

IMPORTANT PROPERTY TAX LAW CHANGE

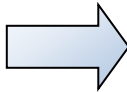
A New Homestead Market Value Exclusion Replaces the Homestead Market Value Credit

The 2011 Legislature repealed the Homestead Residential Market Value Credit and replaced it with a new program called the Homestead Market Value Exclusion. This change is impacting the property taxes on all homestead and non-homestead property for Pay 2012.

This credit was calculated as a direct reduction to your property taxes. No local government has the authority to change the laws passed by the legislature.

What is a credit?

A **credit** is a reduction in the amount of taxes you pay



What is an exclusion?

An **exclusion** is a reduction in the amount of property value subject to tax

Old Law: All homesteaded property less than \$413,800 in value received a Homestead Residential Market Value Credit. This credit reduced the property taxes billed and was shown on line 4 of the property tax statement mailed in March of each year.

New Law: All homesteaded property less than \$413,800 in value will receive a Homestead Market Value Exclusion. This value exclusion will be identified on the valuation notices mailed in March of each year. The taxable value listed on your Proposed Property Tax Statement has been reduced by the amount of the homestead exclusion.

Old Law: Estimated Market Value	Old Law: Taxable Market Value	Old Credit Law: Property Tax Reduction	New Law: Estimated Market Value	New Law: Taxable Market Value With Value Exclusion	New Law: Property Tax Reduction
\$76,000	\$76,000	\$304.00	\$76,000	\$45,600	\$0
\$150,000	\$150,000	\$237.40	\$150,000	\$126,300	\$0
\$250,000	\$250,000	\$147.40	\$250,000	\$235,300	\$0
\$350,000	\$350,000	\$57.40	\$350,000	\$344,300	\$0
\$400,000	\$400,000	\$12.40	\$400,000	\$398,800	\$0
\$425,000	\$425,000	\$0	\$425,000	\$425,000	\$0

Why is this state law change resulting in higher taxes?

State money is no longer reducing your property taxes. By eliminating the credit, the state saves \$260 million dollars per year. This was one cost-saving measure the state used to help close the \$5 billion two-year state budget deficit. *In Scott County, this means a total of almost \$6 million dollars in credits that were calculated as reductions to property taxes will now be paid by property owners.*

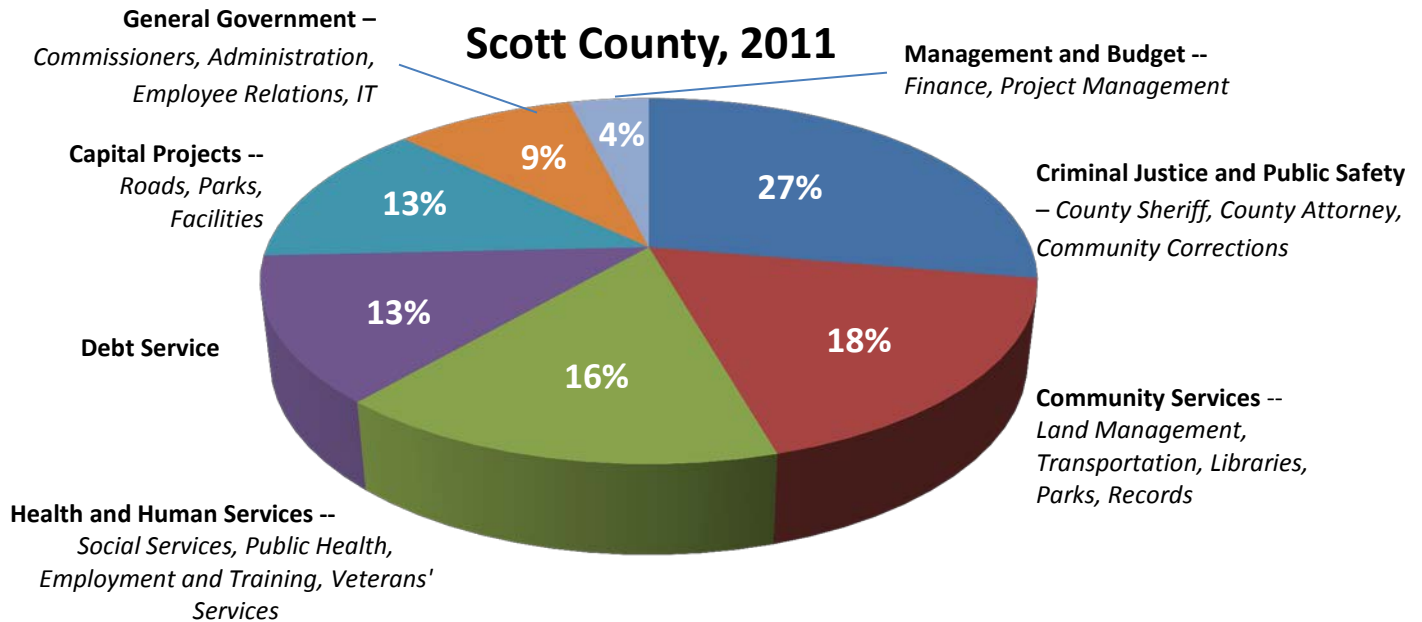
Additional Information for Homeowners:

Affected homeowners with household incomes below \$100,780 or whose property taxes increase by more than 12% or \$100 (whichever is greater) may qualify for the state's property tax refund and, if qualified, will be eligible for all or a portion of the increase to be refunded.

The form to apply for the state's property tax refund is the M1PR, is available at:

http://taxes.state.mn.us/pages/current_forms.aspx

Where do your County property taxes go?



Criminal Justice and Public Safety

Scott County is doing what's needed to reduce recidivism in our community – in fact, over 85 percent of adults and juveniles on probation do not reoffend within three years of discharge. Further, the Scott County Meth Task Force continues to lead the fight against drug abuse.

Community Services

In 2010 alone, the Scott County Library system circulated almost 1 million materials and served well over a half million patrons! And SmartLink transit, the landmark transit partnership with Carver County, is on track to provide more than 50,000 rides in 2011 – all using no property tax levy dollars.

Health and Human Services

The "Signs of Safety" child protection program has not only helped to keep families together, but it has saved more than \$400,000 in taxpayer costs. In the last year alone, over 1,500 people have received job placement assistance; more than 15,000 have used the Workforce Center for job searches. And over 300 seniors in our County are now receiving services to help keep them in their homes instead of relocating to care facilities.

Capital Projects

From the road projects at County Highways 101, 13, 42, 17, 16, 169, and 69 to the soon-to-be-constructed Jordan and Elko New Market Libraries, Scott County is capitalizing on historically low interest rates to fund needed public projects.

General Government

Over the last few years, Scott County has reorganized, flattened the management structure, and eliminated or reduced several positions, and held staff salary increases to at or near zero.

Management and Budget

The Scott County Management and Budget specialists have already instituted several technological improvements that have served to eliminate redundancy and maximize efficiency.