



SHAKOPEE

July 7, 2020

U.S. Department of the Interior
Bureau of Indian Affairs
Midwest Regional Office, Norman Pointe II
5600 West American Blvd., Suite 500
Bloomington, MN 55437

**Re: Division of Fee to Trust Hinjhanjaga
Notice of (Non-Gaming) Land Trust Acquisition Application by Shakopee
Mdewakanton Sioux Community for Scott County, Minnesota**

In response to the Bureau of Indian Affairs' (BIA) letter of June 9, 2020, the City of Shakopee, Minnesota (City) hereby provides comment regarding the Shakopee Mdewakanton Sioux Community's (SMSC) application to have the below listed parcels actually located in the City accepted "in trust" by the United States of America:

- PID 279230015, 2326 Pike Lake Road, Shakopee MN
- PID 279240021, 7979 Martindale Drive, Shakopee, MN
- PID 279150021
- PID 279230010
- PID 279240033 2560 Muhlenhardt Road, Shakopee, MN
- PID 279230014 2318 Pike Lake Road, Shakopee, MN
- PID 279230013 2318 Pike Lake Road, Shakopee, MN
- PID 279240030, 2450 Muhlenhardt Road, Shakopee, MN
- PID 271300010, 8029 Martindale Drive E, Prior Lake, MN
- PID 271300022
- PID 271300021, 8075 Martindale Drive E, Prior Lake, MN

The City provides the following requested information with respect to the eleven parcels in question:

1. If known, the annual amount of property taxes currently levied on the subject property allocated to your organization:

- The 2020 taxes allocated to the City are as follows:

Parcel #279290141 - \$1,200.32
Parcel #279240021 - \$1,294.06
Parcel #279150021 - \$11,389.06
Parcel #279230010 - \$5,081.12
Parcel #279240033 - \$1,130.68
Parcel #279230014 - \$1,605.17
Parcel #279230013 - \$33.97
Parcel #279240030 - \$4,519.01
Parcel #271300010 - \$3,032.70
Parcel #271300022 - \$424.56
Parcel #271300021 - \$1,159.55

Total 2020 taxes allocated to Shakopee - \$30,870.20

2. Any special assessments, and amounts thereof, that are currently assessed against the property in support of your organizations:
 - None.
3. Any governmental services that are currently provided to the property by your organization:
 - None, but the City of Shakopee would provide police and fire services as needed.
4. If subject to zoning, how the intended use is consistent or inconsistent with the zoning:
 - The proposed use is consistent with current City of Shakopee zoning.

Previously, the BIA has stated in regard to placing land in trust that, *"Simply removing a property from the tax rolls does not automatically increase the millage rate on other properties within the taxing jurisdiction; action is required by the local government. The burden of demonstrating an adverse financial impact lies with the local government."* [Thurston County, Nebraska v. Great Plains Regional Director, BIA, 56 IBIA 296 at 312 (2013)]. However, this response is not appropriate to applications within Minnesota; as Minnesota does not have a millage rate system.

Removal of this property from the tax rolls will have an automatic impact upon Shakopee taxpayers for the following reasons:

1. Minnesota has a unique property taxing system. Property taxes are calculated based upon the total tax capacity within the taxing jurisdiction – **not through a legislatively established millage rate.**
2. The property tax rate is calculated by dividing the dollar amount levied by the total tax capacity.
3. The tax capacity is established via the taxable market value.
4. Under Minnesota's property tax system action **is not** required by the local government; simply removing the properties from the tax rolls **will automatically spread the tax burden to the other taxpayers within the County**; by reducing the taxable market value and tax capacity; thereby increasing the tax rate calculation.

If you require any additional information, please do not hesitate to contact Mr. William Reynolds, City Administrator.

Sincerely,

William P. Mars
Mayor

cc:
Chairman Keith B. Anderson
Shakopee Mdewakanton Sioux Community
2330 Sioux Trail NW
Prior Lake, MN 55372

Chairman Dave Beer
Scott County Board
200 Fourth Ave W
Shakopee, MN 55379

