

Land Value Tax Districts

HF 1342/SF 175

Walker, MN

	Land	Building	Total
<u>Estimated Market Value</u>	<u>\$48,882,300</u>	<u>\$151,219,300</u>	<u>\$200,101,600</u>
Total Property Tax	\$561,439 (24%)	\$1,776,938 (76%)	\$2,338,077
Current Tax Rate	1.1%	1.1%	1.1%
Total Land-Value Tax	\$2,338,077 (100%)	\$0 (0%)	\$2,338,077
Land-Value Tax Rate	4.8%	0.0%	

Walker Shift

Golden Living Center
209 Birchwood Avenue W



Taxable value: \$992,400
Building value: 86%

Current Taxes: \$16,528
LVT only: \$6,480

Vacant Lot
812 Minnesota Avenue W



Taxable value: \$30,000
Building value: 0%

Current Taxes: \$814
LVT only: \$1,440

University Avenue between Rice and Snelling

Existing Tax Base			
	Land	Building	Total
Estimated Market Value (\$)	\$ 121,925,700.00	\$ 48,000,000.00	\$ 169,925,700.00
Total Tax (\$)	\$ 5,283,239.74	\$ 1,960,628.26	\$ 7,243,868.00
Percentage	71.8%	28.2%	

Average Land Value Tax Rate 5.94%

Parcels With...	
With Tax Increases	106
With Tax Decreases	118

Tax Change Percentile Ranges from 1:1 to 1:10 by Parcel		
Percentiles	High	Low
Range of Tax Increases for Bottom 10%	\$146,039.62	\$6,783.89
Range of Tax Changes for Middle 80%	\$6,783.89	-\$7,853.31
Range of Tax Decreases for Top 10%	-\$7,853.31	-\$141,375.52

University Ave - Changes by Land Type

Parcel Use	Count of Parcels by Parcel Use	Sum of Land Tax Value 1:1	Sum of Bldg Tax Value 1:1	Sum of Land Tax Value 10:1	Sum of Building Tax Value 10:1	Sum of Difference per Parcel	Average of Difference per Parcel	Average of Percent Change	Median Percent Change Difference Per Parcel
Apt 4+ units	6	\$ 33,939	\$ 36,177	\$ 77,152	\$ 7,025	\$ 14,060	\$ 2,343	7%	-24%
Commercial	174	\$ 5,056,999	\$ 1,794,921	\$ 6,612,592	\$ 240,325	\$ 997	\$ 6	-2%	2%
Industrial	1	\$ 14,084	\$ -	\$ 20,070	\$ -	\$ 5,986	\$ 5,986	42%	42%
Res 1 unit	22	\$ 74,527	\$ 53,225	\$ 139,590	\$ 11,446	\$ 23,283	\$ 1,058	19%	10%
Res 2-3 units	20	\$ 103,473	\$ 76,305	\$ 119,143	\$ 15,582	\$ (45,053)	\$ (2,253)	-26%	-29%
State Property	1	\$ 218	\$ -	\$ 972	\$ -	\$ 754	\$ 754	346%	346%
Total	224	\$5,283,239.74	\$1,960,628.26	\$6,969,516.86	\$274,377.60	\$26.46	\$0.12	0%	
Grand Total		\$7,243,868.00		\$7,243,894.46		0.00%			

10:1 Rate: Land %5.7162, Building %.57162

University Ave Shift (all property taxes)

Parking Lot
581 University Avenue W



Taxable value: \$104,000

Building value:
0%

American Bank
1578 University Avenue W



Taxable value: \$4,100,000

Building value:
62%

University Ave Shift(all property taxes)

	Parking Lot 581 University Avenue W	American Bank 1578 University Avenue W
Taxes Under Current System	\$4,602	\$180,030
10:1 Split rate tax	\$5,945	\$102,662
Land value tax only	\$6,178	\$91,476

Land Value Tax Districts bill

Allows city to pass an ordinance for each district

- ▶ Identifies specific geographic area or parcels
- ▶ Calculates how much revenue would be collected under conventional property tax system and then sets out how that same amount of revenue will be raised using higher rates on land values
- ▶ 10 days before ordinance hearing, each district parcel owner must receive notice
- ▶ Once passed, revised property tax statements for district issued by April 30 each year
- ▶ After 15 years city must evaluate impact on redevelopment, investment

Benefits summary

- ▶ Redevelop and infill corridors/neighborhoods impacted by disasters, blight and disinvestment
- ▶ Reduce real estate speculation and vacant lots/buildings
- ▶ Increase businesses, jobs and building investment in a community
- ▶ Provide a majority of residents with tax reductions, if used city-wide
- ▶ Capture community-created value, i.e. land value is generated by a community's increased population/wealth and by public investments in infrastructure, schools, fire/public safety services, etc.