33)

- **Taxation Modifier Table (1)**
  - Modifier Type: Power Line Credit
  - NTC Modifier Amount: $12.33 ($2,047.54 X .006)
  - Line Parcel ID: B
  - Percentage of Line on Parcel: .006 (75/12,455)

- **Unique Taxing Area (UTA) Table (2)**
  - **County Code:** 97 (Spruce County)
  - **City/Township Code:** 0300 (city of Basswood)
  - **School District Code:** 4770 (Cherrywood Pines)
  - **Unique Taxing Area ID:** 02
  - **Total Local County NTC Rate:** 0.67444
- Total Local City/Township NTC Rate: 0.22553
- Total Local School District NTC Rate: 0.18992
- **Parcel Characteristics Table (1)**
  - **Parcel ID**: AA
  - Current Year Qualifying Tax Amount: $23,248.64
  - Current Year Total Property Tax and Special Assessments: $3,248.64
  - Gross Local NTC Tax: $3,269.67 (3,000 X 1.08989)
  - Net Local NTC Tax: $3,248.64 ($3,269.67 – $21.03)
- **Taxation Modifier Table (1)**
  - Modifier Type: Power Line Credit
  - NTC Modifier Amount: $21.03 ($21,022.89 X .001)
  - Line Parcel ID: N (O or P are also options)

Percentage of Line on Parcel: .001 (95 / 100,000). As you can see, the power line credit is the power line contribution tax for the total line within the city/township multiplied by the percentage of the total transmission line on the parcel. Even though there are three power line parcels crossing the borders of parcel AA, there is only one physical line so only one taxation modifier table is required.
Class 1b - Reporting of Homesteads for Persons Who Are Blind or Have a Disability

There have been several questions as to the best way to report information on homesteads for persons who are blind or have a disability (Class 1b) in PRISM, especially for properties that are split-classified as 1b and 1a (residential homestead) or 1b and 2a (agricultural homestead). In particular, the homestead market value exclusion has an effect on the reporting of the Estimated Market Value (EMV) at a record level by class type.

The 1b classification of property applies to the first $50K of TMV. This means that unless the valuation modifier is class-specific, any modifiers that affect the homestead property should be applied to the Class 1b property type first, as the modifiers are used to calculate TMV. Since these valuation modifiers can change depending upon the property involved, and the TMV of the Class 1b portion of the homestead cannot increase past $50K, then the EMV of the Class 1b property has to be recalculated when reporting the values between the two homestead property types in PRISM.

We recommend reporting these numbers through PRISM in the following manner:

1. Continue to view the homestead property as a whole when calculating any homestead specific valuation modifiers, such as the homestead market value exclusion.
2. If the total homestead TMV of the parcel is greater than the Class 1b limit, then the TMV for the Class 1b record is capped at the tier. Otherwise, the TMV is not split into another homestead record.
3. Apply all qualifying valuation modifiers that affect the homestead to the Class 1b property type, up to the total EMV for the parcel. Homestead market value exclusion is calculated at a homestead level and applied to the base parcel first (up to the EMV of the parcel). Do not carry an excluded value to another parcel until the base parcel’s TMV is zero.
4. The EMV of the Class 1b property type should then be recorded as the sum of the Class 1b homestead TMV and all qualifying valuation modifiers.
5. Report any remaining homestead EMV for the parcel, if any, under a new record as either agricultural homestead HGA or residential homestead.
6. Apply any remaining class or parcel specific valuation modifiers for the parcel.
7. Calculate the new TMV of the agricultural or residential homestead property type for that parcel.

When distributing value between property types in PRISM, the EMV and TMV are reported between Land and Building in proportion to total land and building TMV for parcel. The valuation modifiers are apportioned if they apply to the property as a whole, or to the land or building in particular if it only applies to that portion.

Several examples have been created to show the breakdown of these records depending upon homestead values, number of parcels, and fractional homesteads. This document should not be used to determine the calculation of a valuation modifier, which is covered in the Property Tax Administrator’s Manual, but rather how to report the EMV, valuation modifiers, and TMV in PRISM. If you need further clarification of a reporting issue in your county, contact the PRISM team at prism.mdot@state.mn.us.

As you review these instructions you may notice that there is no example that has the Class 1b rate extend to additional agricultural homestead property beyond the House, Garage, and 1st acre (HGA). We recommend that the homestead for persons who are blind or have a disability classification only be applied to the HGA, allowing property owners to maximize their other benefits (e.g. agricultural credits).
Class 1b - TMV under $50K with the Homestead MV Exclusion

<table>
<thead>
<tr>
<th>(A)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quinn</td>
</tr>
<tr>
<td>HGA Land - $5,000</td>
</tr>
<tr>
<td>HGA Bldg - $35,000</td>
</tr>
<tr>
<td>2a NonHGA Land - $38,000</td>
</tr>
<tr>
<td>2a NonHGA Bldg - $2,000</td>
</tr>
<tr>
<td>Green Acres amount deferred - $5,000</td>
</tr>
</tbody>
</table>

Quinn owns a 40 acre parcel she claims as an agricultural homestead and homestead for persons who are blind or have a disability (Class 1b). The EMV House, Garage, and 1st Acre value of the property is low enough that the homestead market value exclusion is set at 40% of the EMV (with no reductions).

The following assessment year 2018 rates are used to determine the fully taxable net tax capacity (NTC) and Referendum Market Value (RMV) by property type for this example:

- Class 1b Homestead NTC – Up to $50K at .45%
  - Any value exceeding the tier must be Agricultural Homestead HGA
- Class 1b Homestead RMV – First $50K at 45%, Over $50K at 100%
  - The value that exceeds $50K is due solely to Homestead Market Value Exclusion
- Agricultural HGA Homestead NTC – First $500K at 1.00%, Over $500K at 1.25%
  - The $500K tier must include any utilized Class 1b homestead tier value
- Agricultural HGA Homestead RMV – All Value at 100%
- 2a Agricultural Non-HGA Homestead – First $1.9M at 0.50%, Over 1.9M at 1.00%
  - The $1.9M tier must include any utilized Class 1b tier on non-HGA land (if any)
- 2a Agricultural Non-HGA Homestead RMV – None

An example of the county’s submissions in the parcel linkage, valuation, and taxation trees is shown in the following section. Note that anything in parentheses and italicized would not physically appear on the submission but is used to ease the reading of this example. For example, in PRISM, the exclusion is not split between land and building/other values, but for understanding the math involved in this example, it has been included.

<table>
<thead>
<tr>
<th>Parcel A</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Parcel Values &amp; Exclusions</strong></td>
</tr>
<tr>
<td>Estimated Market Value</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>HGA Market Value prior to HMVE</td>
</tr>
<tr>
<td>Homestead Market Value Exclusion</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>--------------------------------------</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

**Class 1b Homestead Agricultural HGA Record**

<table>
<thead>
<tr>
<th></th>
<th>Taxable Market Value</th>
<th>Homestead Market Value Exclusion</th>
<th>Estimated Market Value – 1b record</th>
<th>Net Tax Capacity</th>
<th>Referendum Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$24,000 ($24,000 &lt; $50,000 tier)</td>
<td>$16,000</td>
<td>$24,000 + $16,000 = $40,000</td>
<td>$24,000 * 0.45% = 108</td>
<td>$40,000 ($40,000 &lt; $50,000 tier)</td>
</tr>
<tr>
<td></td>
<td>$3,000 Land (12.5% of $24K)</td>
<td>$2,000 Land (12.5% of $16K)</td>
<td>$5,000 Land</td>
<td>$33,000 Land</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$21,000 Building/Other (87.5% of $24K)</td>
<td>$14,000 Building/Other (87.5% of $16K)</td>
<td>$35,000 Building/Other</td>
<td>$2,000 Building/Other</td>
<td></td>
</tr>
</tbody>
</table>

**Agricultural Homestead Non-HGA Record**

<table>
<thead>
<tr>
<th></th>
<th>Estimated Market Value</th>
<th>Green Acres Deferral</th>
<th>Taxable Market Value</th>
<th>Net Tax Capacity</th>
<th>Referendum Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$40,000</td>
<td>$5,000 for 39 Qualifying Acres</td>
<td>$40,000 - $5,000 = $35,000</td>
<td>$35,000 * 0.50% = 175</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td>$38,000 Land</td>
<td>$5,000 Land</td>
<td>$33,000 Land</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$2,000 Building/Other</td>
<td>$0 Building/Other</td>
<td>$2,000 Building/Other</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As you can see all of the taxable market value for the house, garage and 1st acre is captured by the Class 1b homestead record, and the homestead market value exclusion only affects the HGA. The non-HGA portion of the parcel is calculated entirely as 2a-Agricultural Homestead so the property in this example qualifies for the full amount of Green Acres deferral and does not pay referendum market value levies.

**PRISM Reporting**

- **Parcel Characteristics Table (1)**
  - Parcel ID: A
- **Taxable Property Table (1)**
  - Property Type: Agricultural- Class 1b Homestead-HGA (A21)
  - Property Subtype: Real Property (A01)
  - Land EMV: $5,000
  - Building/Other EMV: $35,000
  - Land TMV: $3,000
  - Building/Other TMV: $21,000
  - Fully Taxable NTC: 108
  - Fully Taxable RMV: $18,000
- **Acreage:** 1
- **Valuation Modifier Table (1)**
  - Valuation Modifier Type Code: Homestead Market Value Exclusion (08)
  - Modifier Amount: $16,000
  - Eligible Market Value: $40,000

**Taxable Property Table (2)**
- Property Type: Agricultural-Agricultural Homestead-Remaining or Non-HGA (A12)
  - Property Subtype: Real Property (A01)
  - Land EMV: $38,000
  - Building/Other EMV: $2,000
  - Land TMV: $33,000
  - Building/Other TMV: $2,000
  - Fully Taxable NTC: 175
  - Fully Taxable RMV: $0
  - Acreage: 39

**Valuation Modifier Table (1)**
- Valuation Modifier Type Code: Green Acres Exclusion (04)
- Modifier Amount: $5,000
- Eligible Market Value: $38,000
- Eligible Acreage: 39
Class 1b - TMV over $50K with a Valuation Modifier

Alex and Ray are married and own a 1/4 acre parcel they claim as a residential homestead and homestead for persons who are blind or have a disability (Class 1b). The following assessment year 2018 rates are used to determine the fully taxable net tax capacity (NTC) and Referendum Market Value (RMV) by property type in this example:

- Class 1b Homestead NTC – Up to $50K at .45%
  - Any value exceeding the tier must be Residential Homestead
- Class 1b Homestead RMV – First $50K at 45%, Over $50K at 100%
  - The value that exceeds $50K is due solely to Homestead Market Value Exclusion
- Residential Homestead NTC – First $500K at 1.00%, Over $500K at 1.25%
  - The $500K tier must include any utilized Class 1b homestead tier value
- Residential Homestead RMV – All Value at 100%

An example of the county’s submissions in the parcel linkage, valuation, and taxation trees is shown below. Note that anything in parentheses and italicized would not physically appear on the submission but is used to ease the reading of this example. For example, in PRISM the exclusion is not split between land and building/other values, but for understanding the math involved it has been included.

<table>
<thead>
<tr>
<th>Parcel B</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Homestead Values &amp; Exclusions</strong></td>
</tr>
<tr>
<td>Estimated Market Value</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Market Value prior to HMVE</td>
</tr>
<tr>
<td>Homestead Market Value Exclusion</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Taxable Market Value</td>
</tr>
<tr>
<td><strong>Class 1b Homestead Residential Record</strong></td>
</tr>
<tr>
<td>Taxable Market Value</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Homestead Market Value Exclusion</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Estimated Market Value</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Net Tax Capacity</td>
</tr>
</tbody>
</table>
Referendum Market Value
($79,950 > $50,000 tier)
$50,000 * 45% = $22,500
$79,950 - $50,000 = $29,950
$29,950 * 100% = $29,950
$22,500 + $29,950 = $52,450

Residential Homestead Record

<table>
<thead>
<tr>
<th>Estimated Market Value</th>
<th>$81,000 - $79,950 = $1,050</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$324 Land</td>
</tr>
<tr>
<td></td>
<td>$726 Building/Other</td>
</tr>
<tr>
<td>Exclusions, Deferrals, and Reductions</td>
<td>$0</td>
</tr>
<tr>
<td>Taxable Market Value</td>
<td>$1,050 + $0 = $1,050</td>
</tr>
<tr>
<td></td>
<td>$324 Land</td>
</tr>
<tr>
<td></td>
<td>$726 Building/Other</td>
</tr>
<tr>
<td>Net Tax Capacity</td>
<td>$1,050 * 1.00% = 11</td>
</tr>
<tr>
<td>Referendum Market Value</td>
<td>$1,050 * 100% = $1,050</td>
</tr>
</tbody>
</table>

Because the taxable market value of the homestead is above $50,000, the value must be split between Class 1b homestead and residential homestead in PRISM. Exclusions, deferrals, and reductions are applied to the EMV in order to calculate the TMV, but Class 1b property is limited by that same TMV. As a result, the full value of the homestead market value exclusion is applied to the Class 1b portion before the residential homestead portion. Since the TMV is limited to $50,000 and there are valuation modifiers worth $29,950 then the estimated market value of the Class 1b record must be recorded as $79,950 with the remaining $1,050 in EMV reported as Residential Homestead. Also note that only $50,000 of the RMV is calculated at 45% with the remainder (comprised of solely the homestead exclusion) calculated at 100%.

Note: in almost all cases, the only exclusions that would be applied to Residential Homestead and Agricultural Homestead HGA property are the Residential Homestead Market Value Exclusion, the Exclusion for Veterans who are Disabled, and the Mold Exclusion. Since the Exclusion for Veterans who are Disabled cannot be applied to Class 1b property – and the mold exclusion is relatively rare – the likelihood of having multiple exclusions applied to a Class 1b parcel is unlikely. If multiple exclusions do occur, remember to apply all exclusions in the correct order to the Class 1b record first, up to the full estimated market value, before moving on to the next record.

PRISM Reporting

- Parcel Characteristics Table (1)
  - Parcel ID: B
  - Taxable Property Table (1)
    - Property Type: Residential-Class 1b Homestead (D20)
    - Property Subtype: Real Property (A01)
    - Land EMV: $24,673
    - Building/Other EMV: $55,277
    - Land TMV: $34,570
    - Building TMV: $34,570
    - Fully Taxable NTC: 225
    - Fully Taxable RMV: $52,450
    - Valuation Modifier Table (1)
      - Valuation Modifier Type Code: Homestead Market Value Exclusion (08)
 Modifier Amount: $29,950
 Eligible Market Value: $81,000

- **Taxable Property Table (2)**
  - Property Type: Residential-Residential Homestead (D10)
  - Property Subtype: Real Property (A01)
  - Land EMV: $324
  - Building/Other EMV: $726
  - Land TMV: $324
  - Building TMV: $726
  - Fully Taxable NTC: 11
  - Fully Taxable RMV: $1,050
David and Jesse are married and own a 30 acre parcel that they claim as an agricultural homestead and a homestead for persons who are blind or have a disability (Class 1b). The following assessment year 2018 rates are used to determine the fully taxable net tax capacity (NTC) and Referendum Market Value (RMV) by property type:

- **Class 1b Homestead NTC** – Up to $50K at .45%
  - Any value exceeding the tier must be Agricultural Homestead
- **Class 1b Homestead RMV** – First $50K at 45%, Over $50K at 100%
  - The value that exceeds $50K is due solely to Homestead Market Value Exclusion
- **Agricultural HGA Homestead NTC** – First $50K at 1.00%, Over $50K at 1.25%
  - The $500K tier must include any utilized Class 1b homestead tier value
- **Agricultural HGA Homestead RMV** – All Value at 100%
- **2a Agricultural Non-HGA Homestead NTC** – First $1.9M at 0.50%, Over 1.9M at 1.00%
  - The $1.9M tier must include any utilized Class 1b tier on non-HGA land (if any)
- **2a Agricultural Non-HGA Homestead RMV** – None

An example of the county’s submissions in the parcel linkage, valuation, and taxation is shown below. Note that anything in parentheses and italicized would not physically appear on the submission but is used to ease the reading of this example. For example, in PRISM the exclusion is not split between land and building/other values, but for understanding the math involved it has been included.

<table>
<thead>
<tr>
<th>Parcel C</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Homestead Values &amp; Exclusions</strong></td>
</tr>
</tbody>
</table>
| Estimated Market Value | $520,000 HGA  
  7.69% Land  
  92.31% Building/Other  
  $280,000 Non-HGA  
  100.00% Land |
| Market Value prior to HMVE | $520,000 HGA |
| Homestead Market Value Exclusion | $76,000 * 40% = $30,400  
  $444,000 * 9% = $39,960  
  $30,400 – $39,960 = $0  
  $60,000 for 29 qualifying acres |
| Green Acres Exclusion | $60,000 for 29 qualifying acres |
| Taxable Market Value | $520,000 - $0 = $520,000 HGA  
  $280,000 - $60,000 = $220,000 Non-HGA |
| **Class 1b Homestead Agricultural HGA Record** |
| Taxable Market Value | $50,000 ($520,000 > $50,000 tier)  
  $50,000 |
<table>
<thead>
<tr>
<th>Homestead Market Value Exclusion</th>
<th>$0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Market Value – 1b record</td>
<td>$50,000 + $0 = $50,000 $3,845 Land $46,155 Building/Other</td>
</tr>
<tr>
<td>Net Tax Capacity</td>
<td>$50,000 * 0.45% = 225</td>
</tr>
<tr>
<td>Referendum Market Value</td>
<td>$50,000 * 45% = $22,500</td>
</tr>
</tbody>
</table>

### Agricultural Homestead HGA Record

| Estimated Market Value – 2a HGA record | $520,000 - $50,000 = $470,000 $36,143 Land $433,857 Building/Other |
| Exclusions, Deferrals, and Reductions | $0 |
| Taxable Market Value | $470,000 - $0 = $470,000 $36,143 Land $433,857 Building/Other |
| Net Tax Capacity | $450,000 * 1.00% = 4,500 $20,000 * 1.25% = 250 4,500 + 250 = 4,750 |
| Referendum Market Value | $470,000 * 100% = $470,000 |

### Agricultural Homestead Non-HGA Record

| Estimated Market Value | $280,000 $280,000 Land $0 Building/Other |
| Green Acres Deferral | $60,000 for 29 qualifying acres |
| Taxable Market Value | $220,000 $220,000 Land $0 Building/Other |
| Net Tax Capacity | $220,000 * 0.50% = 1,100 |
| Referendum Market Value | $0 |

With zero homestead market value exclusion due to the value of the residence, the EMV and TMV of the Class 1b record are reported as $50,000 since there were no other exclusions that affected the HGA. The remaining HGA and non-HGA portions of the parcel are then recorded as agricultural homestead. The tier limit of the agricultural homestead is reduced from $500,000 to $450,000 to account for the value already utilized by the Class 1b homestead record.

**PRISM Reporting**

- **Parcel Characteristics Table (1)**
  - Parcel ID: C
- **Taxable Property Table (1)**
  - Property Type: Agricultural-Class 1b Homestead-HGA (A21)
  - Property Subtype: Real Property (A01)
  - Land EMV: $3,845
  - Building/Other EMV: $46,155
- Land TMV: $3,845
- Building/Other TMV: $46,155
- Fully Taxable NTC: 225
- Fully Taxable RMV: $22,500
- Acreage: .096
- **Valuation Modifier Table (1)**
  - Valuation Modifier Type Code: Homestead Market Value Exclusion (08)
  - Modifier Amount: $0
  - Eligible Market Value: $520,000

- **Taxable Property Table (2)**
  - Property Type: Agricultural-Agricultural Homestead-HGA (A11)
  - Property Subtype: Real Property (A01)
  - Land EMV: $36,143
  - Building/Other EMV: $433,857
  - Land TMV: $36,143
  - Building/Other TMV: $433,857
  - Fully Taxable NTC: 4,750
  - Fully Taxable RMV: $470,000
  - Acreage: .904

- **Taxable Property Table (3)**
  - Property Type: Agricultural-Agricultural Homestead-Remaining (A12)
  - Property Subtype: Real Property (A01)
  - Land EMV: $280,000
  - Building/Other EMV: $0
  - Land TMV: $220,000
  - Building/Other TMV: $0
  - Fully Taxable NTC: 1,100
  - Fully Taxable RMV: $0
  - Acreage: 29
- **Valuation Modifier Table (1)**
  - Valuation Modifier Type Code: Green Acres Exclusion (04)
  - Modifier Amount: $60,000
  - Eligible Market Value: $280,000
  - Eligible Acreage: 29
John owns two contiguous 1/4 acre parcels. His residence is on one parcel, and a large garage is on the other. He is claiming a residential homestead and homestead for persons who are blind or have a disability (Class 1b). The following assessment year 2018 rates are used to determine the fully taxable net tax capacity (NTC) and Referendum Market Value (RMV) by property type:

- **Class 1b Homestead NTC** – Up to $50K at .45%
  - Any value exceeding the tier must be Residential Homestead
- **Class 1b Homestead RMV** – First $50K at 45%, Over $50K at 100%
  - The value that exceeds $50K is due solely to Homestead Market Value Exclusion
- **Residential Homestead NTC** – First $500K at 1.00%, Over $500K at 1.25%
  - The $500K tier must include any utilized Class 1b homestead tier value
- **Residential Homestead RMV** – All Value at 100%

An example of the county’s submissions in the parcel linkage, valuation, and taxation trees is shown below. Note that anything in parentheses and *italicized* would not physically appear on the submission but is used to ease the reading of this example. For example, in PRISM the exclusion is not split between land and building/other values, but for understanding the math involved it has been included.

### Total Homestead Values & Exclusions

<table>
<thead>
<tr>
<th>Estimated Market Value</th>
<th>$65,000 + $25,000 = $90,000 Res</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parcel D</td>
<td>7.69% Land</td>
</tr>
<tr>
<td></td>
<td>92.31% Building/Other</td>
</tr>
<tr>
<td>Parcel E</td>
<td>20.00% Land</td>
</tr>
<tr>
<td></td>
<td>80.00% Building/Other</td>
</tr>
</tbody>
</table>

| Market Value prior to HMVE | $90,000 Res                        |

| Homestead Market Value Exclusion | $76,000 * 40% = $30,400 |
|                                | $14,000 * 9% = $1,260 |
|                                | $30,400 – $1,260 = $29,140 |
| Parcel D: $29,140 (exclusion is used on Parcel D) | |
| Parcel E: $0                   | |

| Taxable Market Value | Parcel D: $65,000 - $29,140 = $35,860 |
|                     | Parcel E: $25,000 - $0 = $25,000 |
|                     | $35,860 + $25,000 = $60,860 |

### Parcel D

**Class 1b Homestead Residential Record**
### Taxable Market Value
- $35,860 < $50,000 = $35,860
- $2,758 Land
- $33,102 Building/Other

### Homestead Market Value Exclusion
- $29,140
- $2,242 Land
- $26,898 Building/Other

### Estimated Market Value – 1b record
- $35,860 + $29,140 = $65,000
- $5,000 Land
- $60,000 Building/Other

### Net Tax Capacity
- $35,860 * 0.45% = 161

### Referendum Market Value
- $50,000 ($65,000 > $50,000 tier)
- $50,000 * 45% = $22,500
- $65,000 - $50,000 = $15,000
- $15,000 * 100% = $15,000
- $22,500 + $15,000 = $37,500

### Parcel E

#### Class 1b Homestead Residential Record
- Taxable Market Value
  - $14,140 ($50,000 – $35,860 = $14,140 remainder of $50,000 tier)
  - $2,828 Land
  - $11,312 Building/Other

- Exclusions, Deferrals, and Reductions
  - $0

- Estimated Market Value
  - $14,140 + $0 = $14,140
  - $2,828 Land
  - $11,312 Building/Other

- Net Tax Capacity
  - $14,140 * 0.45% = 64

- Referendum Market Value
  - $14,140 * 100% = $14,140

#### Residential Homestead Record
- Estimated Market Value
  - $10,860 ($25,000 - $14,140 = $10,860 portion above $50,000 tier)
  - $2,172 Land
  - $8,688 Building/Other

- Exclusions, Deferrals, and Reductions
  - $0

- Taxable Market Value
  - $10,860 - $0 = $10,860
  - $2,172 Land
  - $8,688 Building/Other

- Net Tax Capacity
  - $10,860 * 1.00% = 109

- Referendum Market Value
  - $10,860 * 100% = $10,860

Because the taxable market value of the total homestead is above $50,000, the value must be split between Class 1b homestead record and residential homestead record. The full value of the homestead market value exclusion is applied to the Class 1b portion of the base parcel. Only if the exclusion exceeded the EMV of the base parcel would it extend to the next parcel. The base parcel TMV is under $50,000 so the entire base parcel is reported as Class 1b and only the linked parcel reports the split classification with residential homestead.
PRISM Reporting

- **Parcel Characteristics Table (1)**
  - **Parcel ID: D**
  - **Taxable Property Table (1)**
    - Property Type: Residential-Class 1b Homestead (D20)
    - Property Subtype: Real Property (A01)
    - Land EMV: $5,000
    - Building/Other EMV: $60,000
    - Land TMV: $2,758
    - Building TMV: $33,102
    - Fully Taxable NTC: 161
    - Fully Taxable RMV: $37,500
  - **Valuation Modifier Table (1)**
    - Valuation Modifier Type Code: Homestead Market Value Exclusion (08)
    - Modifier Amount: $29,140
    - Eligible Market Value: $90,000

- **Parcel Characteristics Table (2)**
  - **Parcel ID: E**
  - **Taxable Property Table (1)**
    - Property Type: Residential-Class 1b Homestead (D20)
    - Property Subtype: Real Property (A01)
    - Land EMV: $2,828
    - Building/Other EMV: $11,312
    - Land TMV: $2,828
    - Building TMV: $11,312
    - Fully Taxable NTC: 64
    - Fully Taxable RMV: $14,140
  - **Taxable Property Table (2)**
    - Property Type: Residential-Residential Homestead (D10)
    - Property Subtype: Real Property (A01)
    - Land EMV: $2,172
    - Building/Other EMV: $8,688
    - Land TMV: $2,172
    - Building TMV: $8,688
    - Fully Taxable NTC: 109
    - Fully Taxable RMV: $10,860
May and June, unrelated individuals, equally own a 3/4 acre parcel. June is claiming as a residential homestead and homestead for persons who are blind or have a disability (Class 1b) while May is not occupying and does not homestead this property. The following assessment year 2018 rates are used to determine the fully taxable net tax capacity (NTC) and Referendum Market Value (RMV) by property type:

- **Class 1b Homestead NTC** – Up to $50K at .45%
  - Any value exceeding the tier must be Residential Homestead
- **Class 1b Homestead RMV** – First $50K at 45%, Over $50K at 100%
  - The value that exceeds $50K is due solely to Homestead Market Value Exclusion
- **Residential Homestead NTC** – First $500K at 1.00%, Over $500K at 1.25%
  - The $500K tier must include any utilized Class 1b homestead tier value
- **Residential Homestead RMV** – All Value at 100%
- **Residential Non-Homestead Single Unit NTC** – First $500K at 1.00%, Over $500K at 1.25%
- **Residential Non-Homestead Single Unit RMV** – All Value at 100%

An example of the county’s submissions in the parcel linkage, valuation, and taxation trees is shown below. Note that anything in parentheses and italicized would not physically appear on the submission but is used to ease the reading of this example. For example, in PRISM the exclusion is not split between land and building/other values, but for understanding the math involved it has been included.

<table>
<thead>
<tr>
<th>Parcel F</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Homestead Values &amp; Exclusions</strong></td>
</tr>
<tr>
<td><strong>Estimated Market Value</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Market Value prior to HMVE</strong></td>
</tr>
<tr>
<td><strong>Homestead Market Value Exclusion</strong></td>
</tr>
<tr>
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<tr>
<td></td>
</tr>
<tr>
<td><strong>Taxable Market Value</strong></td>
</tr>
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</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Class 1b Homestead Residential Record</strong></td>
</tr>
<tr>
<td><strong>Taxable Market Value – 1b record</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>
| Homestead Market Value Exclusion | $12,995  
$2,599 Land  
$10,396 Building/Other |
|-------------------------------|----------------------------------------|
| Estimated Market Value | $25,000 + $12,995 = $37,995  
$7,599 Land  
$30,396 Building/Other |
| Net Tax Capacity | $25,000 * 0.45% = 113 |
| Referendum Market Value | ($37,995 > $25,000 tier)  
$25,000 * 45% = $11,250  
$37,995 - $25,000 = $12,995  
$12,995 * 100% = $12,995  
$11,250 + $12,995 = $24,245 |
| Residential Homestead Record |  
| Estimated Market Value | $62,500 - $37,995 = $24,505  
$4,901 Land  
$19,604 Building/Other |
| Exclusions, Deferrals, and Reductions | $0 |
| Taxable Market Value | $24,505 + $0 = $24,505  
$4,901 Land  
$19,604 Building/Other |
| Net Tax Capacity | $24,505 * 1.00% = 245 |
| Referendum Market Value | $24,505 * 100% = $24,505 |
| Residential Non-Homestead Record |  
| Estimated Market Value | $62,500  
$12,500 Land  
$50,000 Building/Other |
| Exclusions, Deferrals and Reductions | $0 |
| Taxable Market Value | $62,500 - $0 = $62,500  
$12,500 Land  
$50,000 Building/Other |
| Net Tax Capacity | $62,500 * 1.00% = 625 |
| Referendum Market Value | $62,500 * 100% = $62,500 |

A fractional Class 1b homestead value exclusion is calculated in the same manner as if it was a regular fractional homestead. The only difference is that in the reporting of the information to PRISM, the valuation exclusion is applied solely to the Class 1b record for EMV apportionment. With a 50% homestead, the Class 1b tier is also reduced from $50,000 to $25,000 which means the $49,505 homestead is above the tier and must be split-classed. The residential non-homestead property is calculated and reported like any other fractionalized property record.

**PRISM Reporting**

- **Parcel Characteristics Table (1)**
  - **Parcel ID**: F
- **Taxable Property Table (1)**
  - Property Type: Residential-Class 1b Homestead (D20)
  - Property Subtype: Real Property (A01)
  - Land EMV: $7,599
- Building/Other EMV: $30,396
- Land TMV: $5,000
- Building TMV: $20,000
- Fully Taxable NTC: 113
- Fully Taxable RMV: $24,245

**Valuation Modifier Table (1)**
- Valuation Modifier Type Code: Homestead Market Value Exclusion (08)
- Modifier Amount: $12,995
- Eligible Market Value: $125,000

**Taxable Property Table (2)**
- Property Type: Residential-Residential Homestead (D10)
- Property Subtype: Real Property (A01)
- Land EMV: $4,901
- Building/Other EMV: $19,604
- Land TMV: $4,901
- Building TMV: $19,604
- Fully Taxable NTC: 245
- Fully Taxable RMV: $24,505

**Taxable Property Table (3)**
- Property Type: Residential-NonHomestead-Qualifying Single Res. Unit (D40)
- Property Subtype: Real Property (A01)
- Land EMV: $12,500
- Building/Other EMV: $50,000
- Land TMV: $12,500
- Building TMV: $50,000
- Fully Taxable NTC: 625
- Fully Taxable RMV: $62,500