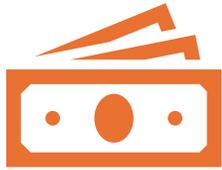


Property Tax Trends

Nathan Jesson, Minnesota Inter-County Association

Matt Hilgart, Association of Minnesota Counties

Budget Pressures Facing Counties



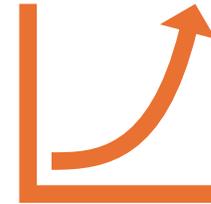
Local Pressure

Need to provide high quality mandated services
Rising costs of wages and benefits
Competing for limited work force



State Pressure

HHS Cost Shifts passed in 2025
Flat or reduced levels of aid
Increasing number of unfunded mandates



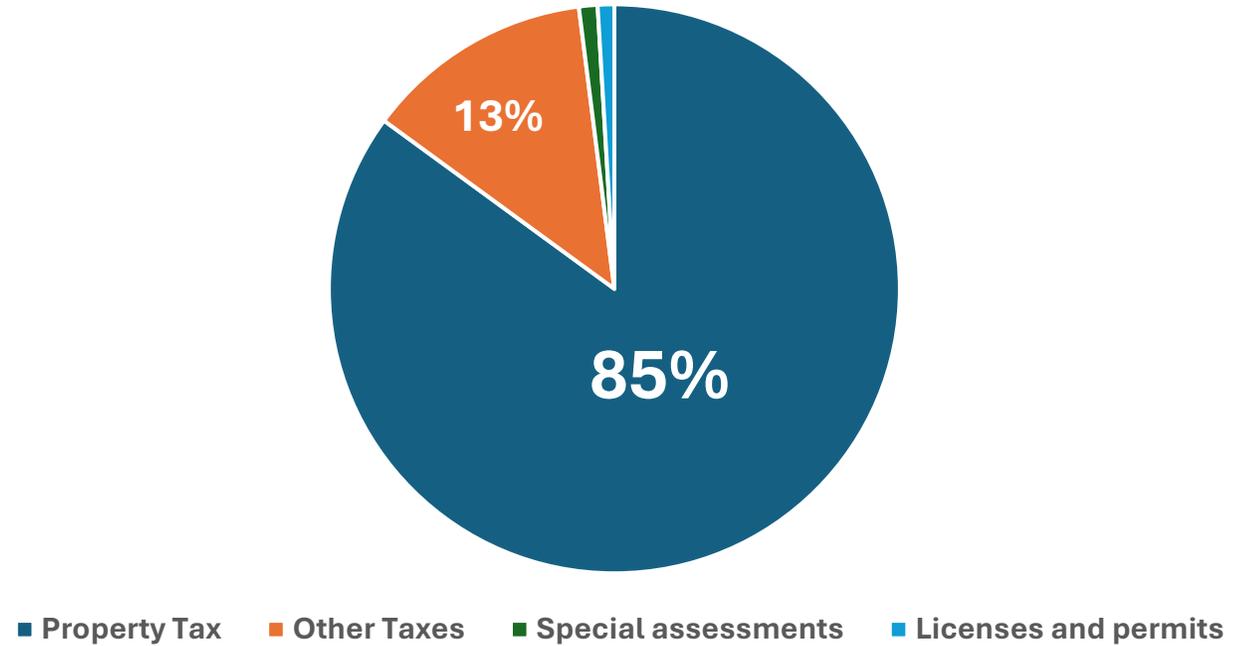
Federal Pressure

SNAP Administrative Cost Shift
Increased Workload for Work Requirements and Eligibility Changes
SNAP and Medicaid Benefit Cost Shift

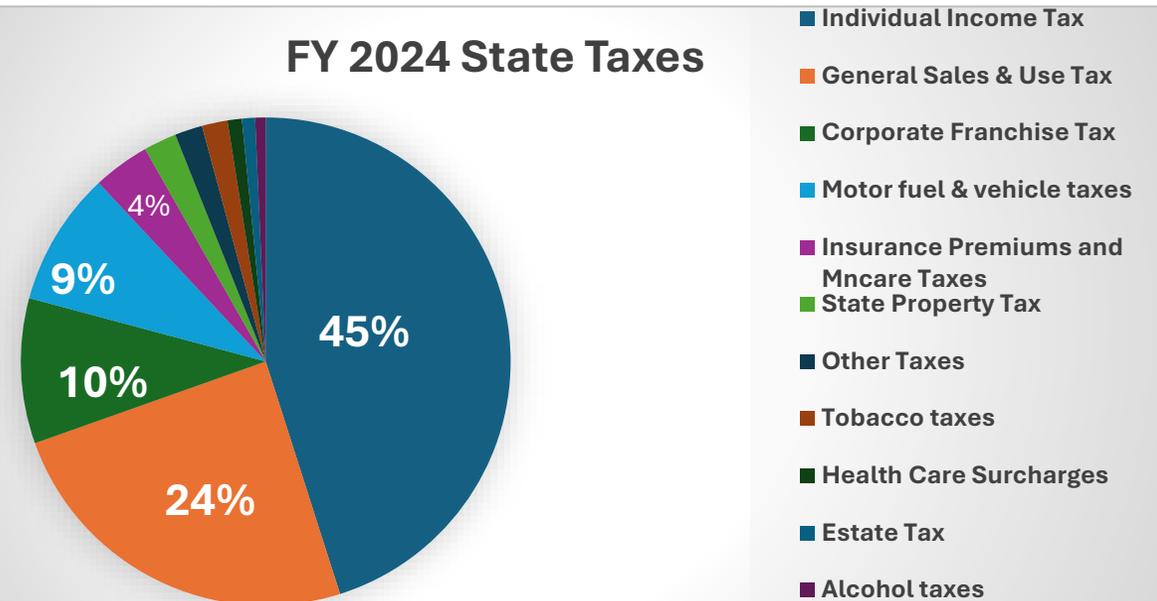
County Revenue Sources

- For own source revenue, over 85% of a county’s budget comes from the property tax
- The property tax is the most visible tax
 - Valuation notices mailed to owners
 - Appeals process for contesting valuations
 - Truth in taxation notices
 - Truth in taxation hearings
- Not the most regressive, but least tied to ability to pay

Own Source County Revenue



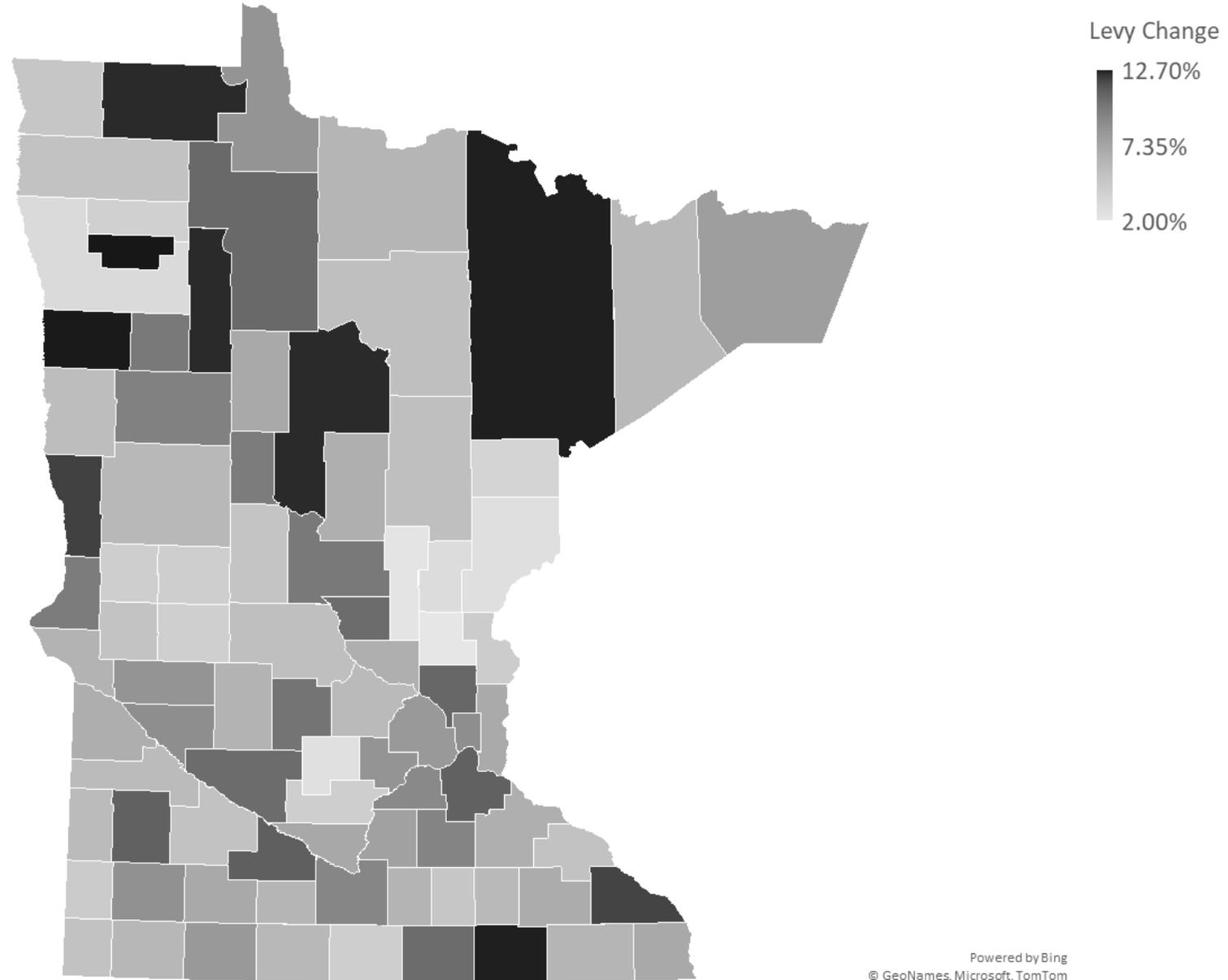
FY 2024 State Taxes



2026 county property taxes

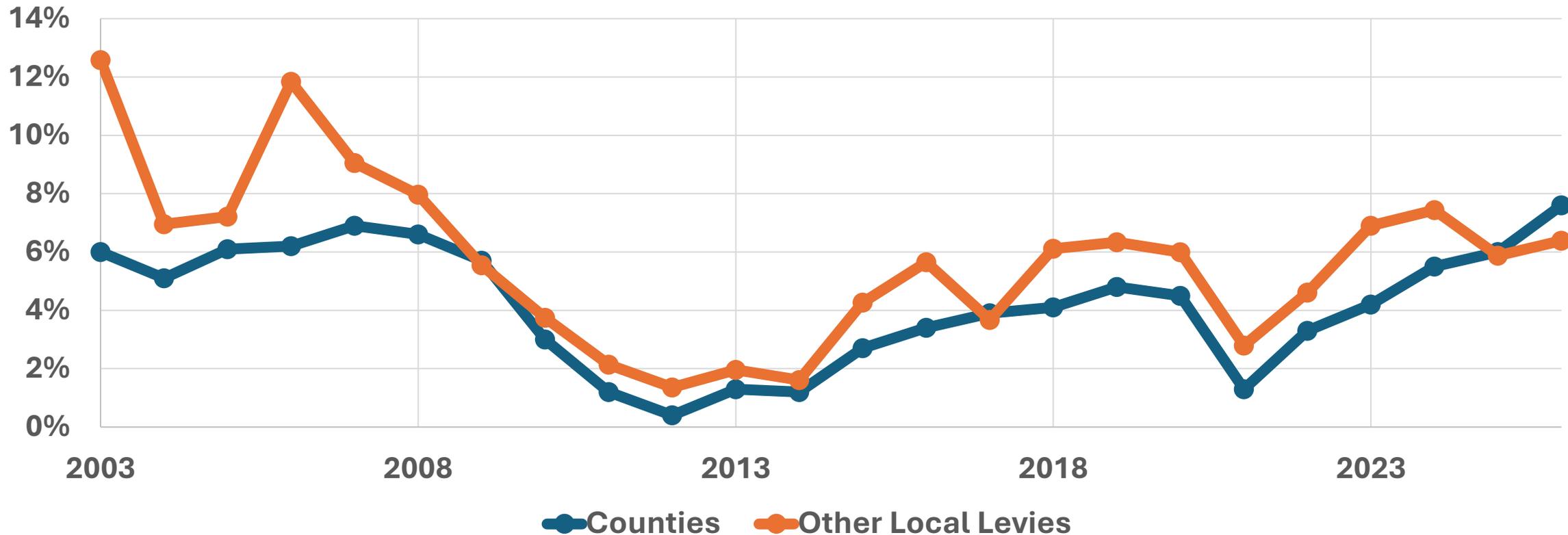
Statewide	7.6%
7 County Metro	8.2%
Non Metro Counties	7%

2026 Final Levy Changes



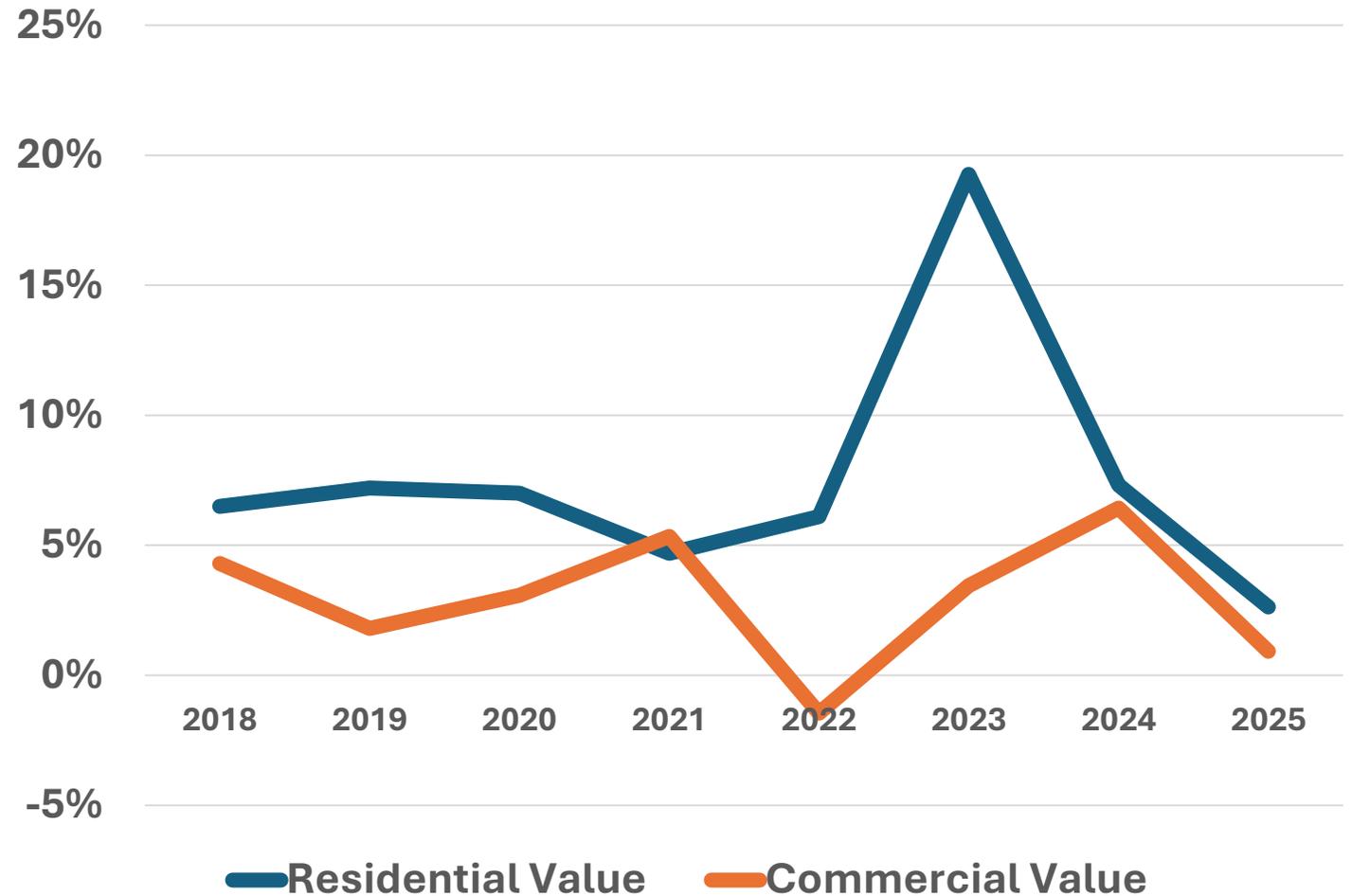
Property Tax Levy Increases Over Time

Local Property Tax Levies History



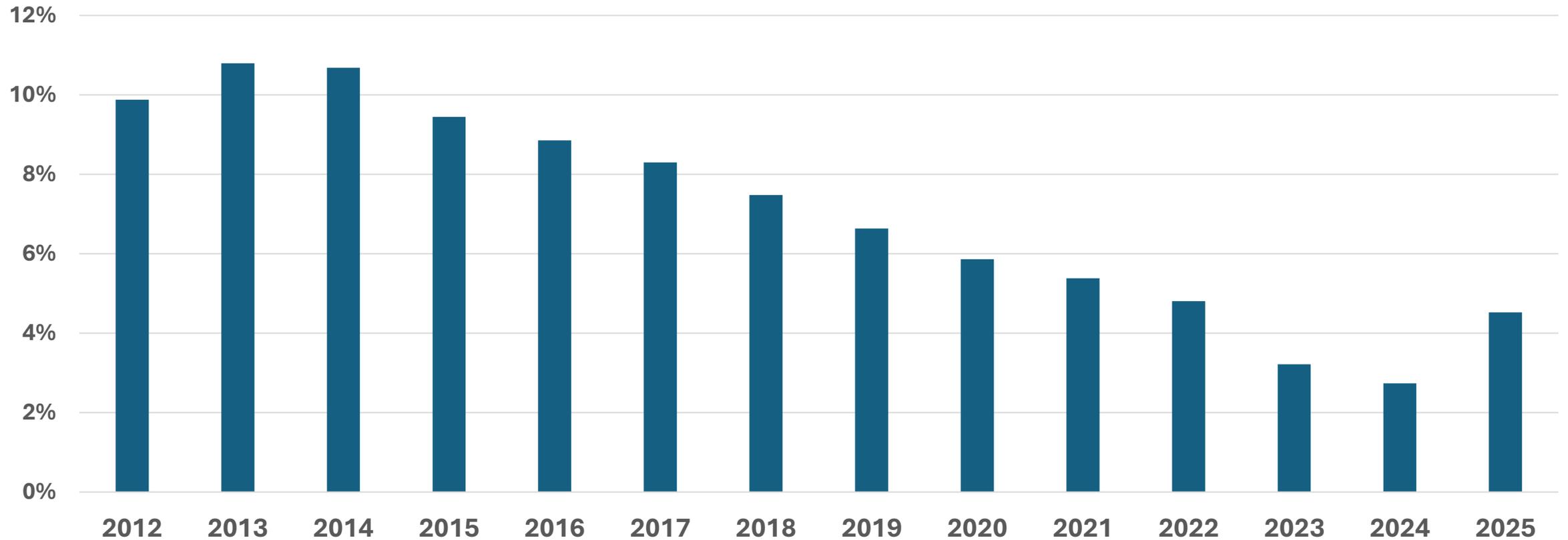
- Values can shift property taxes significantly over time
- Residential values rising more than commercial values, homesteads picking up more of the property tax burden
- New shifts can layer on top of the value shifts, putting more pressure on homeowners

Statewide Value Average Increases



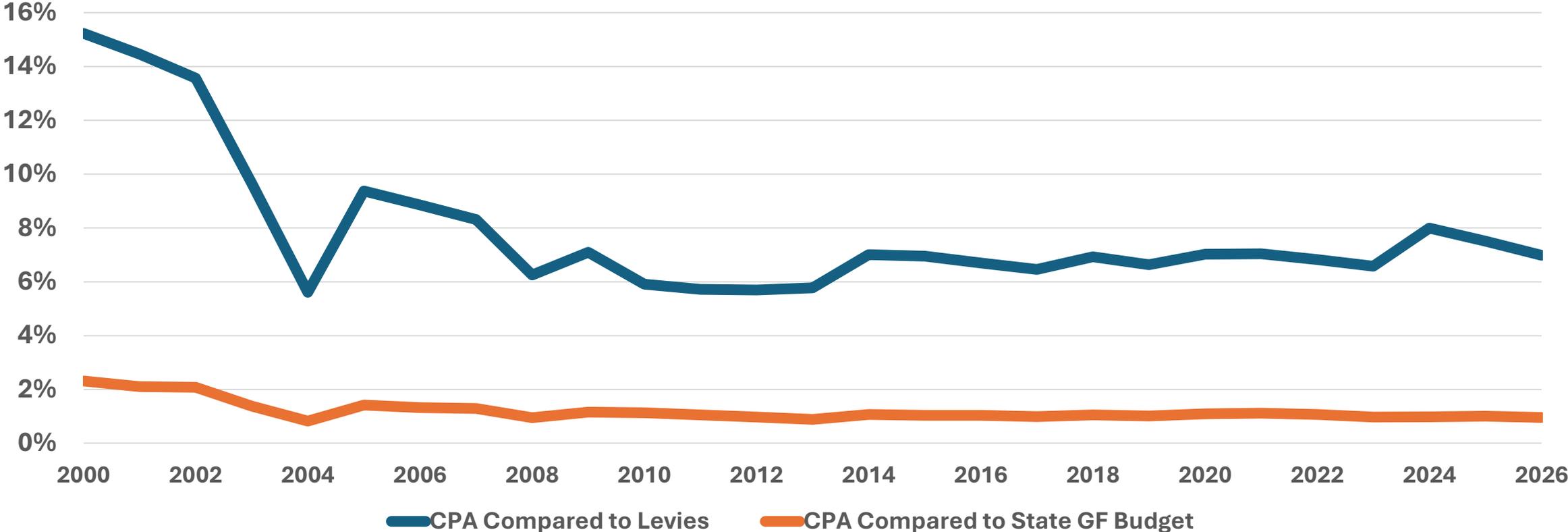
Homestead Market Value Exclusion

% of Homestead Value Excluded by Year



State aid flat while mandates increase

County Program Aid compared to levies and state general fund budget



+
•
○

“Which
mandates do we
get rid of?”

+
•
○

Health & Human Services - County Mandated Services

Prevention/Intervention	Mandated	Mandated (County Must Do)
Juvenile Alternative Facility	Case Management for Aging Disability Services	Child Protection
Transformation Homes	Mental Health Center (Mental Health Authority)	Adult Protection
Treatment Court	Employment and Training	Eligibility for Health Care, SNAP, Cash programs
Veteran's Court	Minnesota Family Investment Program (MFIP)	Prepetition Screening (court-ordered commitment process)
Prevention (Family Resource Centers, Ed. Neglect, Truancy)	Licensing – home child care, foster care (child & adult)	Public Health (disease prevention, immunizations, emergency preparedness)
Hopes Portage	Community Corrections	Fraud Prevention (individual only)
	Fraud Prevention (individual only)	Child Support
	Women, Infant and Children (WIC)	Chemical Dependency (Detox)
		Adult Mental Health
		Children Mental Health
		Veteran's Services
		MnChoices Assessments

Courts



Counties required to provide security and building space, but feels a bit one-sided.

Court appointed counsel fees grow in cost and expand in areas.

Your Investment

Below is the cost of this solution based on the outlined scope of work. If you have questions about the complete solution, please let us know how we can help align this investment with additional needs or changes in scope.

Proposal Summary

Description	Price
Equipment	\$73,723.45
Implementation Services	\$37,738.00
Installation Materials	\$4,484.28
Freight	\$4,162.38
CTI Complete	\$4,536.22
Subtotal	\$124,644.33
Tax	\$0.00
Grand Total	\$124,644.33

Pick your cut

COUNTY SERVICE REDUCTIONS

The county would need to consider reductions to non-mandated and levy-supported services. This is what \$11.3 million in state cuts could look like in Minnesota's third-largest county:

Homelessness prevention

End county funding that helps put families in emergency housing.



Extension

End county support for University of Minnesota Extension services in Dakota County.



Embedded social workers

End county funding for a partnership with local law enforcement to help people in crisis.



Truancy Reduction Program

Reduce funding for youth truancy cases.



Veterans Services

Reduce funding to help military veterans the benefits they deserve. Last year, we served 5,400 veterans.



Dakota County Fair and Dakota County Historical Society

Cut county funding to both organizations.



Juvenile offender services

Limit services to juvenile offenders and place them elsewhere.



Parks

Reduce funding to county park maintenance and programs.



Library

Reduce county funding for library services.



Snow plowing

Reduce funding to county road snow and ice removal, resulting in slower service.



Direct Federal Cost Shifts in HR1

Administrative Cost Shift--SNAP

- Shifts federal administrative reimbursement from 50% to 25%.
- County reimbursement from the feds in 2024 was \$61.7 million.

• **Effective Oct. 1, 2026**

Increased Workload for Work Requirements and Eligibility changes—SNAP and MEDICAID

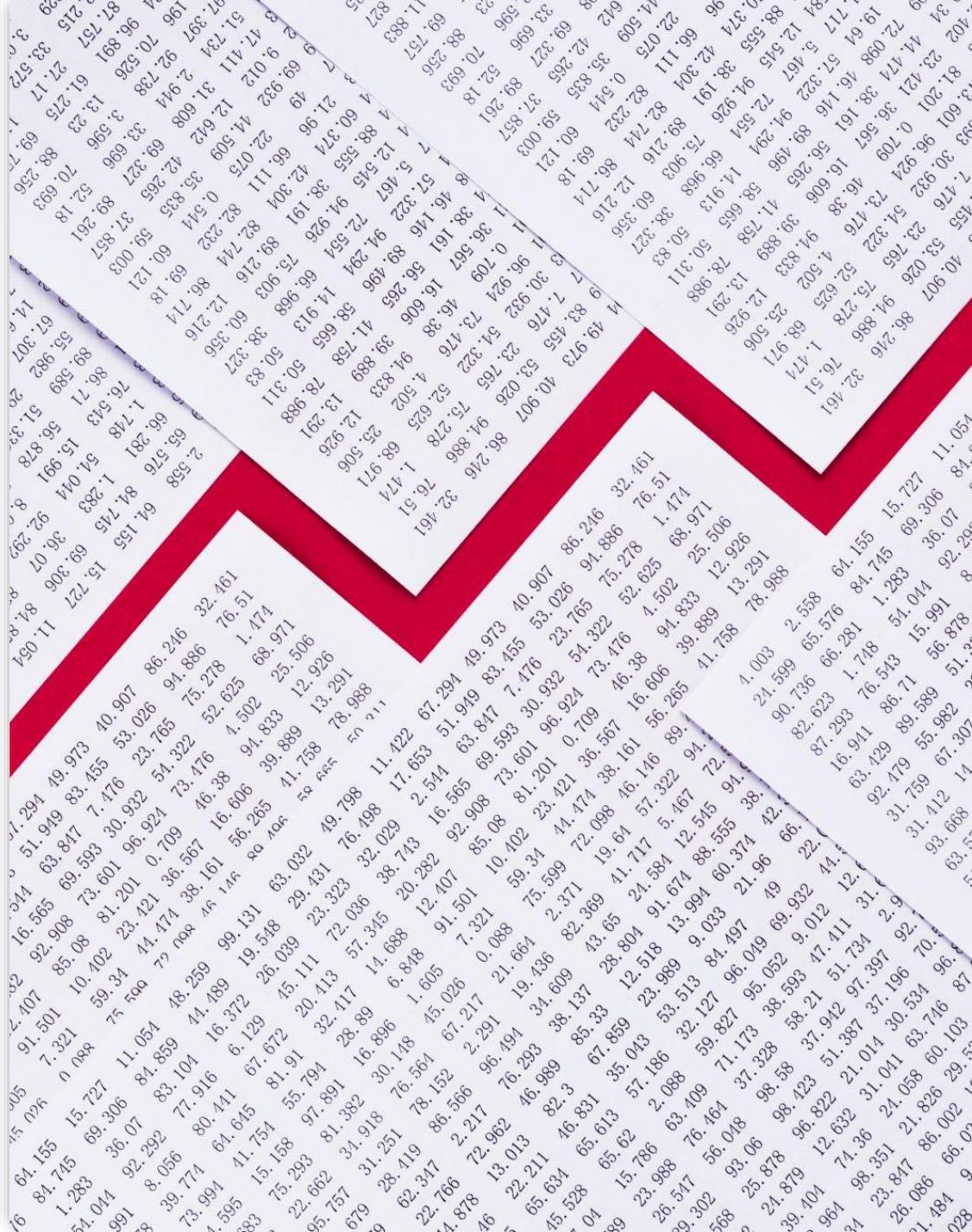
- Both SNAP and Medicaid programs will add additional qualification and or work requirement components.
- Eligibility changes will increase the amount and complexity of county administrative work -- all done in antiquated technology systems.
- **SNAP:** Early 2026
- **MEDICAID:** Jan. 1, 2027
- Further guidance from CMS and USDA expected this year.

Benefits Cost Shift—SNAP and MEDICAID

- Shifts from fully funded federal SNAP benefits to states required to contribute based on state **SNAP error rate**
- States with higher error rates contribute a higher percentage towards SNAP benefits – up to 15%
- \$86 million annually based off of 2024 #s--could be higher
- **Effective Oct. 1 2027 (SNAP)**
(but based on error rates going on currently, even during SNAP pause in Oct./Nov. 2025)

Error rate explained: SCOTT COUNTY EXAMPLE

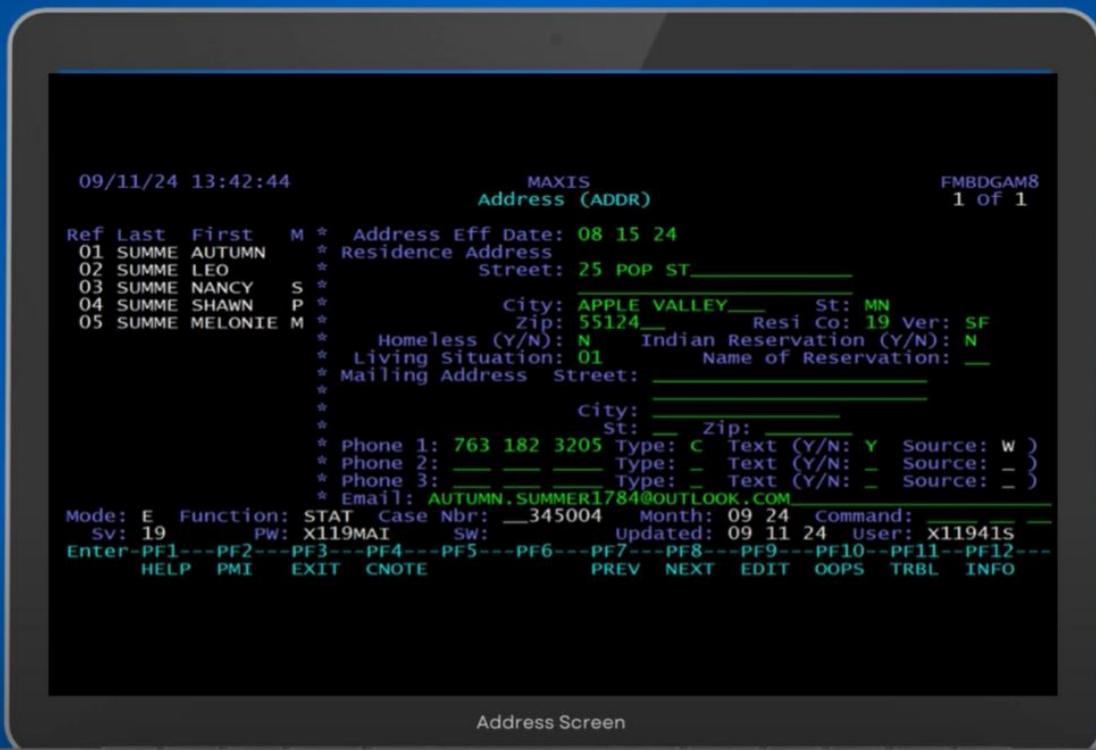
- In Federal Fiscal Year 2024 Scott County served over 4,000 SNAP cases.
- Only 10 of those cases were reviewed for payment accuracy (less than .3%).
 - \$2,113 in total benefits were issued
 - \$149 was deemed in error
 - 8% error rate.
 - That 8% figure could result in Scott County taxpayers footing a bill of over \$1,000,000+ in projected benefit costs(\$86 million in statewide penalties)
- FFY 2025, 45% of the errors statewide were client errors



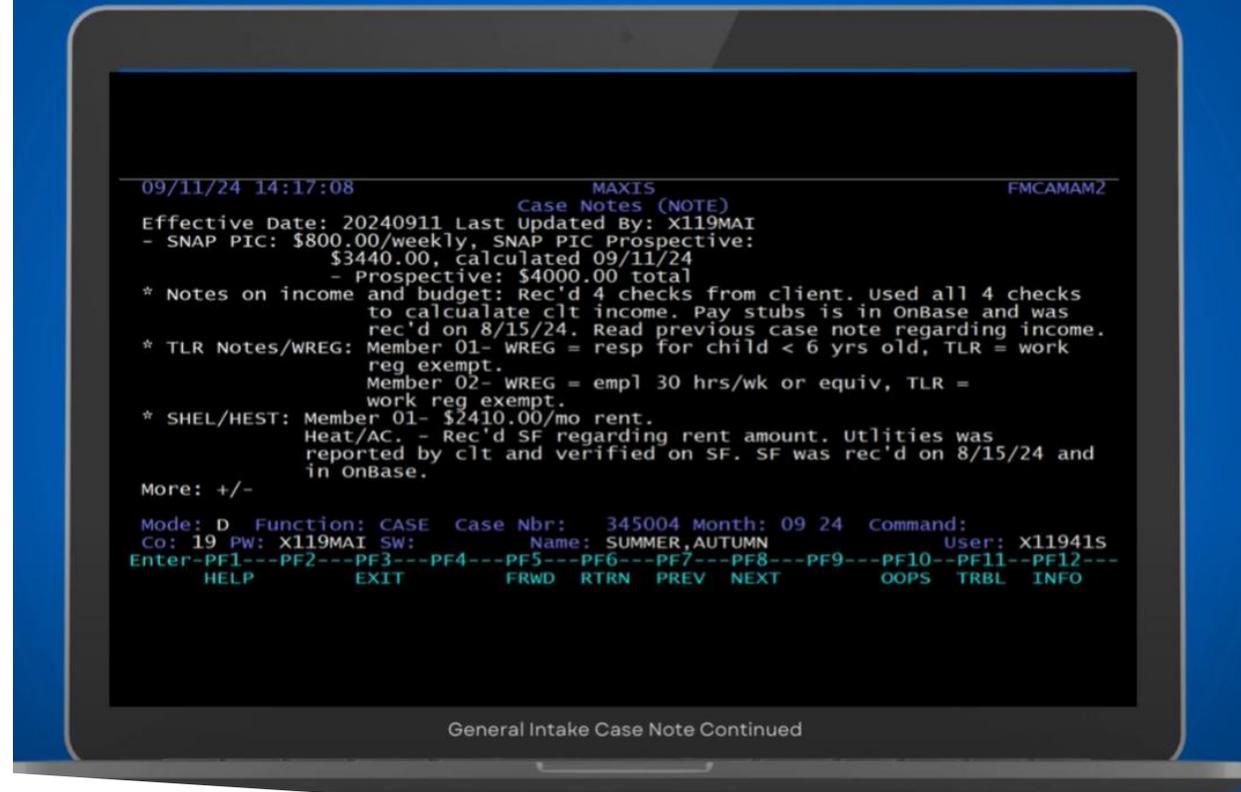
Potential Costs to Counties



County	Blue Earth	Scott	Ramsey	Wright	Meeker	St. Louis
# of Cases (Monthly)	2,848	2,807	35,665	2,918	802	11,556
Potential Benefit Costs	\$1,024,497	\$1,155,342	\$14,383,082	\$1,110,595	\$274,892	\$3,752,895
Administrative Costs	\$376,383	\$370,931	\$4,713,468	\$385,678	\$105,993	\$1,527,271
Total Cost Increase	\$1,400,880	\$1,526,273	\$19,096,550	\$1,496,273	\$380,885	\$5,280,167
Property Tax Increase	2.93%	1.71%	4.82%	1.49%	2.19%	2.93%



Address Screen



General Intake Case Note Continued

Burcum: Tears, workarounds and 1990s screens push county staff to the limit

Policymakers know that the operating systems used for Minnesota public assistance programs are antiquated. But I was still startled to see them up close.



By Jill Burcum

The Minnesota Star Tribune

Take aways:

- Counties' unique, and unfortunate, situation
- Level of mandates counties do on behalf of state and federal government have increased without commensurate funding.
- HR1 impacts could be vast and only place to pay for them is through levy/property taxes.
- Proactive, bipartisan work to be done on mitigating these impacts with suggestions towards covering HR1 cost shares and investing upstream in technology capabilities.
- For tax committee—preserving tax base so these impacts aren't further compounded, watching for gimmicks.

REPT and caseload navigation scripts

ACTV ACTV - bottom INAC MONT MFCM PND1 PND2 REVW USER DAIL/DAIL DAIL/WRIT

Case-based navigation scripts

ELIG: DWP EMER FS GA GRH HC MFIP MSA SPEC: MEMO WCOM XFER

STAT: ACCT ADDR AREP JOBS MEMB MONT PNLProg REVW UNEA CASE: CURR NOTE

Other nav scripts

Other NAV scripts
PERS POLI/TEMP
SELF

MAXIS scripts

ACTIONS BULK
DAIL scrubber
NOTICES NOTES

Common links (websites)

PartnerLink CM eDocs
EPM IAPM MMIS
ONEsource SIR SMI

Scripts info

Utilities scripts
Scripts on SIR

Agency custom STOP SCRIPT State of MN Scripts Pad Version 11.2 - last updated 12/11/25



SYSTEM: A03DT2

WELCOME TO CICS AT THE STATE OF MINNESOTA
TO EXIT, CLEAR SCREEN AND ENTER "LOGOFF"

TERMINAL: YO18

NODE: A50TYO18

DAY: TUESDAY

SYSTEM DATE: MARCH 03, 2026

SYSTEM TIME: 04:52 PM

LOGONID: ==>

PASSWORD: ==>

NEW PASSWORD: ==>

(enter twice) ==>

CICS - XDT2 (SYSTEM SIGNON/SIGNOFF FACILITY)