



Join  
**MSRPO**  
Now!

## *Greetings Seasonal Property Owners:*

### **MSRPO ANNUAL MEETING**

**Wednesday October 15, 2008**

**7:00 to 9:00 PM at the [Ramada Mall of America](#)**

**Speakers: Senate Tax Chair Tom Bakk and MSRPO Member Frank Heers**

**Senator Bakk** will be able to provide inside information on MSRPO's efforts last session, and provide comment on our 2009 legislative Agenda. He will also be available for questions. This is a great opportunity to speak directly with the most important decision maker, outside of the Governor's office, regarding Minnesota's Property tax Code.

**MSRPO Member Frank Heers** — An attorney who specializes in legacy issues. Cabins are where family happens — we know this to be true. And because these places, unlike homes, move from generation to generation, Legacy issues are a very important. Frank Heers has a family place in southern Minnesota, and has specialized in "Cabin Trusts" for 25 years. He will be able to address the many concerns we all have — the tax implications of passing these properties down to the next generation, family dynamics, income requirements and so forth. As we all know, this transition from one generation to the next is complicated, both emotionally and legally, and Mr. Heers' presentation will help demystify the process for us all.

Mark your calendar and plan on attending for what will be a very interesting evening.

Last week, I received a notice of Excess School Operating Levy. The State's last budget forecast, made before the recent economic crisis, was \$2 billion. We can expect the final number to be much higher than that. As a result, local taxing districts will be levying during this coming election. In Saint Louis County, this newest levy, if passed, would result in a tax increase of about \$400 on my property, *except that Seasonal* is exempt from Excess School Operating levies. This is good news, in what may well be another record breaking levy year. The next time someone asks you what MSRPO has done for you lately, look at the levy notice you recently received, and quote an exact dollar amount.

In Minnesota, there are over 200 taxing districts in which Seasonal property makes up more than 50 percent of the tax base. These districts are having an increasing hard time getting their levies passed, particularly in these areas. [This article](#) shows how

[Click here](#) to sign up  
for our mailing list

these School levies are increasingly being used to fund other services as well.

In 2009, Limited Market Value (LMV) will expire. LMV has capped the amount a property's taxable value can increase from one year to the next, thus providing some protection from very hot real estate markets. It began to phase out in 2001, but MSRPO has been able to extend it to 2009. Still, looking at your tax bill, you will see two values listed, the Limited or Taxable market Value, and the straight Assessed Market Value. In 2009, you will be taxed on the full market value of your property. Many owners could see their tax bill double or triple in a single year.

Legislators claim that LMV shifts tax burden from valuable property to property that is not increasing in value as quickly. This problem is not limited to Minnesota, and recently a think tank took on the issue. [Here is an abstract of the report](#) from the Lincoln Land Institute.

MSRPO will push [Limited Market Value](#) this session unless a legislator steps forward with a plan to extend to Seasonal Property the same Circuit Breaker or Targeted Tax Relief protection homesteaded property currently enjoys. But both of these require a refund from the state, which is a tough sell in a year of massive budget deficits. Extending LMV, however, is revenue neutral. The taxable value is simply limited, and so the money is not collected — a revenue neutral solution. Expect this struggle to be the central focus of MSRPO's work next session. The [enclosed report](#) from the Lincoln Land Institute makes some compelling arguments for both sides of the issue and will help you to understand the issue more fully.

See you next week in Bloomington.

Sincerely,

**Error! Hyperlink reference not valid.**



Jeff Forester  
Executive Director  
MSRPO Coalition  
(952) 854.1317  
[jeff@msrpo.org](mailto:jeff@msrpo.org)

Not a member of MSRPO? [Click here](#) to join our mailing list. Together, we can protect the family lake place from confiscatory property taxes.