DEPARTMENT OF REVENUE

Minutes: Engaging Minnesota to Help Property Taxpayers Meeting 1 – Introduction and Overview

Date: 08/13/2026
Minutes prepared by: Minnesota Department of Revenue
Location: Hybrid – Stassen Building Room #2040/Microsoft Teams

Agenda

- Welcome
- Need for property taxpayer engagement series
- Helping the property taxpayer
- Overview of engagement opportunities
- Defining the structure and goals
- Upcoming meetings
- Open forum

Welcome

Commissioner of Revenue Paul Marquart welcomed the over 250 registered in-person and virtual guests for signing up and providing comments for this series. He explained the purpose of the meeting is to focus on the property taxpayer and how to make it easier to understand; more accessible, more efficient, and more accessible. This venue is to provide a voice for everyone. This meeting sets the foundation for what the group will do in the subsequent meetings.

Need for the Series

Commissioner Marquart explained that due to the largest property tax system hike in history and legislative inaction from the last year spurned these meetings happening now. The system is too complicated with too many moving parts for people to understand where they can participate and there is a disconnect between local governments' levy decisions and the property taxpayers. The focus needs to be on the property taxpayer, not reinventing the wheel and redoing the work of previous groups. Also looking at comprehensive and long-term look to ease the burden of the system on all participants.

Helping the Property Taxpayer

The series is looking at and considering recommendations that will improve the system for taxpayers under the following goals: easier to understand, more accessible, more accountable, and simpler and less costly. Ideas and recommendations will focus on how state and local governments can make improvements as well as how the property tax system can be improved. The taxpayers should know who the players are and know the rules to best participate in the system.

Engagement Opportunities

Ways to engage in this work include:

- **Meetings** – this is the first of six scheduled meetings between August and October. Any member of the public can attend, and several stakeholders have been invited. The topics of the next four meetings follow the goals of the series with a wrap up in October. All meetings will be hybrid.
- **Targeted Outreach efforts** – in addition to the public meetings, Revenue will meet to discuss and gather specific feedback from stakeholder groups, including tribal nations, legislators, local governments, homeowners, business property owners, and farmers.
- **Surveys** – there will be a survey available to gauge feelings and gather ideas and recommendations on the property tax system. It will be available on Department of Revenue's website and at the Department of Revenue's booth at the State Fair.

In November, Revenue will finalize ideas and recommendations from all the engagement efforts and share the recommendations in December with current administration and incoming administration and lawmakers.

The group will use the materials previously compiled by other groups instead of redoing those efforts.

Defining the Structure of the Meetings

Commissioner Marquart shared that the framework of the series will revolve around the chart (as shared on slide 20 of the slide deck) on how state government, local governments, and the property tax process can do better to be: easier to understand, more accessible, more accountable, and simpler and less costly. Defining what each can do to achieve those goals. Recommendations should also focus on being low to no-cost to implement, not shift property taxes from one group to another, and prioritize beneficial impacts to the property taxpayer above all else.

The commissioner then shared several comments that have already been shared with the group. All comments are being logged and categorized into themes for future conversations.

Revenue's definitions of the goals for the series:

- **Easier to Understand:** Taxpayers can follow and navigate the full property tax process from start to finish (assessment, budget, levy, payment) and understand how each step connects to the next
- **More Accessible:** Local and state government levy and budget processes are transparent and structured so that showing up, asking questions, or submitting comments is simple, meaningful, and accessible for any taxpayer
- **More Accountable:** Improving the accountability of the property tax process by reinforcing the means in which the property taxpayer may provide input into the property tax levy, budget, or property tax processes
- **Simpler and less costly:** Reducing the financial costs and administrative burden for property taxpayers so they can meet property tax obligations, get help, and navigate the process more easily

Discussion

Participants shared questions about how items are paid for and where and how to provide input. Other members provided ideas for local governments showing the math of the final levy or providing QR codes on county websites to improve transparency. Other members advocated criteria that would lower the property taxes.

Additional comments pertained to the structure of the meeting: whether the series should go a step further to determine how aids and credits affect effective property tax rates, simplifying the process won't automatically mean that property taxes will go down or that there should be no assumption that reducing costs will shift the burden.

Other Materials Referenced

- House Research – Property Tax materials

Other Questions

Several questions and thoughts came up from guests. Many were recommendations for Revenue to consider. Below are some questions with a request for additional background information.

What is fiscal disparity?

Fiscal disparities is a tax base sharing feature of the property tax system that was created in 1971 for the seven metropolitan counties and adopted in 1996 for the Iron Range Fiscal Disparities program. Under fiscal disparities, each taxing jurisdiction contributes a portion of its net tax capacity based on growth in the commercial/industrial tax base of the jurisdiction. This contribution is subtracted from the total net tax capacity of the jurisdiction when determining taxable net tax capacity. When the pool of contributions is redistributed, each jurisdiction may receive more or less than it contributed, making it a net beneficiary or a net contributor.

More information can be found on the Department of Revenue website.

Who pays for the homestead refund?

The homestead credit refund is paid through the state general fund. From Minnesota Management and Budget: "The state's largest single fund is the General Fund. State collections of individual income taxes, retail sales taxes, business taxes, and other taxes are deposited into this fund.

Next Meeting

Date: 08/18/2026
Time: 1:00 pm – 2:30 pm
Location: Hybrid – Stassen Building Room/Microsoft Teams
Agenda items: Making the System Easier to Understand