

MINUTES OF THE TRUTH IN TAXATION HEARING  
A SPECIAL MEETING OF THE  
INDEPENDENCE CITY COUNCIL

TUESDAY, DECEMBER 13, 2011 – 7:00 P.M.

1. CALL TO ORDER.

Pursuant to due call and notice thereof, a truth in taxation hearing of the Independence City Council was called to order by Mayor Johnson at 7:00 p.m.

2. ROLL CALL

PRESENT: Mayor Johnson, Councilmembers Betts, Spencer and Wenck  
ABSENT: Councilmember Wallace  
STAFF: Clerk-Administrator Hirsch  
VISITORS: Nora and Doug Carey, Altendorf family

3. TRUTH IN TAXATION HEARING

Johnson stated this is a meeting to discuss the budget of the City of Independence. This will not be to discuss home valuations but rather the city's budget.

Nora Carey, 4985 Broadmoor Drive, stated that her property tax statement is going up 6.6% and a comparable house down the street in Orono has about half the taxes. She stated her property value is going down and taxes are going up. She inquired about the discrepancies between the houses.

The Altendorf's stated they have two properties. One increased in taxes by 32.6% because the homestead was dropped and the other dropped \$80,000 in value but increased 98.3% in taxes.

Johnson replied there has been a shift for homes under \$413,000 from Market Value Homestead Credit to the Market Value Homestead Exclusion. He stated that the value showing on the tax statements is the figure used for the Exclusion not the real value of the home. Johnson stated the tax has been shifted to agriculture and commercial properties to pick up the difference. Anyone with farmland is seeing significant increases. He stated they need to work with the Hennepin County Assessor to ensure that agriculture values are accurate.

Johnson stated the Council is concerned they will see a lot of questions at the Board of Review meeting in April or May about property values and that is time to discuss any differences in market value versus appraised value. He also stated that the agricultural values in southwest Minnesota are increasing and that plays a part in the values here.

Carey asked how her taxes would be affected if the city reduced the budget. Johnson stated that the 2012 budget to be discussed later shows a \$30,000 decrease from the 2011 budget. Johnson also stated the Market Value Exclusion shifts the burden to higher priced homes and agricultural land. Any home valued over \$413,000 is taxed at the rate multiplied by value.

Spencer inquired why the agriculture value increases are not the same percentage. For example, why would one increase 32% and another 98%. Johnson stated that he did not know.

Council discussed the tax rate in both Orono and Independence.

Carey stated that last year Independence was one of the top five highest taxed cities in Hennepin County. She inquired where they are now. Johnson stated there were about 20 cities of ahead of them this year and it was published in the paper. Brenno suggested those figures would probably be published on the League of MN Cities website after all city budgets are approved.

Johnson stated they are very mindful of the tax capacity rate.

4. ADJOURNMENT

**Motion made by Spencer, seconded by Wenck, to adjourn the meeting at 7:26 p.m. Ayes: Betts, Johnson, Spencer and Wenck. Nays: None. Absent: Wallace. MOTION DECLARED CARRIED.**

Respectfully submitted,

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Kimberly A. Olson, Recording Secretary