



## COUNCIL MEMORANDUM

### Property Tax Change Data and Maps

**FROM:** Anne Norris, City Manager *ala*

**DATE:** November 17, 2014

**TO:** Mayor and Council

**SUBJECT:** 2014-2015 Property Tax Changes - Data summary and maps based on adopted 2015 preliminary levies for all jurisdictions affecting Crystal

On November 13 we received the data from Hennepin County for the 2014-2015 property tax changes based on preliminary levies adopted by all taxing jurisdictions affecting Crystal. This includes not only the city but also the county, school district and other entities. **The combined preliminary levy for all jurisdictions affecting Crystal is increasing by \$377,828 or +1.6%.**

Due to changes in relative market value, in 2015 the burden is shifting away from commercial and apartment properties towards residential properties, especially homesteads. **Broadly speaking, commercial/industrial and apartment properties will see a decrease, rental houses will see a modest increase and homesteads will see a larger increase:**

Commercial/Industrial taxes decrease by \$387,339 or -6.5%

(Map #1)

- 136 properties paying a total of \$5,552,407
- Median % change -5.4%
- Median \$ change -\$1,432

Apartment taxes decrease by \$145,242 or -6.7%

(Map #2)

- 46 properties paying a total of \$2,017,665
- Median % change -6.2%
- Median \$ change -\$1,247

Residential (non-apartment) Non-Homestead taxes increase by \$43,618 or +3.5%

(Map #3)

- 537 properties paying a total of \$1,287,199
- Median % change +4.0%
- Median \$ change +\$87

Residential (non-apartment) Homestead taxes increase by \$866,791 or +6.4%

(Map #4)

- 6,344 properties paying a total of \$14,468,901
- Median % change +6.4%
- Median \$ change +\$139

*Note: To provide an 'apples to apples' comparison, Hennepin County excluded parcels from the data set if they had a change in classification (such as from homestead to non-homestead) or major construction from 2011 to 2015. The data and maps are intended to isolate the effect of the tax levy and relative changes in market value from other factors that may affect the taxes paid on a particular property.*

The upshot is that the 2015 property tax for a particular house may increase by, say, 6% even though the overall levy is only increasing by 1.6%. Conversely, the tax on a particular apartment building may decrease by, say, 6% despite a 1.6% levy increase. That is because the share of the tax burden borne by each property changes from year to year depending on shifts in the real estate market which are beyond the control of the local taxing jurisdictions. These shifts can be quite volatile from year to year and neighborhood to neighborhood.

Over a longer period of time, the changes are less dramatic. **During the four year period from 2011 to 2015, the average residential homestead property in Crystal saw a property tax decrease of \$135 or 6.5%.** This works out to an annualized average decrease of \$34 or 1.6% per year. (Map #5)

I hope this data summary and the attached maps are useful for the 2015 Truth in Taxation hearing process. If you have questions or would like additional information, please let me know. Thank you.

**Attachments:**

Map 1: Commercial/Industrial, 2014-2015

Map 2: Apartment, 2014-2015

Map 3: Residential (non-apartment) Non-Homestead, 2014-2015

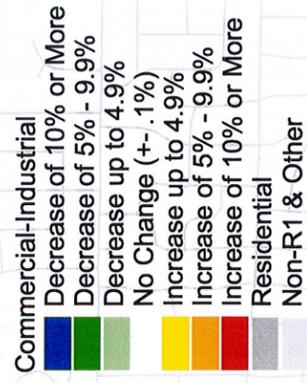
Map 4: Residential (non-apartment) Homestead, 2014-2015

Map 5: Residential (non-apartment) Homestead, Four Year Change (2011-2015)

# COMMERCIAL AND INDUSTRIAL PROPERTY TAX CHANGE, 2014-2015

BASED ON 2015 TRUTH IN TAXATION STATEMENTS

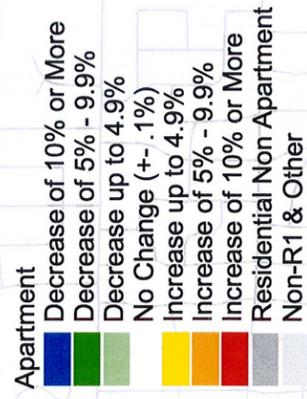
## MAP 1



# RESIDENTIAL APARTMENT PROPERTY TAX CHANGE, 2014-2015

BASED ON 2015 TRUTH IN TAXATION STATEMENTS

## MAP 2



# RESIDENTIAL NON-APARTMENT, NON HOMESTEAD PROPERTY TAX CHANGE, 2014-2015

BASED ON 2015 TRUTH IN TAXATION STATEMENTS

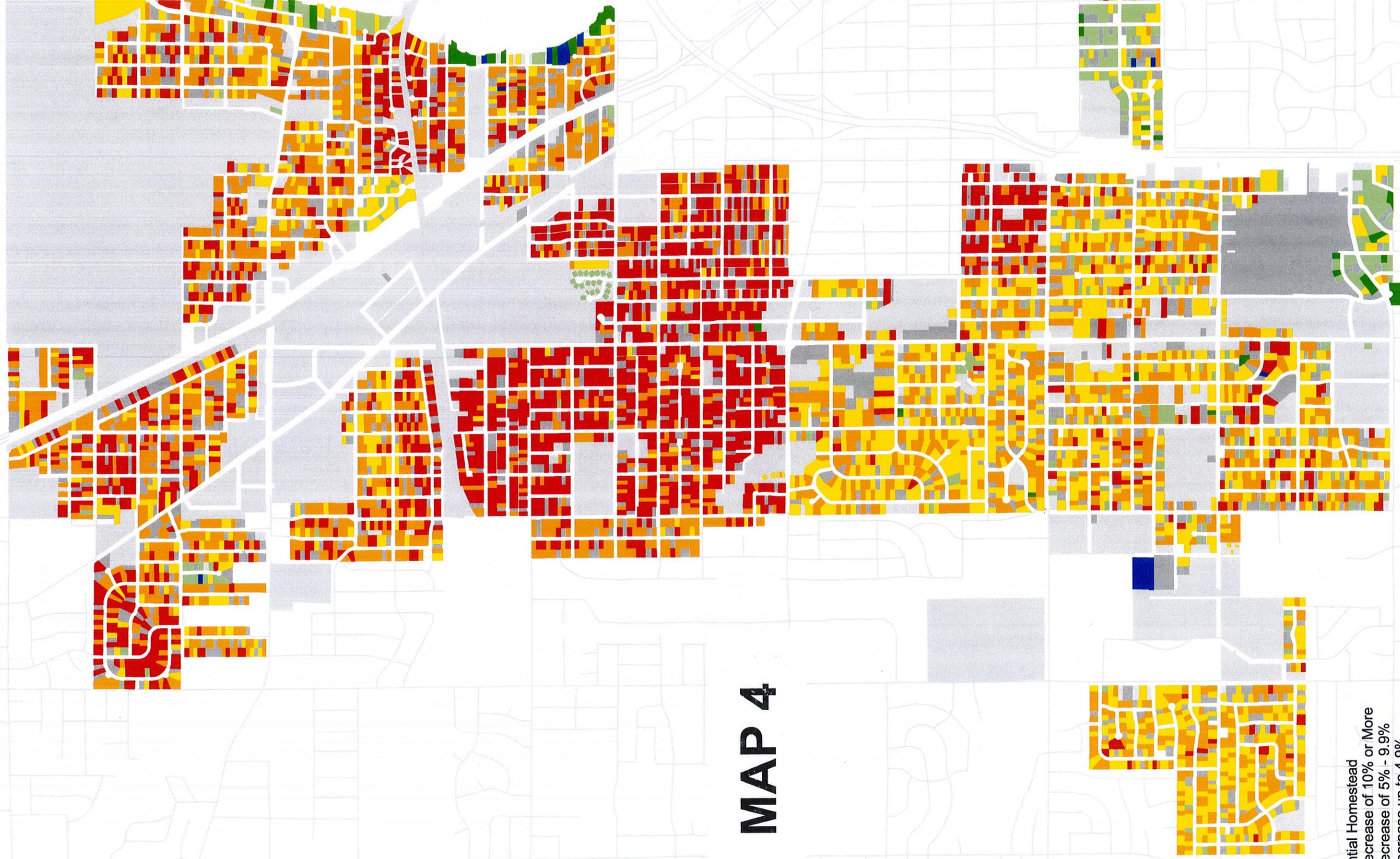
## MAP 3

- Residential Non-Homestead
- Decrease of 10% or More
- Decrease of 5% - 9.9%
- Decrease up to 4.9%
- No Change (+/- .1%)
- Increase up to 4.9%
- Increase of 5% - 9.9%
- Increase of 10% or More
- No Data Residential
- Non-Residential & Other



# RESIDENTIAL NON-APARTMENT, HOMESTEAD PROPERTY TAX CHANGE, 2014-2015

BASED ON 2015 TRUTH IN TAXATION STATEMENTS



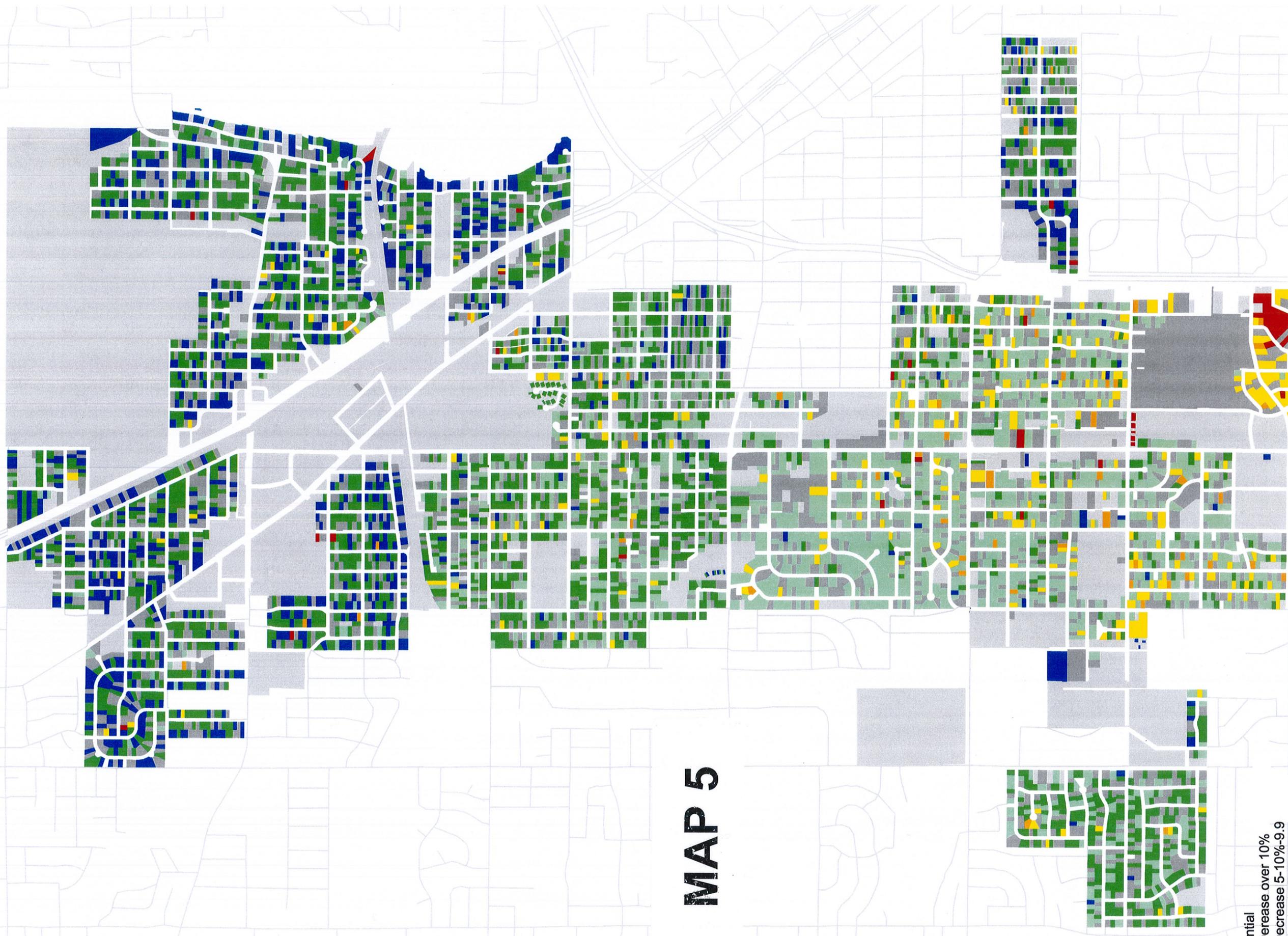
## MAP 4

- Residential Homestead
- Decrease of 10% or More
  - Decrease of 5% - 9.9%
  - Decrease up to 4.9%
  - No Change (+/- .1%)
  - Increase up to 4.9%
  - Increase of 5% - 9.9%
  - Increase of 10% or More
  - No Data Residential
  - Non-Residential & Other



# RESIDENTIAL NON-APARTMENT, HOMESTEAD FOUR YEAR PROPERTY TAX CHANGE, 2011-2015

BASED ON 2015 TRUTH IN TAXATION STATEMENTS



## MAP 5

- Residential
- Decrease over 10%
  - Decrease 5-10%-9.9
  - Decrease 0-5% -4.9
  - No Change -0.1 - 0.1
  - Increase up to 5%
  - Increase 5-10% 5 - 9.9
  - Increase over 10%
  - Missing Data
  - Non-R1 & Other

