

S A I N T
LOUIS
COUNTY
M I N N E S O T A

2020

Understanding Your County Government

Commissioners • Structure • Budget • Taxes

The mission of St. Louis County is to promote health and safety, ensure sound infrastructure, embrace our natural resources, and support an environment where communities prosper.

www.stlouiscountymn.gov



Back (L-R): County Administrator Kevin Gray, Commissioner Keith Nelson, Commissioner Beth Olson, Commissioner Patrick Boyle Front (L-R): Commissioner Keith Musolf, Commissioner Frank Jewell, Commissioner Mike Jugovich, Commissioner Paul McDonald

Understanding Your County Government

People Focused • Stewardship • Integrity • Fairness • Innovation

Commissioners

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From the County Administrator

Kevin Z. Gray, County Administrator

St. Louis County is home to 200,000 people and an abundance of natural resources including lakes, forests, wetlands and minerals. We are the gateway to both the Boundary Waters Canoe Area Wilderness and to Lake Superior, the greatest of the Great Lakes. We are home to the mineral rich Iron Range, as well as millions of acres of woods used for both timber harvest and recreation. Spanning 7,000 square miles, we are the largest county east of the Mississippi River, and are larger than three states (Rhode Island, Connecticut, and Delaware). The mission of St. Louis County is to promote health and safety, ensure sound infrastructure, embrace our natural resources, and support an environment where communities prosper.

In 2020, St. Louis County is working to form a clearer vision for the future. Using citizen feedback from the residential survey (conducted in 2019), County goals and commissioner priorities, Administration is working with departments on updating their business plans. Business plans allow Administration to view the county holistically to gain insight into common themes/needs/challenges and look for possible synergies/solutions/investments that could benefit multiple departments or have county-wide impacts. Business plans enable all of us to take a step back and remind us of the purpose behind our work, and who we serve, while reassessing the needs of the public and impact on taxpayers.

The 2020 budget continues to support programs that address substance use and mental health, among other services for vulnerable adults and children. Protecting children and vulnerable adults from abuse and neglect was identified as a top priority by our citizens in the 2019 survey. The budget also more heavily invests in Public Works equipment and materials to support infrastructure (roads and bridges) to ensure public safety. 2020 marks five years since we implemented the Transportation Sales Tax (TST). Years ago, one-third of our paved roads were considered to be in very poor condition. We've now cut that number by more than one-half to 15%.

Amazing what \$300 million of TST, state and federal aid investments over the past five years can accomplish. We will continue to build on our progress by investing \$50 million into more than 100 projects across the county in 2020.

County employees and the public will continue to enjoy the benefits that two new buildings (built in 2019) will bring—the Government Services Center-Virginia (Liz Prebich Building) and the Public Works facility in Cook. Meanwhile, for the County's oldest building, the St. Louis County Heritage and Arts Center (The Depot), the County will continue to invest in improving operations at this historic building. This is in addition to seeking state bonding support for much needed building improvements. Also, we recently welcomed Mary Tennis to the new position of Depot Director and are excited by the changes and fresh ideas she's already introduced to make The Depot a more welcoming and visitor-friendly experience.

On a much more serious note, we will need to continue to focus on helping people caught in the midst of the opioid epidemic. Treatment and crisis response programs like the Pathfinder Clinic are critical to those needing help in battling substance use disorders (SUDs). Another example of our efforts to address SUDs is a new program at our jail that provides Medication Assisted Treatment (MAT) - specifically Suboxone - to help inmates who have an opioid use disorder. Working with community partners, the MAT program features a 'warm hand off' to ensure individuals struggling with substance abuse continue to receive treatment after leaving the jail, which lessens the likelihood of the person overdosing after discharge.

On behalf of our seven county commissioners and approximately 1,800 employees, I thank you for your interest in St. Louis County and our government operations.



-Kevin Z. Gray, County Administrator

2020 Saint Louis County Board

Commissioners

St. Louis County serves 200,949 people across a land mass of more than 7,000 square miles. It is the largest county east of the Mississippi River by geography, and is even larger than three states (Connecticut, Rhode Island, and Delaware).

Most Minnesota counties have five elected commissioners, but, since St. Louis County's population is over 100,000, it is permitted to have seven commissioners. Each one represents approximately 28,700 people, or one-seventh of the county's population.



Mike Jugovich, 7th District
Hibbing/Chisholm area and southwest townships
(218) 262-0201
jugovichm@stlouiscountymn.gov



Frank Jewell, 1st District
Central Duluth
(218) 726-2450
jewellf@stlouiscountymn.gov

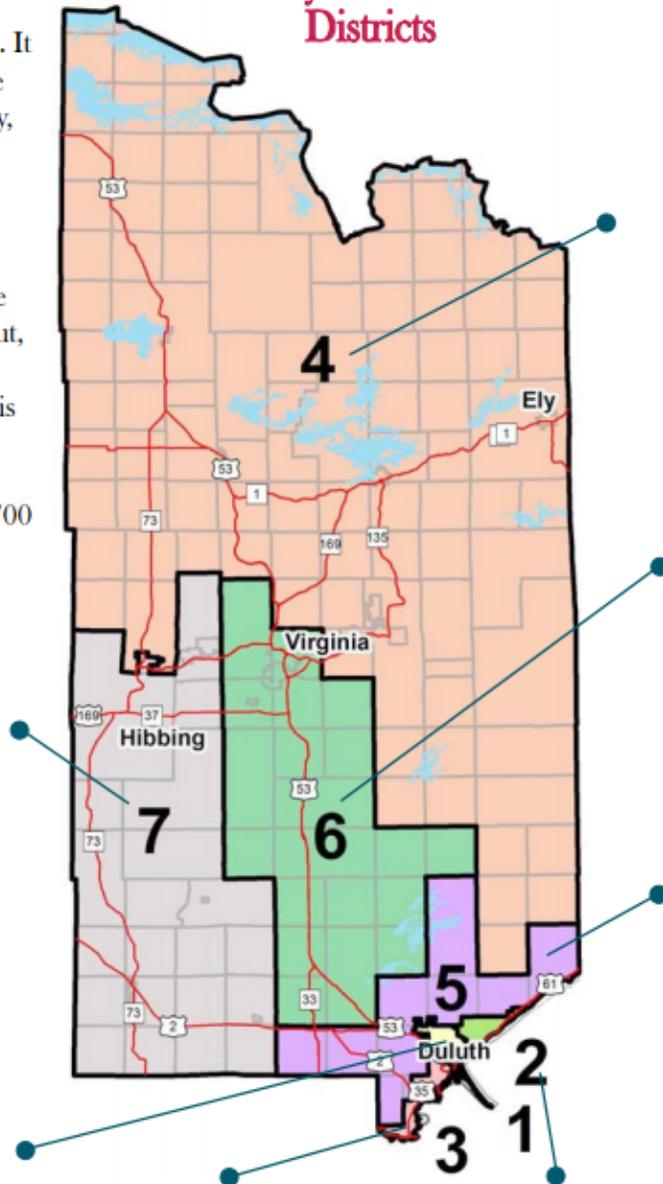


Beth Olson, 3rd District
Western Duluth
(218) 726-2562
olsonb1@stlouiscountymn.gov



Patrick Boyle, 2nd District
Eastern Duluth
(218) 726-2359
boylep@stlouiscountymn.gov

County Commissioner Districts



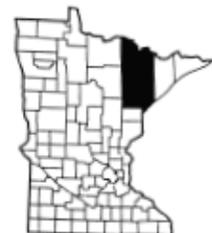
Paul McDonald, 4th District
Northern half of county and eastern townships
(218) 365-8200
mcdonaldp@stlouiscountymn.gov



Keith Nelson, 6th District
Quad cities area and central townships
(218) 749-7108
nelsonk@stlouiscountymn.gov



Keith Musolf, 5th District
Hermantown/Proctor area and southeast townships
(218) 726-2450
musolfk@stlouiscountymn.gov



Duties of a County Commissioner

Representing people and responding to their concerns

County commissioners are elected officials who oversee county activities and work to ensure that citizen concerns are met, federal and state requirements are fulfilled, and county operations run smoothly. They spend a lot of time working with and representing people and responding to their concerns. They attend regular meetings of the county board as well as meetings of board subcommittees and county-related boards and commissions. They represent county issues before local, state and national groups, including school boards, city councils, township boards, and state and federal offices.

While no minimum education or prior experience is required, individual backgrounds and personalities can enhance effectiveness in the office of commissioner. Useful experiences include operating a business; service on township and school boards or city councils; involvement in community activities; and management experience. Personal traits that can benefit county commissioners include a sense of humor, an open mind, a vision of where county government should go, an ability to compromise, and an ability to delegate. Effective communication and negotiation skills are also important.

St. Louis County commissioners serve a four year term that is staggered among the board members, so that not all are elected at the same time. Newly elected commissioners take office the first Monday in January following their election. County board chairs are elected at the board's first meeting in early January. Commissioners' salaries vary, because they are set by individual county boards at the beginning of each year. In recent years commissioner salaries in Minnesota have ranged from \$5,600 to over \$100,000 annually.

The office of St. Louis County Commissioner is considered to be a full-time position with a 2020 annual salary of \$65,896.67. The chair of the board receives an additional \$3,000 per year; the vice-chair, \$1,500. As elected officials, commissioners do not accrue and are not charged for vacation, sick leave, personal leave, compensatory time, or holidays.

County Management: Administration

County commissioners have administrative duties, as well as financial and legislative responsibilities. Following is a partial list of these duties and responsibilities:

- ◇ Establish policies and procedures for central administration and county departments to meet county goals.
- ◇ Authorize the maximum number of county employees, approve a county benefit schedule, negotiate and approve labor agreements, approve the recruitment and employment of key county employees, and oversee the implementation of the county pay equity plan and the county affirmative action/equal opportunity plan.
- ◇ Review liability issues and take appropriate measures to protect county employees and county property.
- ◇ Adopt and oversee the process for purchase of equipment and supplies for use by the county.
- ◇ Establish a plan for the review and evaluation of county services and programs.

Duties of a County Commissioner *(continued)*

County Management: Taxation/Finance

- ◇ Review, adjust and adopt the annual county operating budget and programs, as presented by county administration or county departments.
- ◇ Authorize the maximum property tax levy and the collection of county-wide property taxes.
- ◇ Serve as, or appoint, a board of equalization to resolve disputes regarding appraised property values for taxing purposes.
- ◇ Authorize the application for and/or receipt of funds from federal and state governments and approve their use within the county budget.
- ◇ Adopt and participate in the implementation of fiscal management policies in areas such as investments, reserve policy, short-term borrowing, use of bonds and risk management/insurance.
- ◇ Monitor the county's overall fiscal health through regular reports of the auditor, treasurer and finance departments.
- ◇ Establish a process for approving the payment of expenses incurred by the county.
- ◇ Develop and adopt a capital improvement program and operating budget covering major county expenditures over a series of years.

County Management: Other Functions

- ◇ Adopt appropriate ordinances for the enforcement of county-wide actions.
- ◇ Ratify, modify or deny the actions of commissions and boards which are advisory to the county board.
- ◇ Approve county participation in joint powers agreements with other governmental units.
- ◇ Represent the county on administrative/advisory boards and commissions which provide direct and indirect county or county-related services. These may include airports, libraries, community corrections, local public health boards, community action agencies, mental health centers, developmental achievement centers, extension services, regional development commissions, social services agencies, joint solid waste commissions, and planning commissions.
- ◇ Make decisions regarding participation in optional federal or state programs.
- ◇ Communicate county actions and concerns to the public through business groups, civic organizations, school groups, the press, and other public forums.
- ◇ Participate in both district and statewide meetings of the Association of Minnesota Counties (AMC), including the annual meeting and the legislative conference.
- ◇ Participate in activities of the National Association of Counties (NACo). Attend conferences, meetings, trainings and other education programs, which relate to county activities, as approved by the board.

History of County Government

Minnesota's 87 counties have changed from a purely quasi-municipal corporation of the state, to a general purpose form of government which, for many counties, has necessitated a change in the way services are delivered and, sometimes, the structure of the county itself. In their infancy, counties were organized to be the administrative arm of the state. But now counties provide services far beyond the original scope of county government.

Traditionally, counties performed state mandated duties including assessment of property, keeping property records and vital statistics, maintaining rural roads, administration of elections and judicial functions, keeping the peace in rural areas, and providing relief for the poor. Today, counties have moved into other areas, such as public health and human services, corrections, child protection, library services, planning and zoning, economic development, parks and recreation, water quality protection, and solid waste management. Relief for the poor is now generally provided by the federal and state governments through their income maintenance programs.

County Boards of Commissioners

County boards are elected by voters of a specific geographic district, serve a four-year term, and are responsible for the operation of the county and its delivery of services. There are usually five commissioners on county boards in Minnesota, but counties with a population over 100,000 may, by board resolution, increase the size of the board from five to seven members. Six counties - Anoka, Dakota, Hennepin, Olmsted, Ramsey, and St. Louis - have boards consisting of seven members.

Election and Appointment of Other County Officials

Beginning with President Andrew Jackson's administration (1829-1837), it became a common practice to increase the number of elective county offices. Appointed positions were changed to elected ones, and new elective offices were created. This caused the list of elected county officials to grow from a few, such as the coroner and the sheriff, to many, including the auditor, recorder, treasurer, surveyor, clerk of court, watershed district directors, judges of probate, assessors, and county attorneys.

Fifty Years of County Reform

Since the mid-1960s, Minnesota counties have gradually reduced the number of elective county offices. Hennepin and Ramsey counties were the first to benefit from special organizational reform legislation. Today, the list includes Anoka, Blue Earth, Scott, and Washington. In those counties, the positions of county auditor, treasurer and recorder are no longer elective positions, but the county sheriff, county attorney, and watershed district directors continue to be elected. In addition, Dakota, Olmsted, and St. Louis counties appoint the position of county recorder, but the county auditor/treasurer continues to be elected. In recent years, twenty-nine Minnesota counties have combined the position of county auditor and county treasurer into one elected position.

1973 saw the passage of the “Optional Forms of County Government” legislation. While this offered several major options for the modernization of county government, most counties have instead made structural changes by seeking special legislation. For example, in 1987 enabling legislation was passed to allow Ramsey County to become a “home rule charter” county. With this authority, Ramsey County now operates under the guidance of that charter, and is the only home rule charter county in Minnesota.

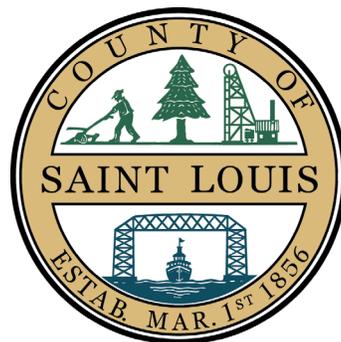
Professional County Management

Over the last 40 years, county boards across the state have recognized the need to adopt a professional management model for their counties, mostly as a result of increasing demands for the delivery of services.

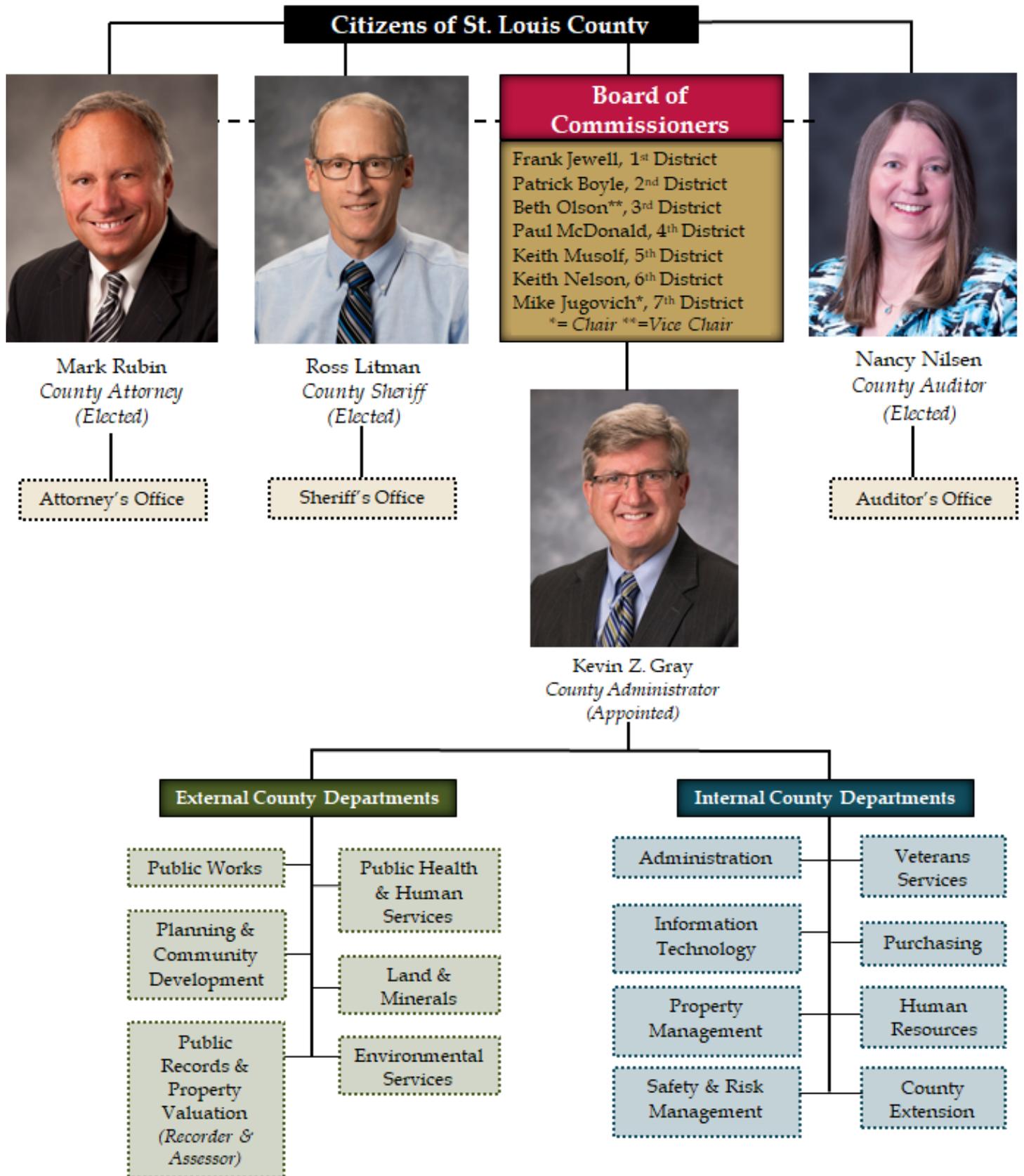
St. Louis County adopted a “County Administrator Plan” for the professional management of the county in 1987. Under this plan of government, a County Administrator is appointed by the County Board to serve as the head of the county, managing all county affairs placed in the administrator’s charge. If required by the County Board, the administrator acts as the supervisor of all county institutions, departments, and agencies, and of all non-elected department heads.

The administrator is also responsible for the preparation and execution of the county budget, including a long range capital expenditure plan. Currently, nearly sixty Minnesota counties have established the position of county administrator or coordinator. (Ramsey County uses the title of County Manager.) The county administrator serves at the pleasure of the County Board, and is the only employee hired directly by county commissioners.

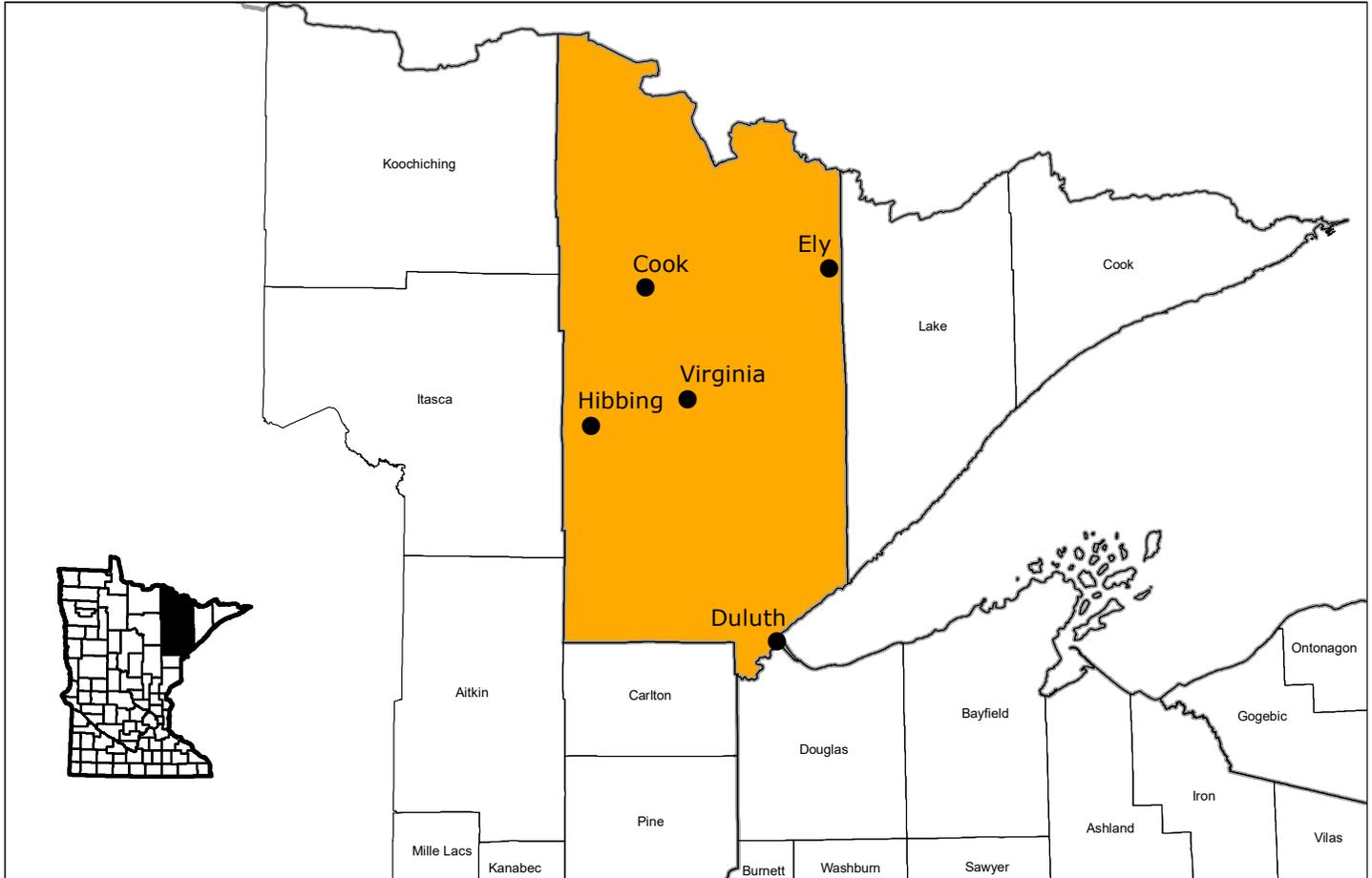
Association of Minnesota Counties



Saint Louis County Organization



Main Office Locations and Personnel Summary



Personnel History

FULL TIME EQUIVALENT EMPLOYEES

2013	2014	2015	2016	2017	2018	2019	2020
1,742	1,759	1,779	1,825	1,837	1,847	1,859	1,868

St. Louis County employs more than 1,800 people based mainly in four population centers. Courthouses are found in Duluth, Hibbing and Virginia, and government services centers are located in Duluth, Virginia, Cook and Ely. Each of these cities also has several other facilities which are owned by the county. Employees are located in over 60 different work sites throughout the county's 7,092 square miles.

Approximate percentage of employees located in each Commissioner District:

Central Duluth	53.5%	District 1
Quad cities area, south central townships	24.2%	District 6
Hibbing/Chisholm area, southwest townships	9.3%	District 7
Hermantown/Proctor area, southeast townships	7.8%	District 5
<u>North half of county, eastern townships</u>	<u>5.2%</u>	<u>District 4</u>
	100%	

Saint Louis County Leadership Team

Structure

ADMINISTRATION

Kevin Z. Gray, County Administrator
218-726-2448, administration@stlouiscountymn.gov

ASSESSOR DIVISION

David Sipila, County Assessor
218-749-7100, assrdept@stlouiscountymn.gov

ATTORNEY'S OFFICE

Mark S. Rubin, County Attorney
218-726-2323, countyattorney@stlouiscountymn.gov

AUDITOR/TREASURER

Nancy Nilsen, County Auditor/Treasurer
218-726-2380

CORRECTIONS/PROBATION

Arrowhead Regional Corrections
Wally Kostich, Director
218-471-7572

BUDGET & OPERATIONS

Brian Fritsinger, Deputy County Administrator
218-733-2955, budget@stlouiscountymn.gov

EMERGENCY COMMUNICATIONS (911)

Jason Lukovsky, Supervising Deputy Sheriff
218-336-4344

ENVIRONMENTAL SERVICES

Mark St. Lawrence, Director
218-749-0647, esdinfo@stlouiscountymn.gov

EXTENSION OFFICE

Patty Swedberg, County Extension Administrator
218-733-2879, countyextensionoffice@stlouiscountymn.gov

HUMAN RESOURCES

James R. Gottschald, Director
218-726-2422, fax: 218-726-2332

INTERGOVERNMENTAL RELATIONS

John Ongaro, Director
218-726-2455, ongaroj@stlouiscountymn.gov

INFORMATION TECHNOLOGY

Jeremy Craker, Director
218-726-2333, itinquiry@stlouiscountymn.gov

LAND & MINERALS

Mark Weber, Director/Land Commissioner
218-726-2606, landdept@stlouiscountymn.gov

PLANNING & COMMUNITY DEVELOPMENT

Matthew Johnson, Director
218-725-5008, johnsonm12@stlouiscountymn.gov

PROPERTY MANAGEMENT

Vacant, Director
218-725-5085, propertymanagement@stlouiscountymn.gov

PUBLIC HEALTH & HUMAN SERVICES

Linnea Mirsch, Director
218-726-2096, phhs@stlouiscountymn.gov

PUBLIC INFORMATION

Dana Kazel, Communications Manager
218-725-5049, kazeld@stlouiscountymn.gov

PUBLIC RECORDS & PROPERTY VALUATION

Mary Garness, Director/County Recorder
218-726-2677, slcrecorder@stlouiscountymn.gov

PUBLIC WORKS

James T. Foldesi, Director/County Highway Engineer
218-625-3840, tesdahls@stlouiscountymn.gov

PURCHASING DIVISION

Donna Viskoe, Procurement Manager
218-726-2667, purchasing@stlouiscountymn.gov

SAFETY & RISK MANAGEMENT

Joe Austin, Administrator
218-726-2139, austinj@stlouiscountymn.gov

SHERIFF'S OFFICE

Ross Litman, County Sheriff
218-726-2340, county_sheriff@stlouiscountymn.gov

VETERANS SERVICE OFFICE

Tedd Ells, County Veterans Service Officer
218-725-5285, ellst@stlouiscountymn.gov

Budget Process

Financing the Budget

The budget process provides the County Board and its management team an opportunity to annually re-examine the services provided by the county. The process begins with a series of meetings at which department heads present their goals and objectives. This allows the County Board to approve the strategic direction for individual departments, ensuring alignment with the county's overall strategic plan.

Based on these goals and objectives, department directors then prepare their detailed budgets. The emphasis is always to provide core services in the most economical and efficient manner possible. A major direction from the County Board is balancing service level needs in the community with the financial resources available to provide those needs.

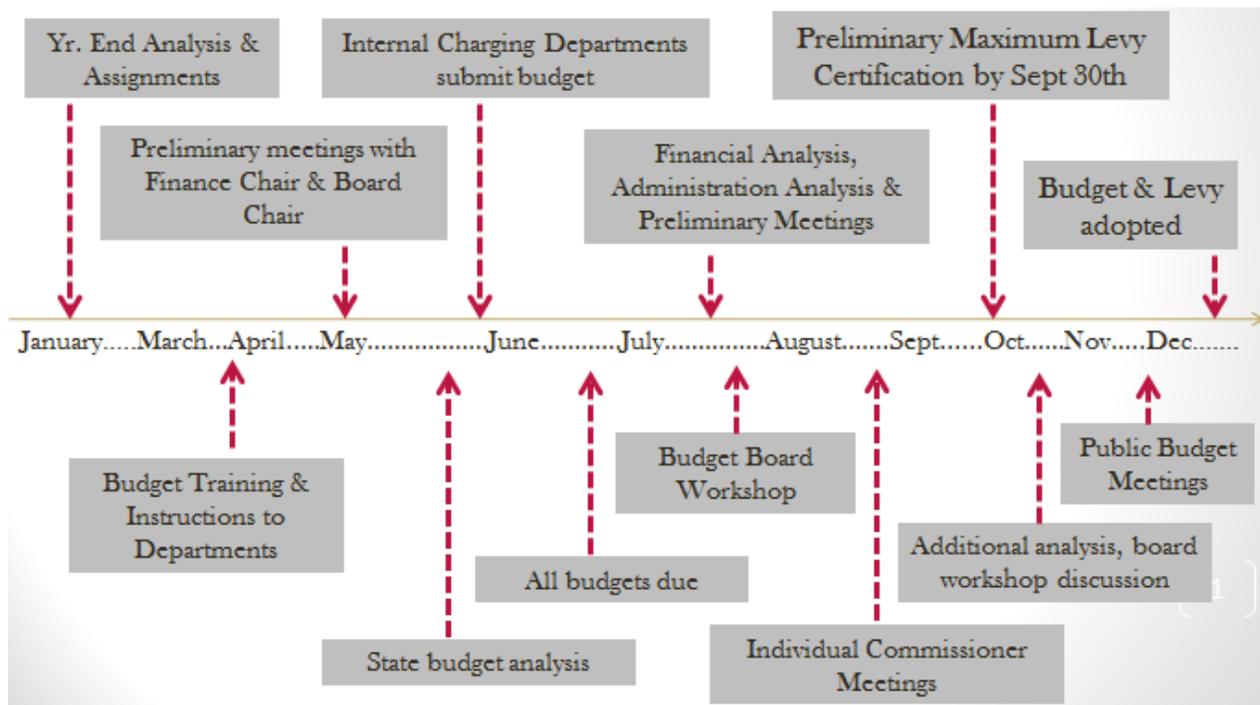
Each year, all Minnesota counties must set the maximum property tax levy by September 30.

On September 24, 2019, the County Board approved a maximum property tax levy for 2020. The property tax portion of the 2020 budget is \$145,561,377, which reflects a 6.45% levy increase from 2019. The final budget was approved on December 17, 2019.

The "Proposed Property Tax Statements" that homeowners and businesses receive in November of each year contain estimates of the next year's property taxes, based on property values which were established as of January 1 of the previous year and the preliminary levy set in September. The final amount property owners pay is often less than this amount, but it cannot be more.

Over 40% of the financing for the St. Louis County 2020 budget is made up of state and federal funds and fees and service charges. The total budget is \$407,171,161, with \$116,375,957 (29%) coming as intergovernmental aid from the state and federal governments, \$57,743,180 (14%) from charges for services, and \$145,561,377 (36%) from local property taxes. The remaining portion of the budget is funded through other sources outlined on the next page.

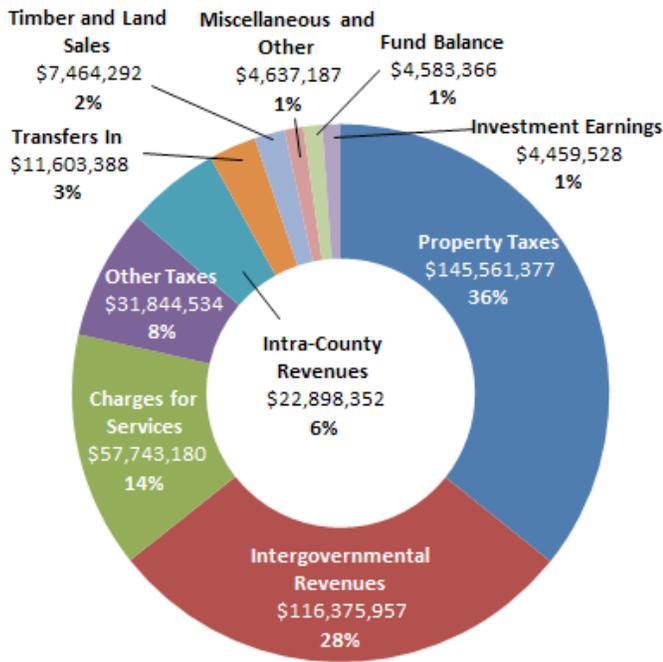
Financing the 2020 Budget: \$407,171,161



More budget information is available online: stlouiscountymn.gov/budget

2020 Revenue and Expenditures

Budget

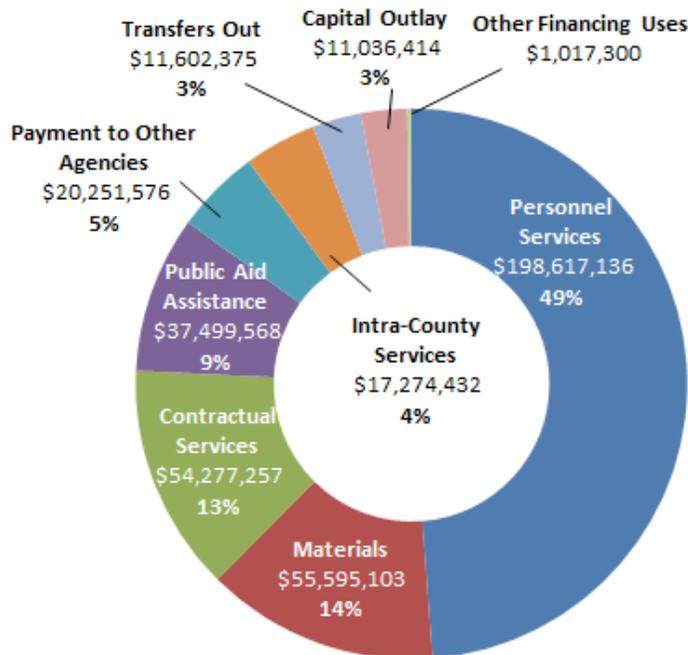


Revenue

2020 Revenue Summary	2020 Adopted Revenue	
Property Taxes	\$ 145,561,377	35.7%
Intergovernmental Revenues	\$ 116,375,957	28.6%
Charges for Services	\$ 57,743,180	14.2%
Other Taxes	\$ 31,844,534	7.8%
Intra-County Revenues	\$ 22,898,352	5.6%
Transfers In	\$ 11,603,388	2.8%
Timber and Land Sales	\$ 7,464,292	1.8%
Miscellaneous and Other	\$ 4,637,187	1.1%
Fund Balance	\$ 4,583,366	1.1%
Investment Earnings	\$ 4,459,528	1.1%
TOTAL	\$ 407,171,161	

Note: Miscellaneous and Other” includes Licenses & Permits, Other Financing Sources, Fines & Forfeitures, Gifts & Contributions

Total Adopted 2020 Budget: \$407,171,161



Expenditures

2020 Expenditure Summary	2020 Adopted Expenses	
Personnel Services	\$ 198,617,136	49%
Materials	\$ 55,595,103	14%
Contractual Services	\$ 54,277,257	13%
Public Aid Assistance	\$ 37,499,568	9%
Payment to Other Agencies	\$ 20,251,576	5%
Intra-County Services	\$ 17,274,432	4%
Transfers Out	\$ 11,602,375	3%
Capital Outlay	\$ 11,036,414	3%
Other Financing Uses	\$ 1,017,300	0%
TOTAL	\$ 407,171,161	

More budget information is available online: stlouiscountymn.gov/budget

Summary of the 2020 Budget

Bringing state programs to the local level

Minnesota is one of a minority of states whose form of government is state managed and county administered. This means that many government services are provided by the 87 Minnesota counties rather than by the state. St. Louis County's 2020 budget process has been one of ongoing adjustments and realignments to reflect changes in intergovernmental assistance and fluctuations in overall revenues.

Funding community essentials

The county budget of \$407,171,161 is the basis for providing funding for high-priority expenditures such as public safety and corrections, public works infrastructure covering over 3,000 miles of county roads, and the care and protection of our most needy and vulnerable citizens.

The 2020 budget continues the county's partnership with four other northern Minnesota counties to provide corrections services through the Arrowhead Regional Corrections Joint Powers Agreement, and continuation of the Gravel Road Investment Program to address the integrity of the county's 1,600 miles of rural gravel roads. In addition, the budget's debt service allocation supports the over \$45 million investment in the county's Government Services Center located in downtown Virginia and the Public Works facility in Cook.

St. Louis County will continue to make decisions in the future to maintain its strong fiscal health in light of changing state and federal support and increasing program costs. Through insightful fiscal management the county has maintained (since 2013) a AA+ bond rating, one of the highest available to local governments.

Keeping property taxes down requires careful evaluation of future revenue potential and determination of necessary services by the County Board. Clearly, revenue diversification and expanding the tax base will continue to be a priority.

For additional budget information, go to:
stlouiscountymn.gov/budget

The County's Comprehensive Financial Report can be found here, along with a simplified, condensed report called the Popular Annual Financial Report (Financial Highlights).



Budget and Levy Comparisons

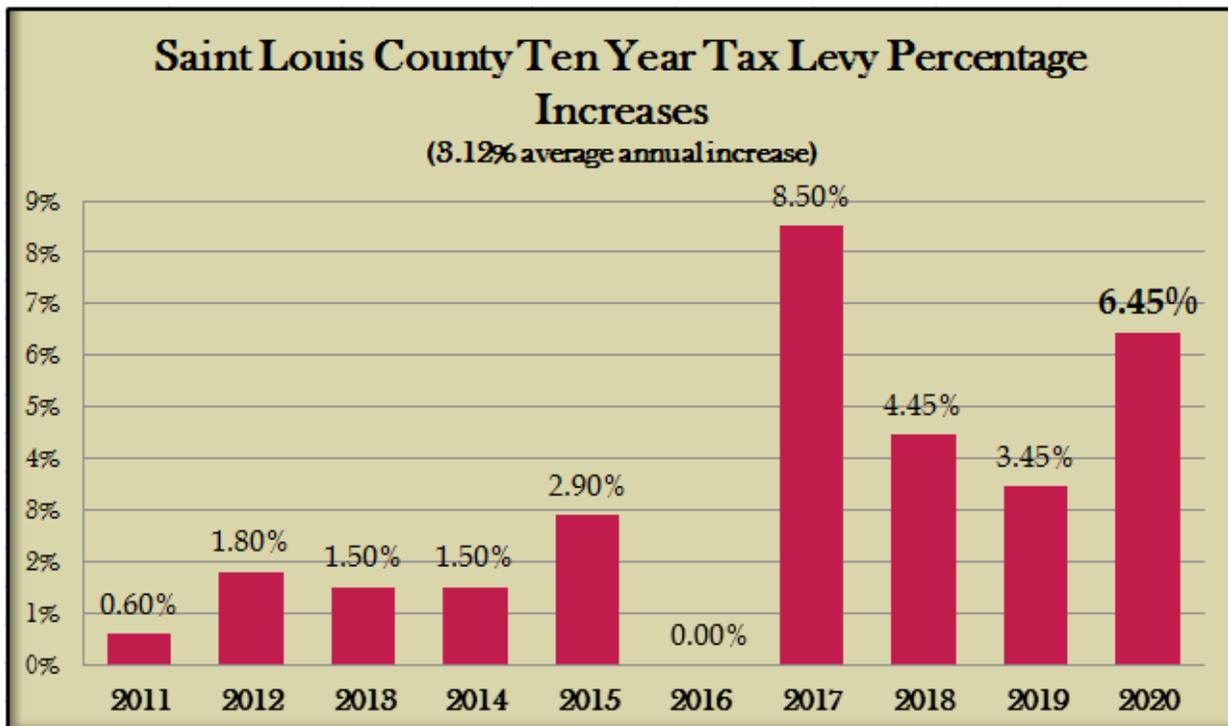
One of the main functions of the St. Louis County Board is to set a budget that delivers services to county residents at the lowest possible price. The total 2020 county revenue budget, made up of state and federal revenues, fees, licenses, and property tax dollars, is

\$407,171,161. Of this amount, \$145,561,377 comes from local property tax dollars. To maintain the current level of services and keep the cost of these services affordable, the 2020 property tax levy reflects a 6.45% increase over 2019.

2020 Approved Budget	2020 Property Tax Levy
\$407,171,161	\$145,561,377

2019 Approved Budget	2019 Property Tax Levy
\$394,689,149	\$136,741,822

2020 Tax Levy = 6.45% Increase

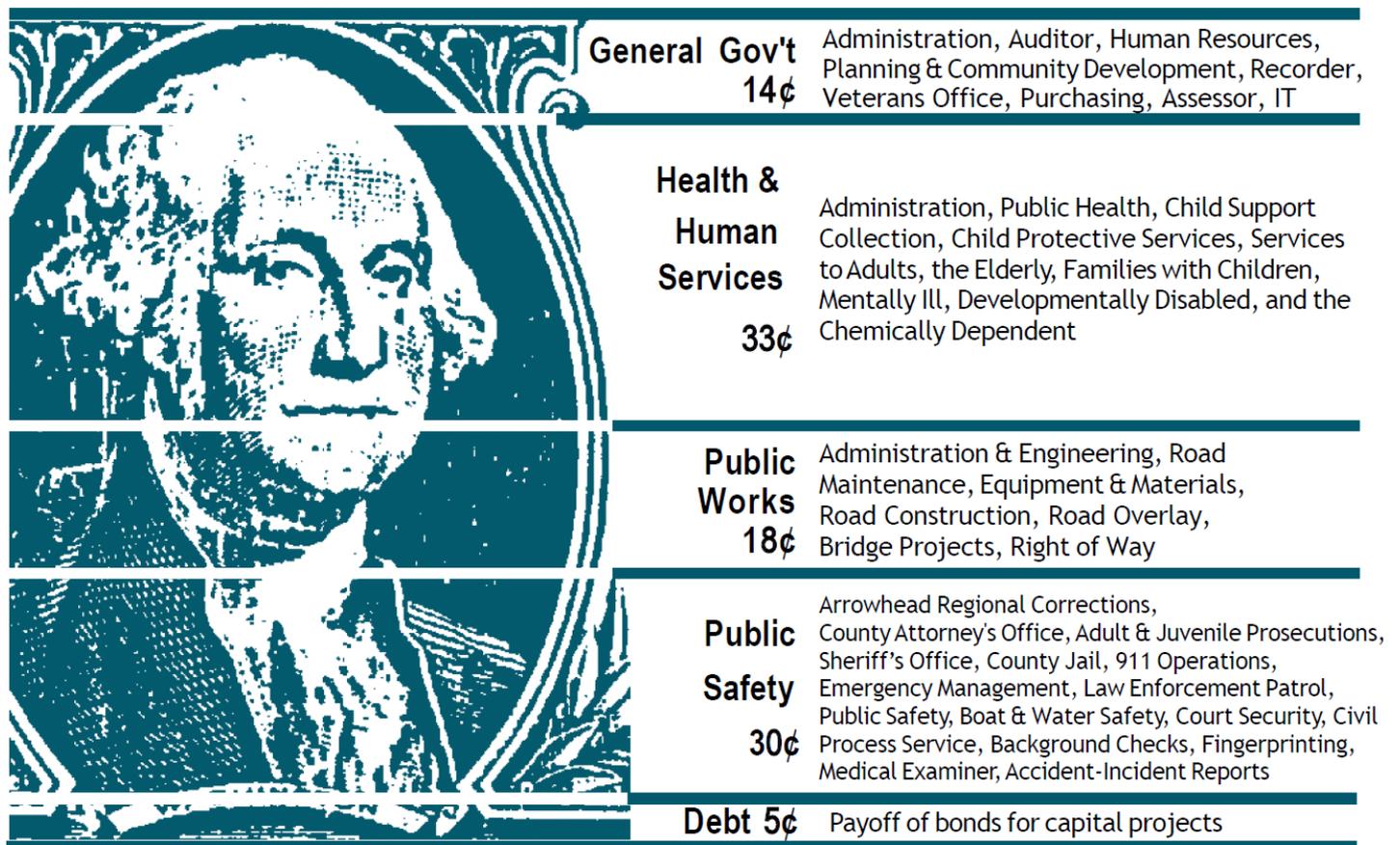


Where Do Your Property Taxes Go?

St. Louis County provides services to its citizens such as road and bridge construction and maintenance, 911 emergency dispatch coverage, crime prevention and prosecution, public records and property transactions recording, property assessment, immunizations, veterans services, planning and community development, environmental services, and support and protection for children, the elderly, and the vulnerable.

These services are an important part of keeping families and communities strong and healthy. The graphic below illustrates the relative cost of providing these services by category, as funded through each of your 2020 property tax dollars. The fastest growing categories of spending are Public Health and Human Services, Public Safety (Sheriff, 911 Emergency Communications, and Attorney), and Public Works. Many of the services performed by these departments are both mandated and underfunded by the federal government and the State of Minnesota.

For additional details, go to the online interactive tool, Budget Explorer, at stlouiscountymn.gov/budgetexplorer.



Source: Adopted 2020 Property Tax Levy

More budget information is available online: stlouiscountymn.gov/budget

Understanding Your Property Taxes

Funding our local communities

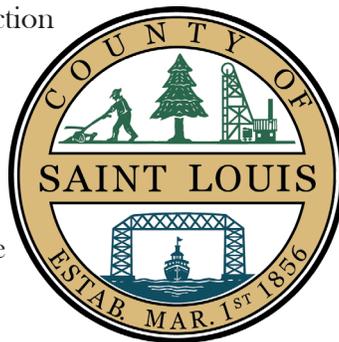
As Mark Twain once said, nothing is as sure as death and taxes. Most of us would agree that some form of taxation is necessary to provide services that protect and maintain our communities. In Minnesota, property taxes are the main way local governments raise revenues for this purpose. In fact, local governments need special authorization from the legislature to raise funds in any other way. Property taxes are raised and spent locally, so your dollars benefit your community, as well as your neighboring communities.

It is important to note on your annual property tax statement from the St. Louis County Auditor's Office, that not all of your taxes are based on St. Louis County's tax levy. Your local school and city or township taxes are also listed on your combined tax statement.

How are your taxes figured?

The State of Minnesota requires each home or business to be classified and appraised at least once every five years through an on-site inspection. This process helps maintain equitable assessment levels from one jurisdiction to another. During other years, property values are adjusted based on market changes in the area. In St. Louis County, all properties, including those in the city of Duluth, are assessed by the County Assessor's Office.

The accuracy of St. Louis County's assessments are checked by the state annually. The state will order an assessment adjustment in a jurisdiction where, for the median sale, the difference between what property is assessed for and what it actually has sold for falls outside an allowable range. If you disagree with the county's assessment of the market value of your property,



you may file an appeal with your local Board of Review and, if you are still not satisfied, you can appeal to the St. Louis County Board of Equalization.

How big is your piece of the tax pie?

To understand how the county portion of your property tax is figured, imagine a big pie. The tax levy set by the County Board each year is divided by the total tax capacity of all property in the county to create the tax rate. In other words, the levy figure determines how big the pie is. Your property's taxable market value, multiplied by its class rate and the tax rate, establishes your property tax payment, or how big your slice of the pie will be. The pie is recalculated each year, based on the county's levy and reassessments.

For more information about classification and valuations, call the County Assessor's Office:

Duluth: (218) 726-2304

Ely: (218) 365-8208

Orr: (218) 471-7735

Virginia: (218) 749-7147

Hibbing: (218) 262-6089

For information about tax rates, levies and special taxing districts, call the County Auditor's Office: (218) 726-2380.



Proposed Property Tax Statements

In November 2019, the St. Louis County Auditor distributed “Proposed 2020 Property Tax” statements to all county property owners. These notices inform taxpayers about the proposed levies certified by their city or township, their school district, and St. Louis County, and how these proposed levies could impact the property owners’ 2020 taxes. These taxes were based on the maximum proposed levy established by each jurisdiction in September.

The following factors may account for increases or decreases in your proposed property taxes:

Change in Market Value:

The assessed value of your property may have increased or decreased due to new construction, improvements to your property, classification or the Minnesota statutory requirement that an Assessor visit and re-appraise your property once every 5 years, based on a review of actual verified sales in your local real estate market.

Market-Based Adjustments:

Every year the Minnesota Department of Revenue monitors all arms-length real estate sales and compares each sale price to the Assessor’s Market Value to determine the “sales ratio,” or the accuracy of the Assessor’s valuations. If the resulting ratio of the median sale in your jurisdiction does not meet the statutory requirements, the state can order a value increase or decrease in your community to more accurately reflect the actual market values and real estate conditions in the area.

Levy Increases:

Your city, township, county or school district governing boards set their yearly budgets. They then set a levy amount to be raised to generate the revenue to support those budgets. The levy amount is sent to the County Auditor’s Office, which collects the taxes and distributes the funds to all these governmental jurisdictions accordingly. Voters in your specific school district may have also approved excess school operating levy referendums. The actions of these separate jurisdictions can all impact your total combined property tax bill.

Changes in Minnesota’s Tax Law:

The last several years have seen reduced financial aid from the state to local governments causing a larger portion of the cost of providing services to fall on the local property tax. In 2011 the Legislature eliminated the Homestead Credit Program, replacing it with the Homestead Market Value Exclusion, which reduced state property tax support to homestead property owners. However, the 2013 Legislature reversed years of declining support from the state by beginning to restore the partnership with local governments that had steadily declined over the past decade.

Frequently Asked Questions

How can I have input on the budget?

The St. Louis County Board of Commissioners meets regularly on most Tuesdays at 9:30 a.m., rotating between the Duluth area and Iron Range cities. Schedules are found on the county website, www.stlouiscountymn.gov, or by calling County Administration at (218) 726-2450. A time is set aside at every meeting for citizens to discuss issues of concern, including budget matters. Budget discussions for the 2021 budget begin in the spring of 2020.

Why is my tax changing?

There are only three reasons why your property tax will change next year:

1. Your market value went up or down;
2. A state law change affected how your taxes are calculated; OR
3. Your city, township, school, county or special taxing district changed their property tax levy.

The county certified a 6.45% increase in the property tax levy for 2020, but your share of the total tax bill may have increased more significantly if your market value went up, state laws changed, or other taxing districts raised their tax levies. Voters in your specific school district may have also approved excess school operating levy referendums. The actions of these separate jurisdictions can all impact your total combined property tax bill.

What is market value?

Market value means the price a willing, knowledgeable, buyer would pay for your property if it were offered for sale.

Does the county use increasing market values to collect more property taxes?

No. The county cannot use market value increases to raise more property tax dollars. The state requires the County Board to set a finite dollar figure for tax collections each year. Any increase in YOUR specific market value does NOT bring in more tax dollars to the county; it only increases your share of the total property tax levy.

My value went up. What can I do about it?

Market values shown on your “Proposed Statement of Property Taxes Payable” sent from the County Auditor’s Office in November are final and cannot be adjusted. If your market value has increased, you were notified of this change by mail during April of the same year. You may contact the Assessor’s Office to learn how to appeal this value for next year’s taxes.

Is tax relief available?

Special programs are available that could reduce your property tax amount. These include the Homestead, Disability Homestead, Senior Citizen Deferral Program, Property Tax Refund and other special programs. To see if you qualify for any of these, call your assessor (see page 15) or visit stlouiscountymn.gov/assessor.

New income guidelines and a higher refund amount mean more taxpayers now qualify, and may receive larger property tax refunds. For more information, you may also visit the state’s website at:

www.revenue.state.mn.us

or call its help line at

(800) 657-3676 or 651-296-4444.

Want to find out
more?

Visit: **[stlouiscountymn.](http://stlouiscountymn.gov)**

gov

Call: 218-726-2450

Write to:

St. Louis County Administration

100 N. 5th Ave. W. Room 202