



Board Workshop / Discussion Agenda

15 West Kellogg Blvd.
Saint Paul, MN 55102
651-266-9200

October 14, 2025 - 10:30 a.m.

Courthouse Room 220

WORKSHOP

1. County Program Aid and Payment in Lieu of Taxes

[2025-408](#)

Sponsors: Policy & Planning



Board Workshop / Discussion

Request for Board Action

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Item Number: 2025-408

Meeting Date: 10/14/2025

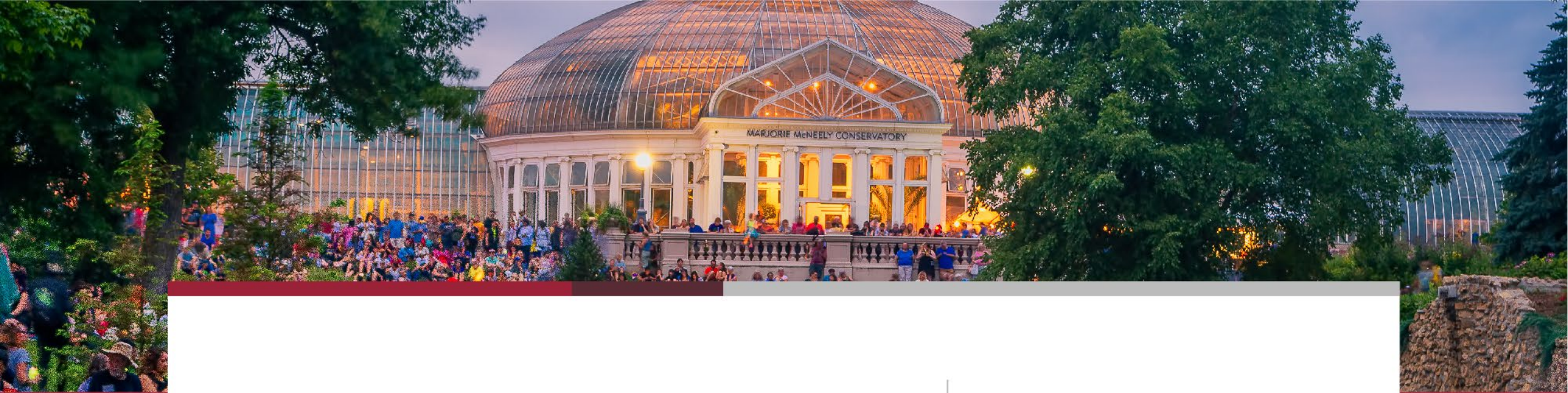
Sponsor: Policy & Planning

Title

County Program Aid and Payment in Lieu of Taxes

Attachment

1. Presentation



County Program Aid and Payment in Lieu of Taxes



Agenda

Introduction and overview – Larry Timmerman, Planning Manager, Policy and Administrative Strategy; Tracy West, County Auditor, Property Tax, Records, and Election Services; Pat Chapman, County Assessor

- Overview of county revenue and taxbase

County Program Aid – Larry Timmerman, Planning Manager, Policy and Administrative Strategy

- History and Overview
- Current formulas
- Potential changes to formula and the impacts it would have

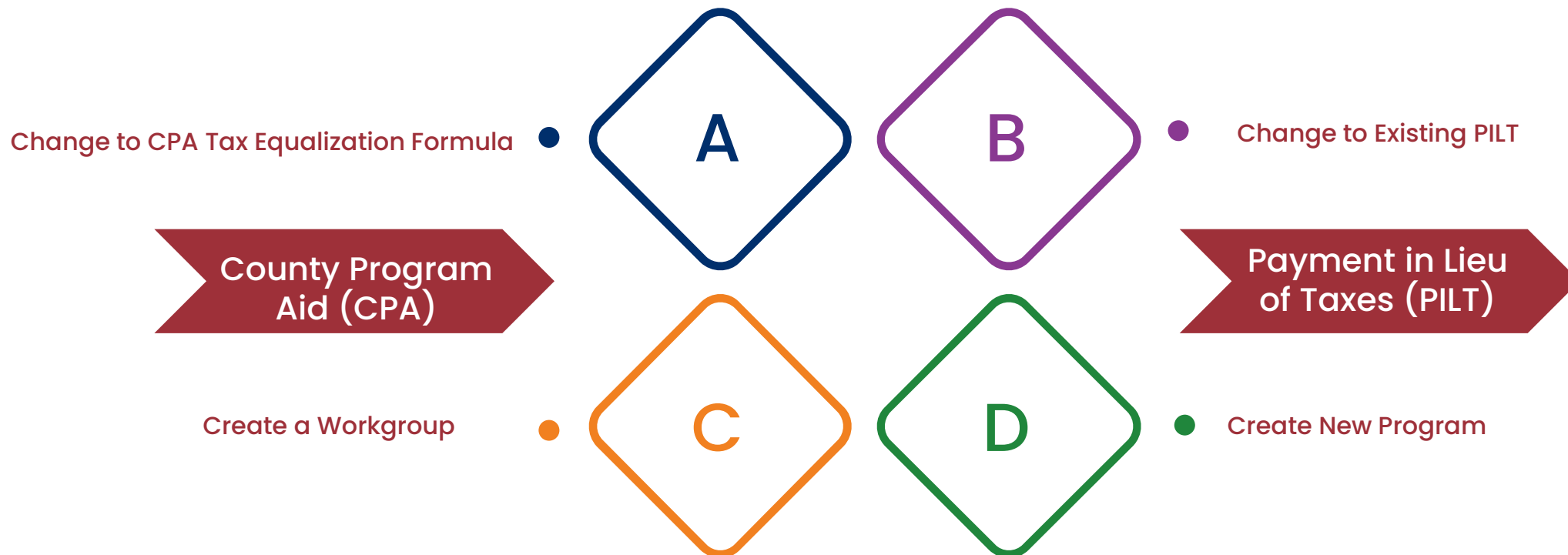
Payment in Lieu of Taxes (PILT) – Jenn Hamrick, Senior Policy Analyst, Policy and Administrative Strategy and Pat Chapman, County Assessor

- History and Overview
- Current environment- how much does Ramsey receive compared to other counties
- Options for proposing a different PILT – Customized RC form of PILT

Next Steps and Discussion - All

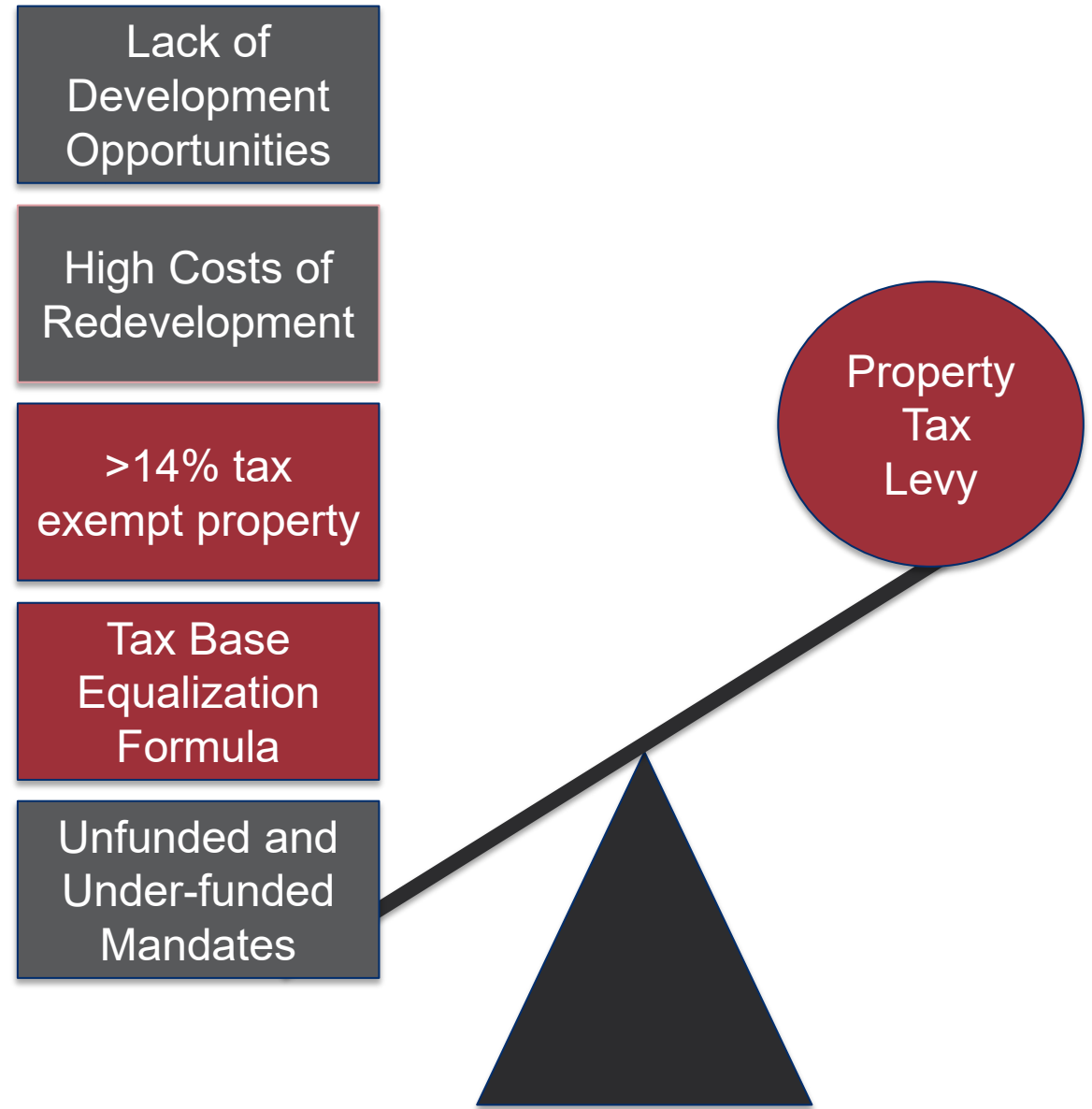
Legislative Options to Explore

Advocate for the Legislature to:



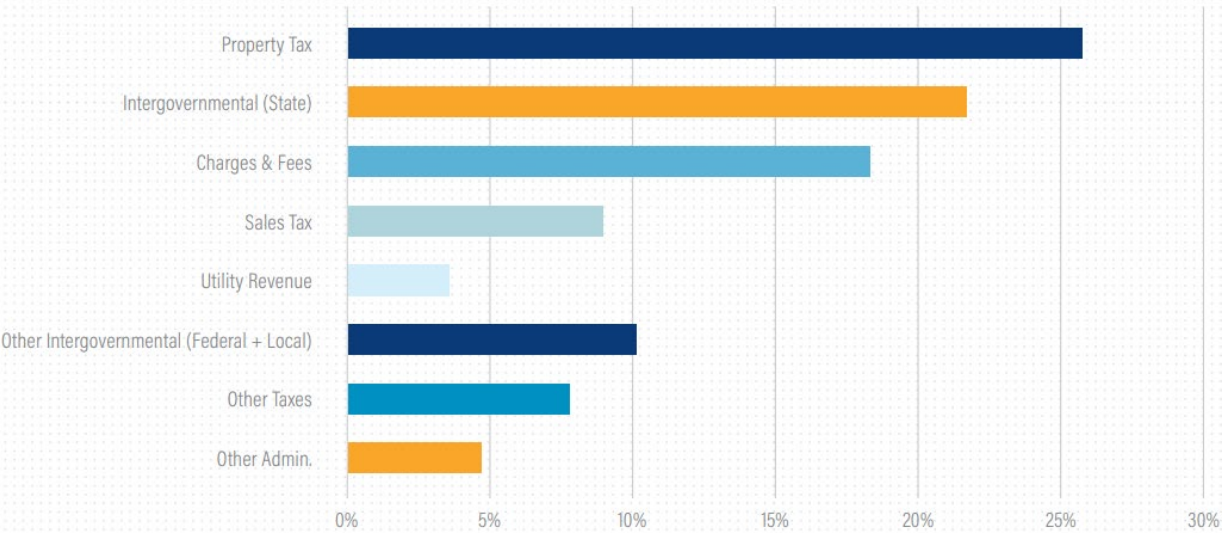
Ramsey County Urgency

- Property taxes shifting to residential property.
- Pressure on property taxes is growing.
 - Federal Pressures. One trillion dollar shift over next 10 years to state and local governments.
 - Minnesota state budget deficit on the horizon in the next biennium.
- High percentage of tax-exempt property in Ramsey County.
- Need for higher-cost redevelopment to build the tax base requires partnership, investment and time.
- MN County Program Aid, Tax Base Equalization formula disadvantages for Ramsey County.



PROPERTY TAXES PROVIDE TOP SOURCE OF COUNTY REVENUE

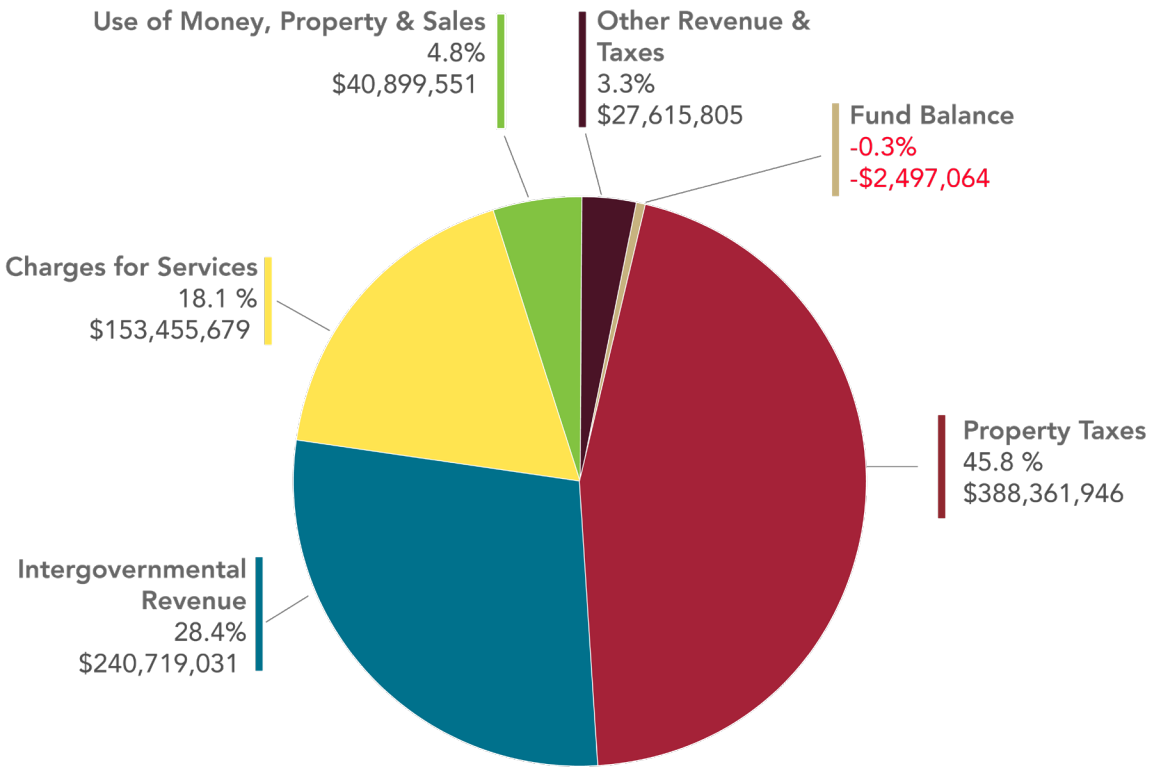
Breakdown of Total County Revenue



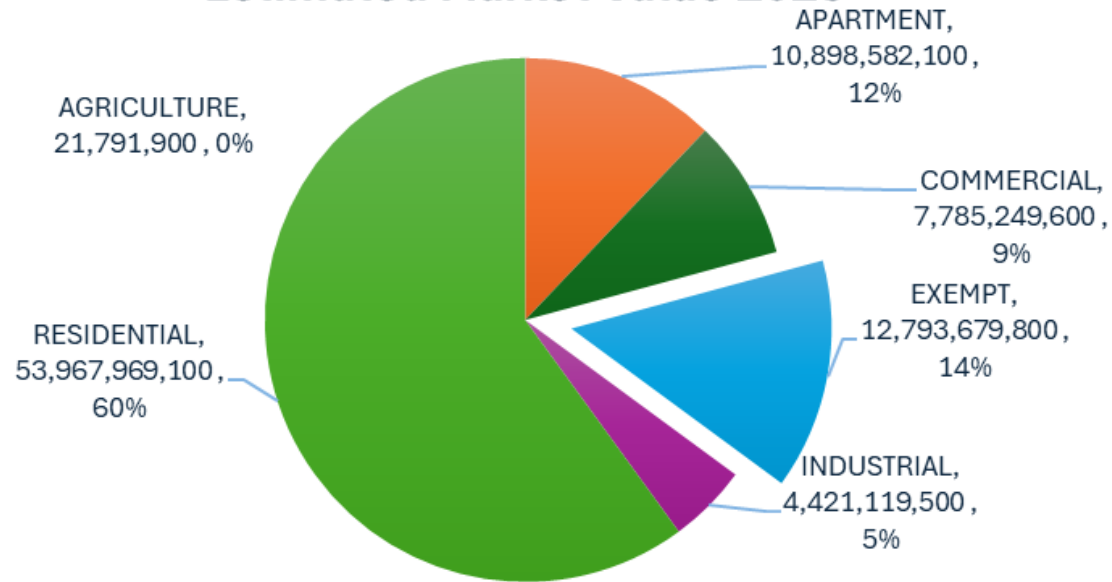
Source: NACo Analysis of U.S. Census Bureau - 2022 Census of Individual Governments: Finance

Nationally, county revenues from property taxes account for about 26% of budgets.

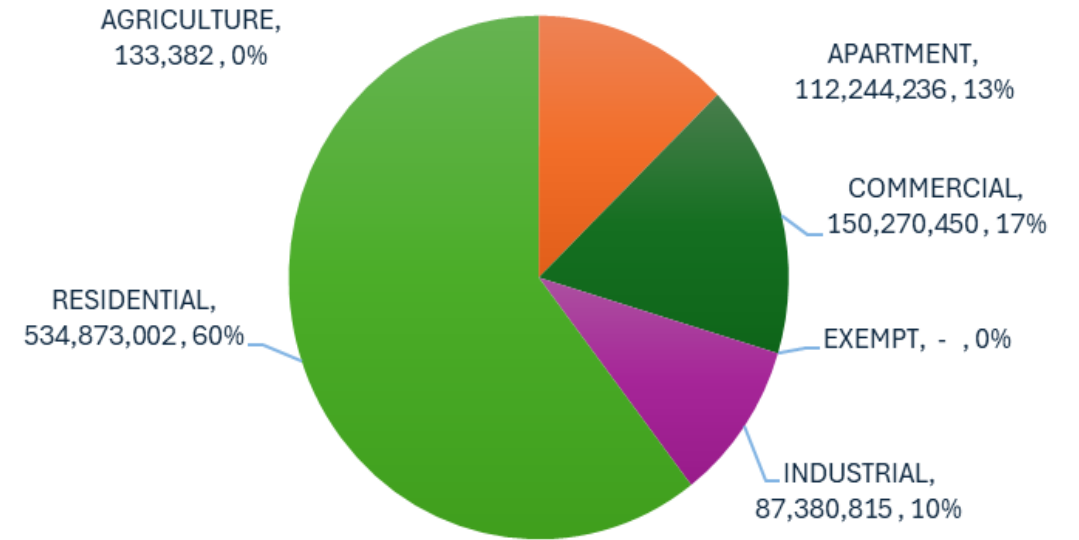
Ramsey County is more reliant on property taxes than national averages and the Minneapolis/St Paul (MSP) region.



Estimated Market Value 2025



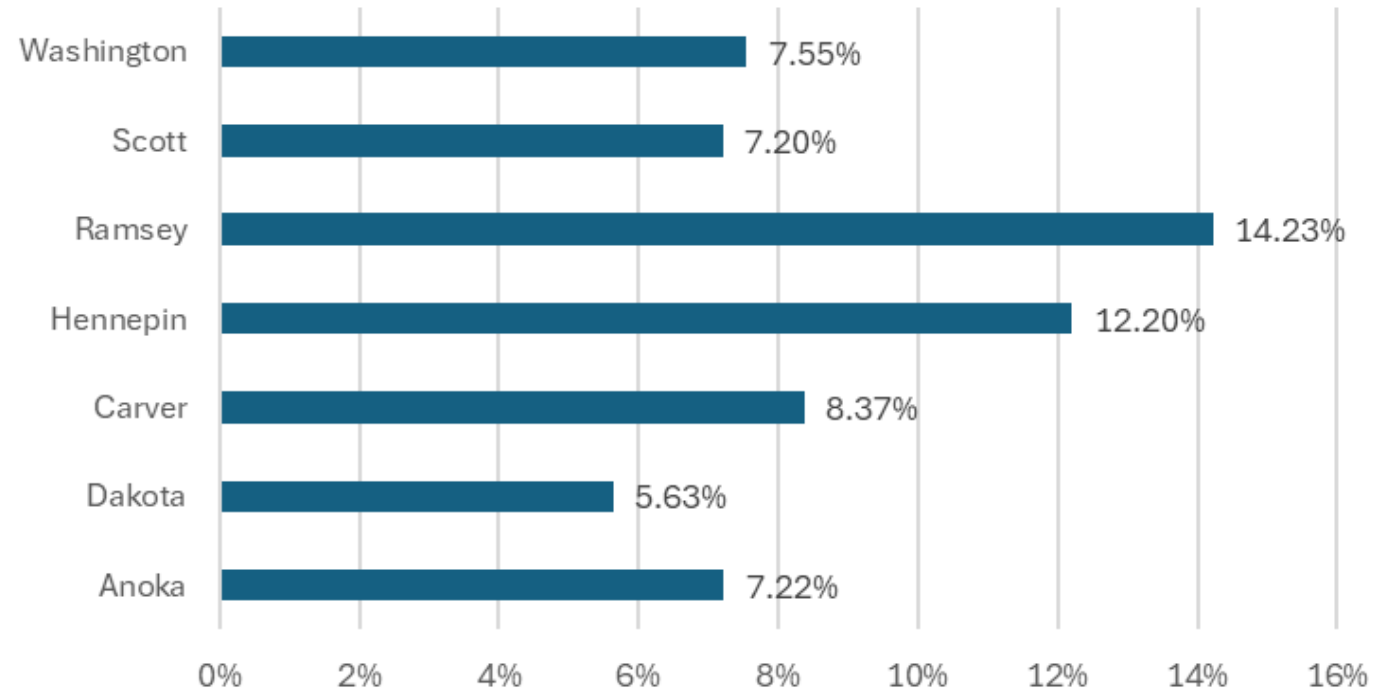
Tax Capacity 2025



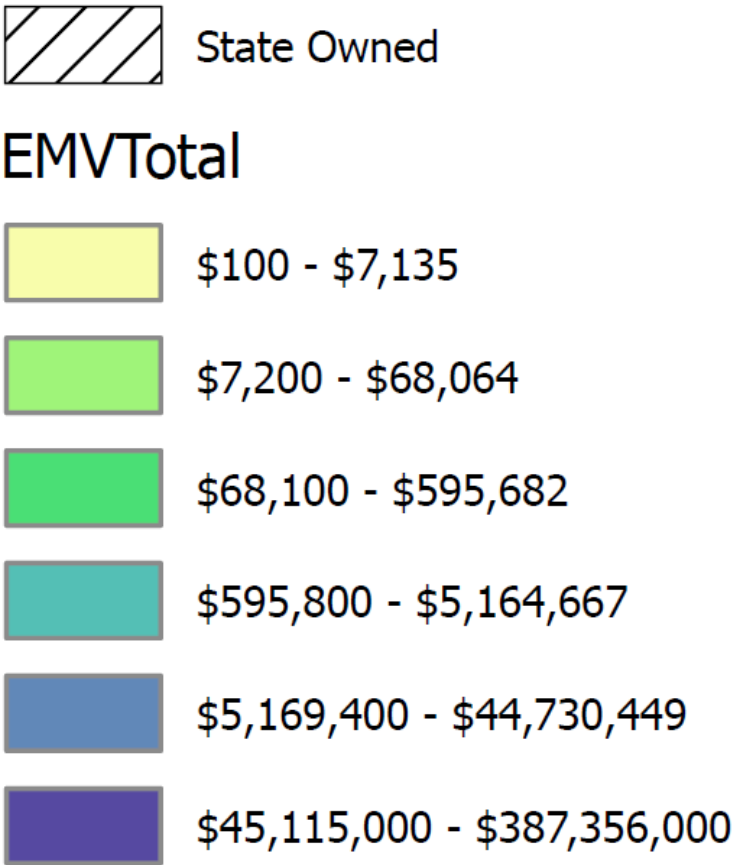
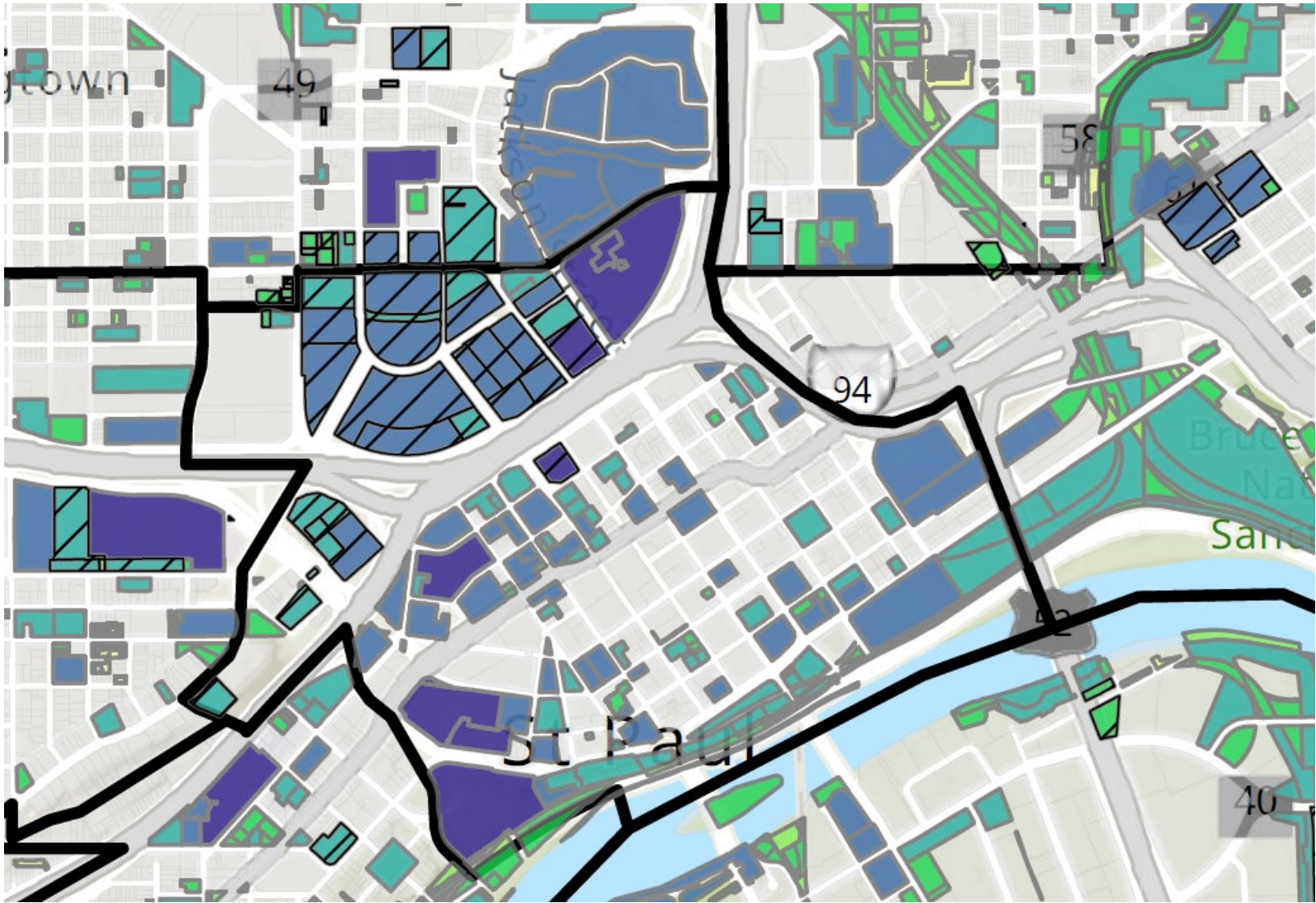
$$\text{Net Tax Capacity} = \text{Taxable Market Value} \times \text{Class Rate}$$



Percent of EMV Exempt from Tax



Tax Exempt Property in Downtown St Paul



Minnesota Capitol Complex

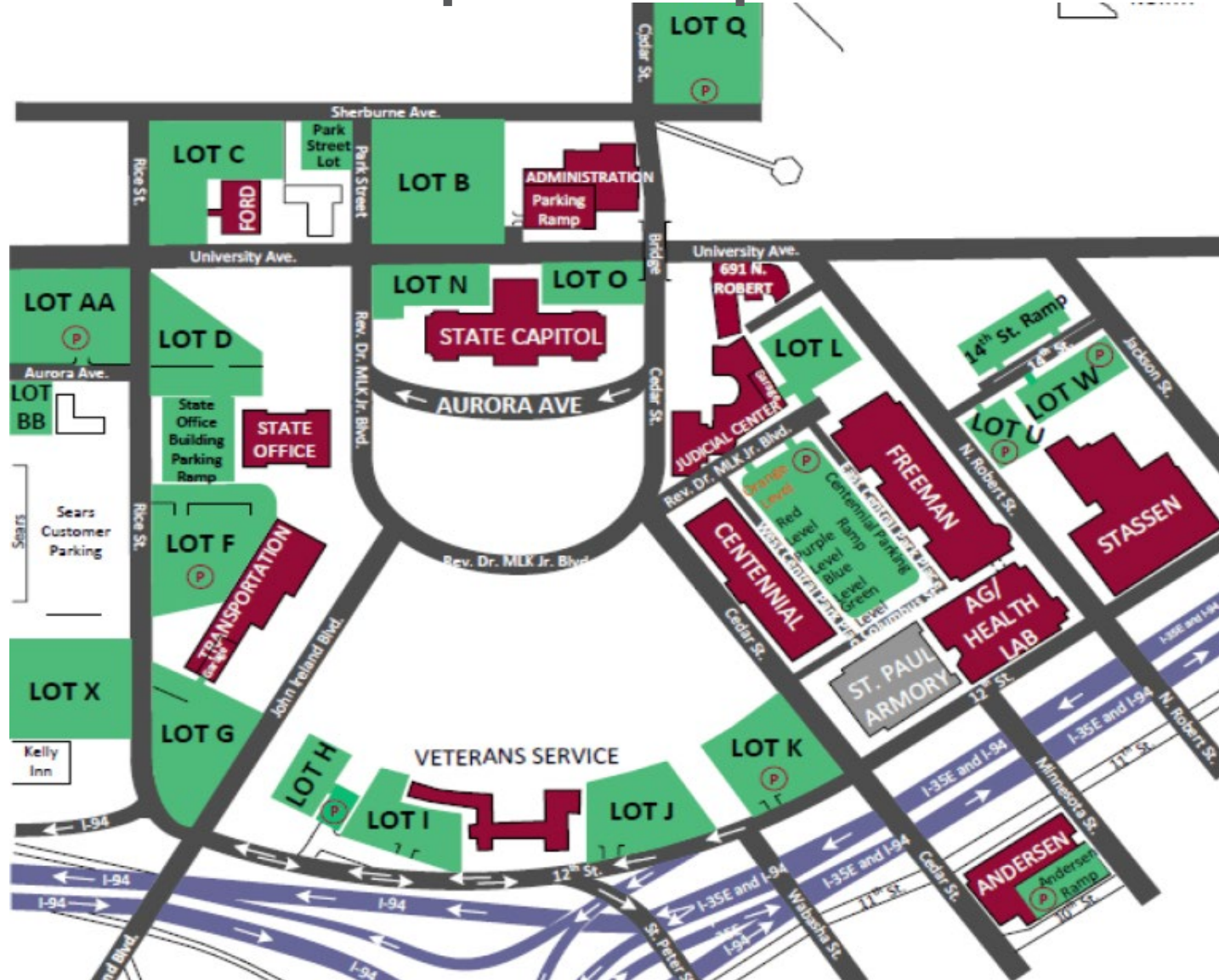


Image Credit StreetsMN.com

- State Capitol Building
- Administration Building
- Agriculture & Health Laboratory
- Andersen Building
- Centennial Office Building
- Ford Building
- Freeman Office Building
- Judicial Center
- Minnesota National Guard Armory
- Minnesota Department of Revenue
- Minnesota Senate Building
- State Office Building
- Transportation Building
- Veterans Service Building





County Program Aid

County Program Aid (CPA)

- CPA is administered by the State to all 87 Counties in MN and is funded through the State General Fund.
- County Need Aid
 - Total population aged 65 years and older.
 - Number of households receiving SNAP support.
 - Total number of violent and property crimes in the County.
- County Tax Base Equalization Aid
 - Counties population and certified adjusted net tax capacity.
 - Compares numbers to what the County received in the prior year.
 - Provides more aid to the Counties that have lower tax bases.

Formula Adjustment based on County Population

Tax-base equalization factor used in the formula: $\text{Factor} = N \text{ times } (\$240^* \times \text{population} - 9\% \text{ of the county adjusted net tax capacity})$ where N equals:

- 3 if the county population is less than 10,000
- 2 if the county's population is at least 10,000 but less than 12,500
- 1 if the county's population is at least 12,500 but less than 500,000
- 0.25 if the county's population is 500,000 or more

Adjusted Net Tax Capacity / County Population County Comparison with Taxbase Equalization CPA

County	2026 Taxbase Equalization CPA*	ANTC 2022**	Population 2024***	ANTC/Pop.	Taxbase Aid/Pop.
Stearns	\$8,386,078	\$237,964,440	163,999	\$1,451	\$51
St. Louis	\$10,386,222	\$306,971,467	200,797	\$1,529	\$52
Ramsey	\$6,857,813	\$904,076,763	557,518	\$1,622	\$12
Sherburne	\$4,954,754	\$172,740,930	103,059	\$1,676	\$48
Wright	\$6,411,465	\$268,480,841	154,594	\$1,737	\$41
Anoka	\$17,391,025	\$654,804,405	374,077	\$1,750	\$46
Dakota	\$18,453,092	\$861,720,568	454,304	\$1,897	\$41
Olmsted	\$6,647,581	\$332,715,591	166,424	\$1,999	\$40
Washington	\$9,261,126	\$586,718,071	285,550	\$2,055	\$32
Scott	\$5,676,232	\$335,968,022	157,576	\$2,132	\$36
Carver	\$3,994,877	\$253,976,504	114,201	\$2,224	\$35
Hennepin	\$10,232,214	\$2,936,079,776	1,304,748	\$2,250	\$8
Totals	\$108,652,479	\$7,852,217,378	4,036,847	\$1,945	\$27

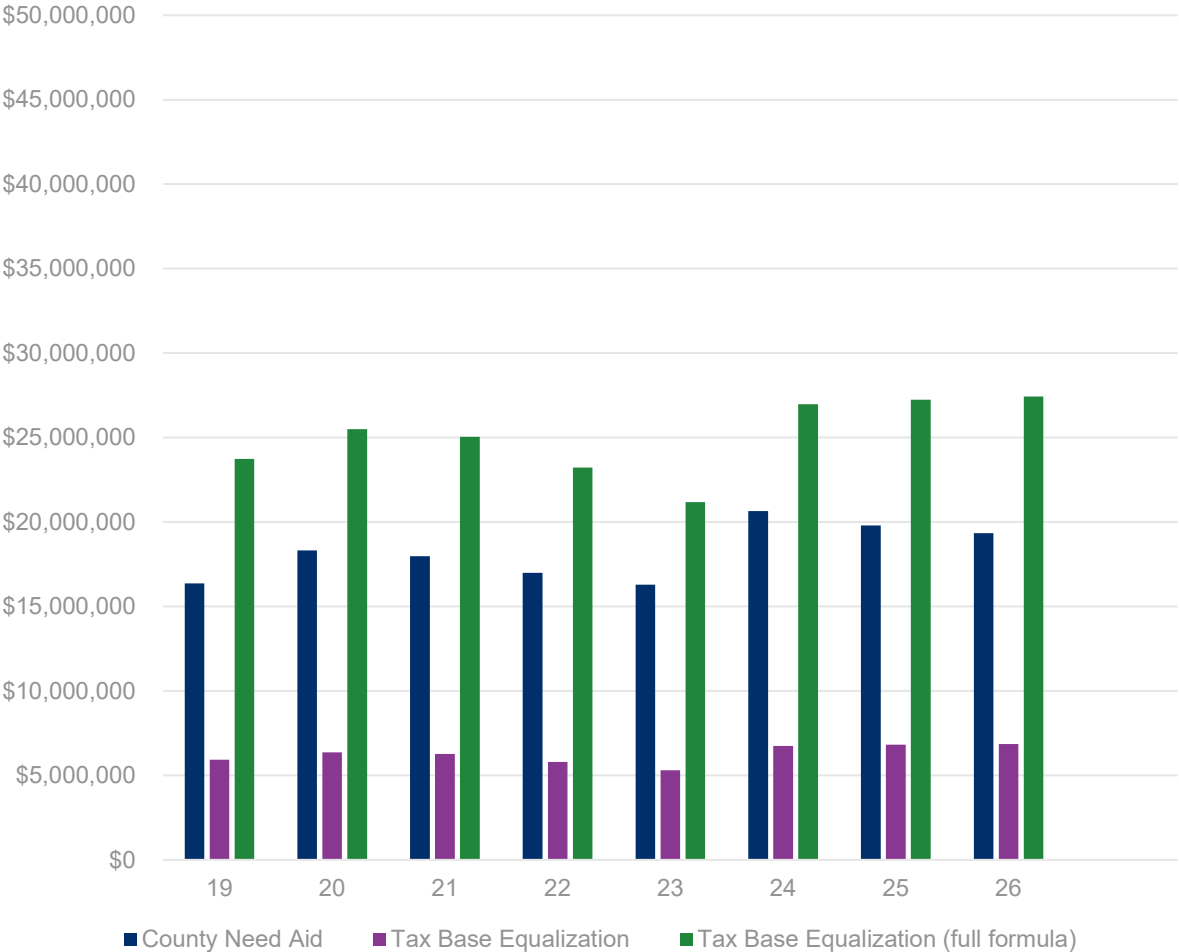
*MN Department of Revenue

**MN Department of Revenue

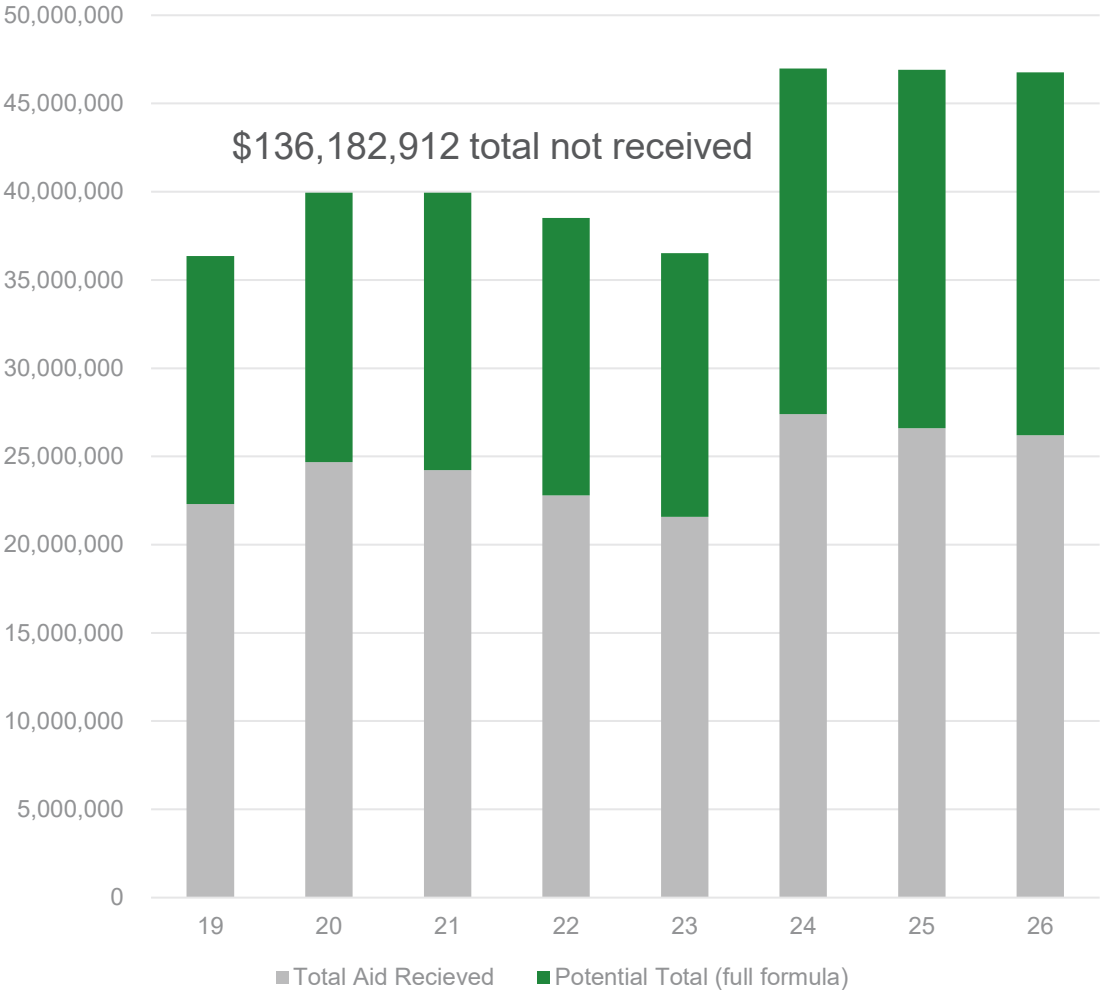
***MN State Demographer

Ramsey County Program Aid (CPA) Breakdown

Ramsey County CPA Amounts



Actual Vs Potential Total



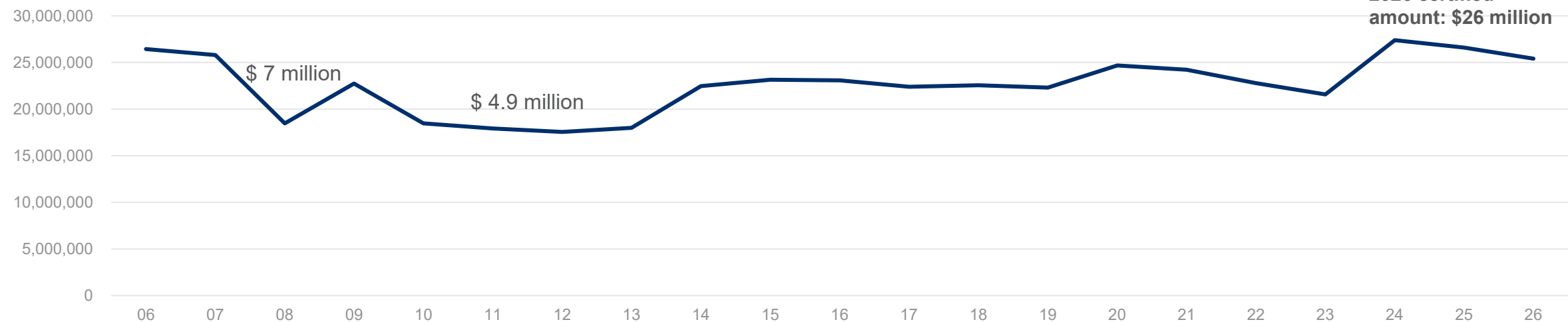
Overview and 2023 Legislative Proposal

Ramsey County seeks a change to the Tax Base Equalization portion of the County Program Aid formula.

- Not seeking to reduce aid to other counties.
- Proposing that Ramsey County be considered like other larger Minnesota counties, many of which have a higher per-capita adjusted net tax capacity than Ramsey County.
- Currently counties with populations over 500,000 people receive only 25% of the Tax Base Equalization Aid formula. Ramsey County proposes a phased approach,
 - for aids payable in fiscal year 2025, the factor determined in paragraph (b) shall be multiplied by a factor of ~~0.25~~ 0.50,
 - for aids payable in fiscal year 2026, the factor determined in paragraph (b) shall be multiplied by a factor of ~~0.25~~ 0.75,
 - for aids payable in fiscal year 2027 and beyond, the factor determined in paragraph (b) shall not be adjusted.

20 Year History of County Program Aid (CPA) Funding

Ramsey County Total CPA Adjusted for Inflation



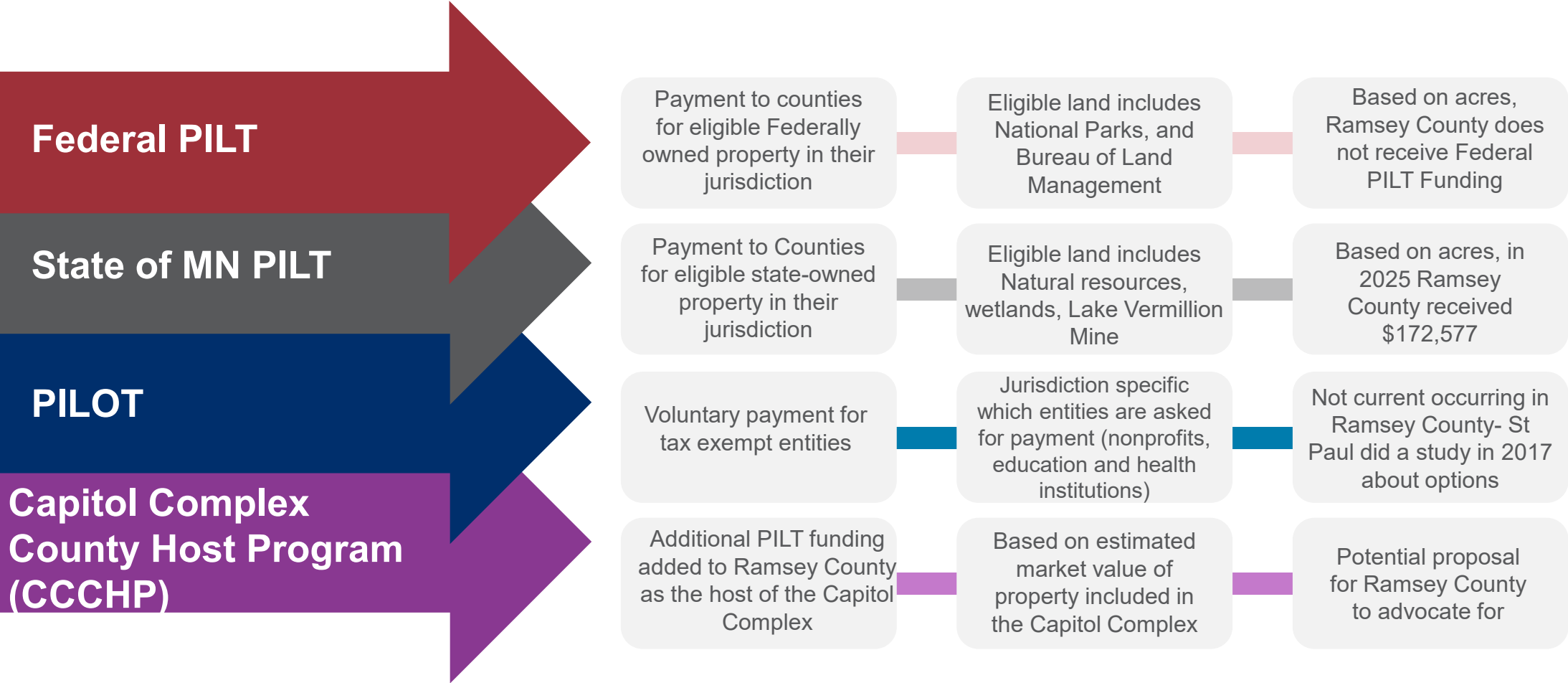
Minnesota Total CPA Adjusted for Inflation



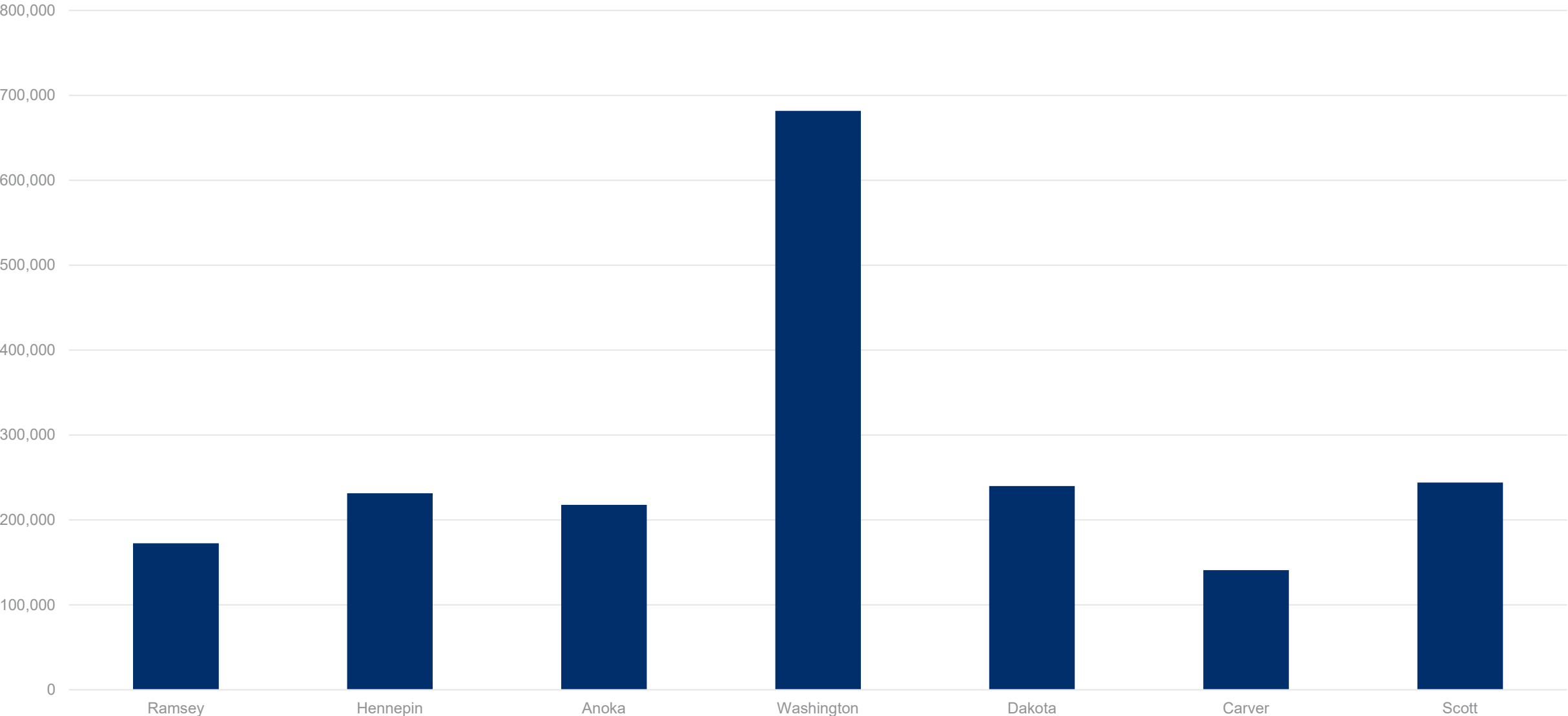


Payment in Lieu of Taxes (PILT)

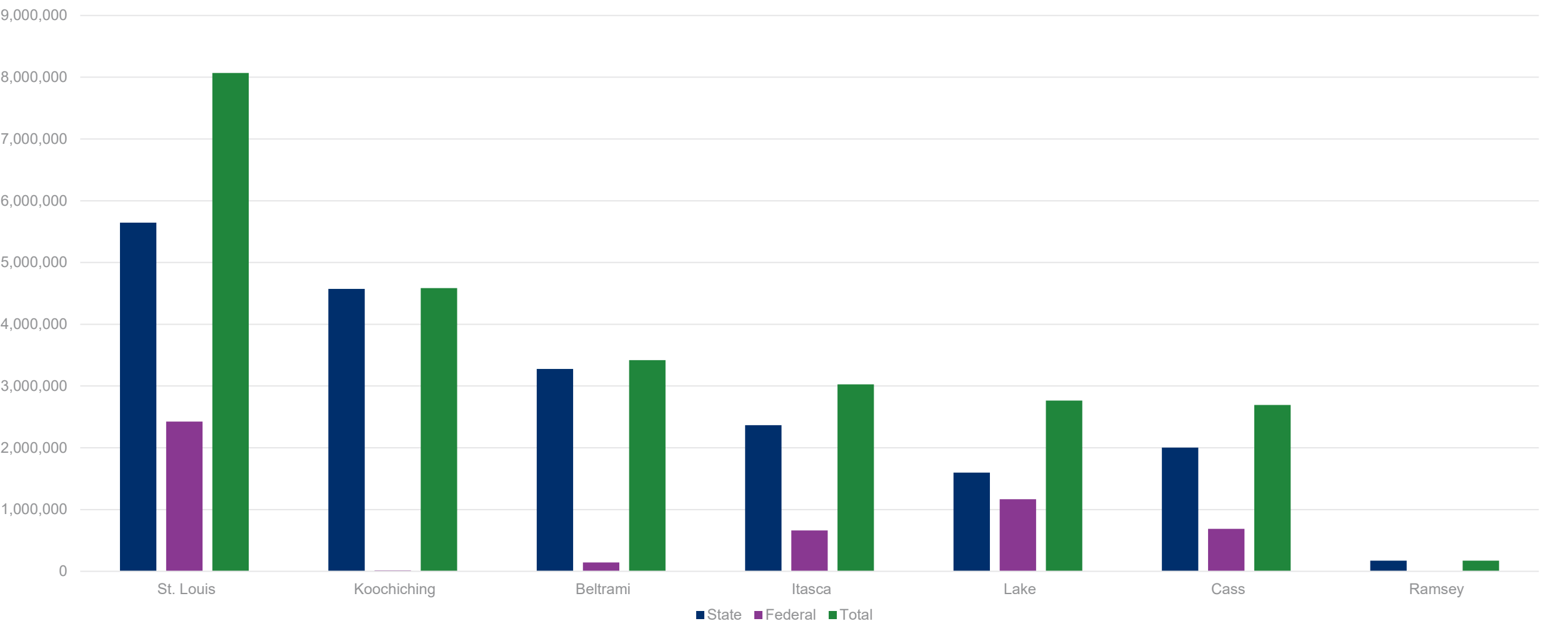
Payment in Lieu of Taxes (PILT) Overview



State of MN PILT- 7 County Metro



PILT Amounts for Top 5 MN Counties Compared to Ramsey County



Capitol Complex Tax Capacity Example

EMV x Class rate = Tax Capacity x rate = Payment

Four examples of possible calculations:

EMV	\$ 482,026,400	\$ 482,026,400	\$ 482,026,400	\$ 482,026,400
Class Rate	2.00%	1.50%	1.25%	1.00%
Tax Capacity	\$ 9,640,528	\$ 7,230,396	\$ 6,025,330	\$ 4,820,264
Tax Rate	146.49%	146.49%	146.49%	146.49%
Payment	\$ 14,122,409	\$ 10,591,807	\$ 8,826,506	\$ 7,061,205

Capitol Complex payment per square foot

Total Square Feet of space x rate = Payment

Four examples of possible calculations:

Square Footage	5,277,307	5,277,307	5,277,307	5,277,307
Rate	\$1.00	\$2.00	\$3.00	\$4.00
Payment	\$5,277,307	\$10,554,614	\$15,831,921	\$21,109,228

Legislative Options to Explore

Advocate for the Legislature to:

Change to CPA Tax Equalization Formula

Change the Tax Equalization Formula for Ramsey County to receive full amount.

County Program
Aid (CPA)

Create a Workgroup

Require the creation of a CPA workgroup to reimagine the CPA formula and share a recommended new formula by an agreed upon date prior to the 2027 legislative session.

A

B

C

D

Change to Existing PILT

Add Capital Complex to list of State of MN eligible property, and add a different formula not based off acres.

Payment in Lieu
of Taxes (PILT)

Create New Program

Create a new PILT adjacent program to specifically meet the needs of the Capitol Complex County Host.



Next Steps and Discussion