

Property tax and budget basics in the City of Saint Paul

September 6, 2007

The **property tax levy** is the total amount of property tax budgeted to be collected in a given year. The property tax levy is set each year as a part of the overall City budget, and is the only part of the property tax that the City has any direct control over.

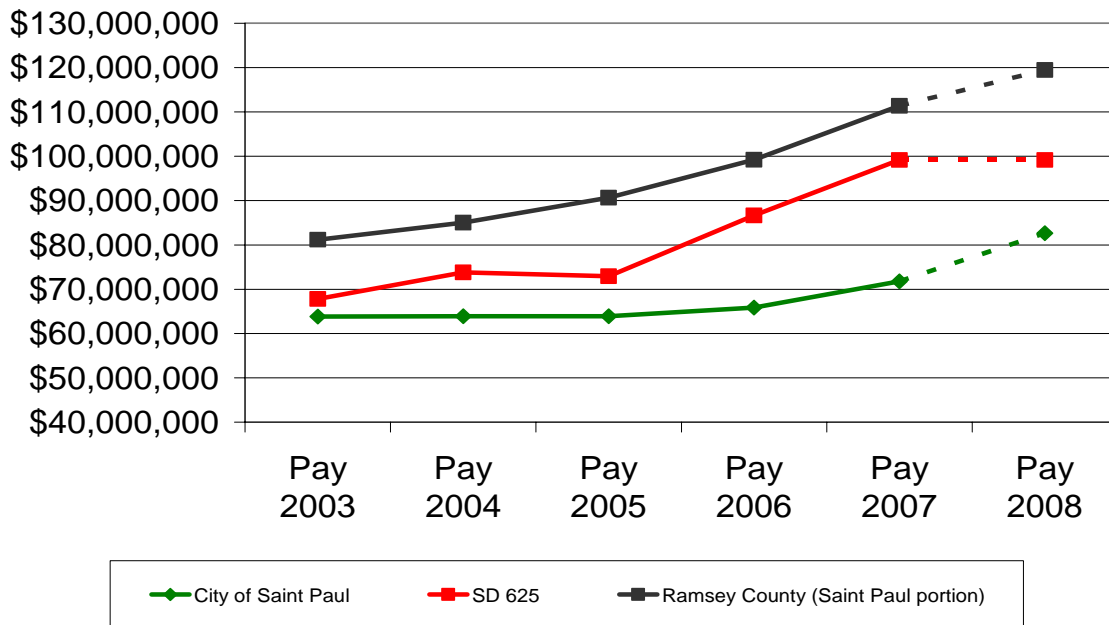
Between 1994 and 2005, the City of Saint Paul actually had a decline in the total levy (i.e., the total amount of property taxes collected to help pay for the City budget actually was lower in 2005 than it had been in 1994).

The **total property tax levied** (= to be collected) within the City of Saint Paul in any year is the combined amount set in the budgets of the City, the County (or at least the portion of the countywide tax to be collected within Saint Paul), and the School District (as well as smaller entities such as the Met Council and watershed districts).

In addition, the State of Minnesota levies its own property tax on business properties, including those in Saint Paul.

Both the County and the School District collect more total property taxes from Saint Paul taxpayers than the City does, and the amounts collected by those two have grown faster than the amount collected by the City in recent years.

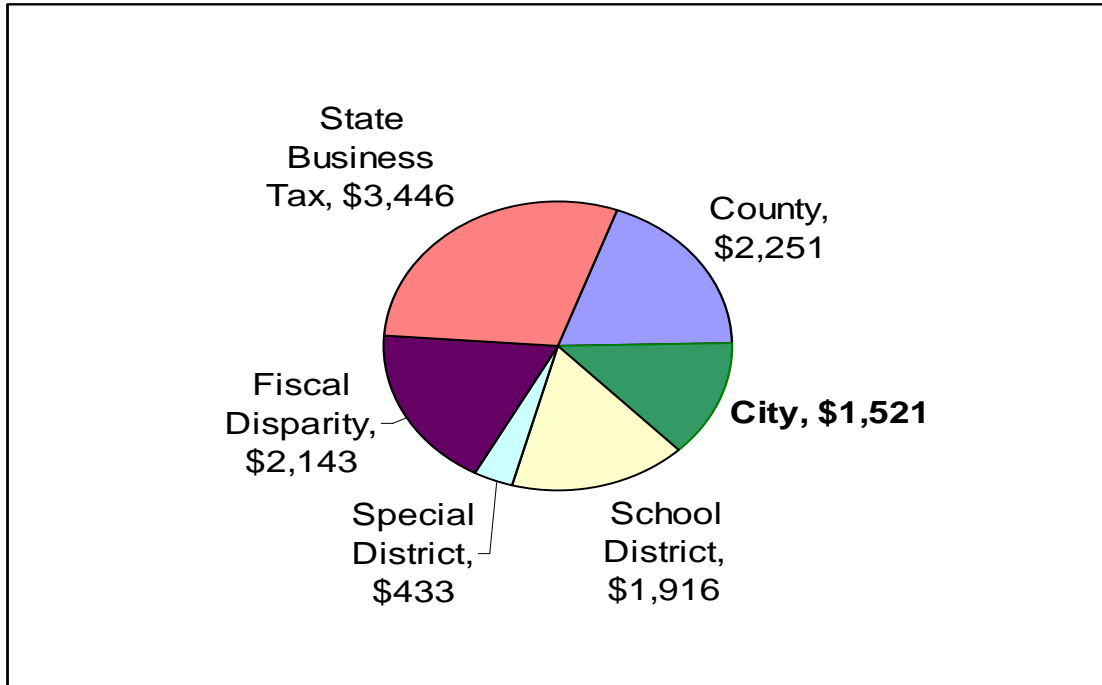
About 1 in 4 dollars paid by Saint Paul property tax payers goes to the City budget—and City tax collections have grown slower



Where do business property tax dollars go?

For many business properties in Saint Paul, the City's share of the total property tax bill is lower than the County, School District, and State.

How the 2007 property tax bill is distributed for a \$396K Saint Paul business*



* not in a TIF district. Example business is St. Patrick's Guild, Randolph Ave. Data provided by Ramsey County.

How much will a City levy increase in 2008 affect the overall amount of property taxes paid in Saint Paul next year?

The total combined amount of property taxes levied by the City, County, and School district on properties located in Saint Paul during 2007 is about \$282 million. The City's share (its certified levy) is \$71.8 million.

If the City increases its tax levy by \$10.4 million in 2008, this will represent a 3.68% increase in the total amount of taxes levied on Saint Paul taxpayers next year.

For comparison, the total increase in taxes levied on the Saint Paul tax base (excluding the State) was \$30.5 million between 2006 and 2007 (of which the City is getting \$5.9 million). The total increase in Saint Paul property taxes between 2005 and 2006 was \$24.2 million; the City got \$1.9 million of that growth.