



2007 appraisals, sales affect 2009 property taxes

By MONICA LUNDQUIST
Cass County Correspondent

Most of the people who came to the Dec. 4 Cass County Truth in Taxation public hearing came to question why property values used to calculate property taxes have not yet decreased rather than to question the county's proposed 2009 budget.

Staff appraisers actually viewed properties in the fall of 2007, Assessor Steve Kuha explained, and considered property sales made in 2007 when they set values in January 2008 that are used to calculate 2009 property taxes.

Any sale value declines occurring in 2008 will not appear until January 2009 values are set and will be reflected in 2010 tax calculations, he said.

Cass County's total property tax rate for the county, schools and cities or towns is the third lowest of Minnesota's 87 counties. That rate is .48 percent of market value. Only Aitkin and Cook counties rates are lower.

The statewide average rate is 1.12 percent, with Hennepin at 1.43 percent being the highest.

Crow Wing County's rate is .69 percent. Beltrami County's is .97 percent. Wadena's is .98 percent. Todd's is .78 percent. Morrison's is .75 percent.

The rates are multiplied by the limited market value placed on each property, which may be lower than the actual market value, because the Legislature some prior years only permitted values used for tax purposes to rise a maximum of 10 percent per year.

That differential has been phasing out and is currently scheduled to be eliminated in 2010, Kuha said.

For 2009 taxes, 35 percent of property taxpayers will see a reduction in their 2009 bill compared with 2008, 27 percent will see less than a 10 percent rise, 24 percent will see a 10 to 20 percent rise and 14 percent will see their taxes increase more than 20 percent, he said.

Some of the increases were due to classification shifts or new construction on

the property. Cass had 1,437 parcels with new construction worth \$5,000 or more in the last year, he said.

Cass County Board is expected to approve a final budget at the 9 a.m. Dec. 18 regular board meeting at the land department in Backus. The proposed budget is \$49,443,337, with \$19,985,613 of that to come from property taxes.

While the budgeted levy dollars would increase over 3 percent in 2009, the net rate applied to calculate property taxes actually will drop 1.882 percent, because of increased values and new construction on some properties. This total includes the \$400,000 that is levied only against properties within the Longville Ambulance Service District.

The budget committee recommendations to the board include approving a \$37,500 (\$2,500 increase) contribution to Cass County Economic Development Corporation, a \$440,000 allocation to county road paving and \$284,000 capital fund balance, but no contributions to Cass County Housing and Redevelopment Authority. The HRA had requested \$10,000.

The board also approved \$64,900 to continue funding a full-time Cass 4-H coordinator position in a cooperative agreement with University of Minnesota Extension Service.

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