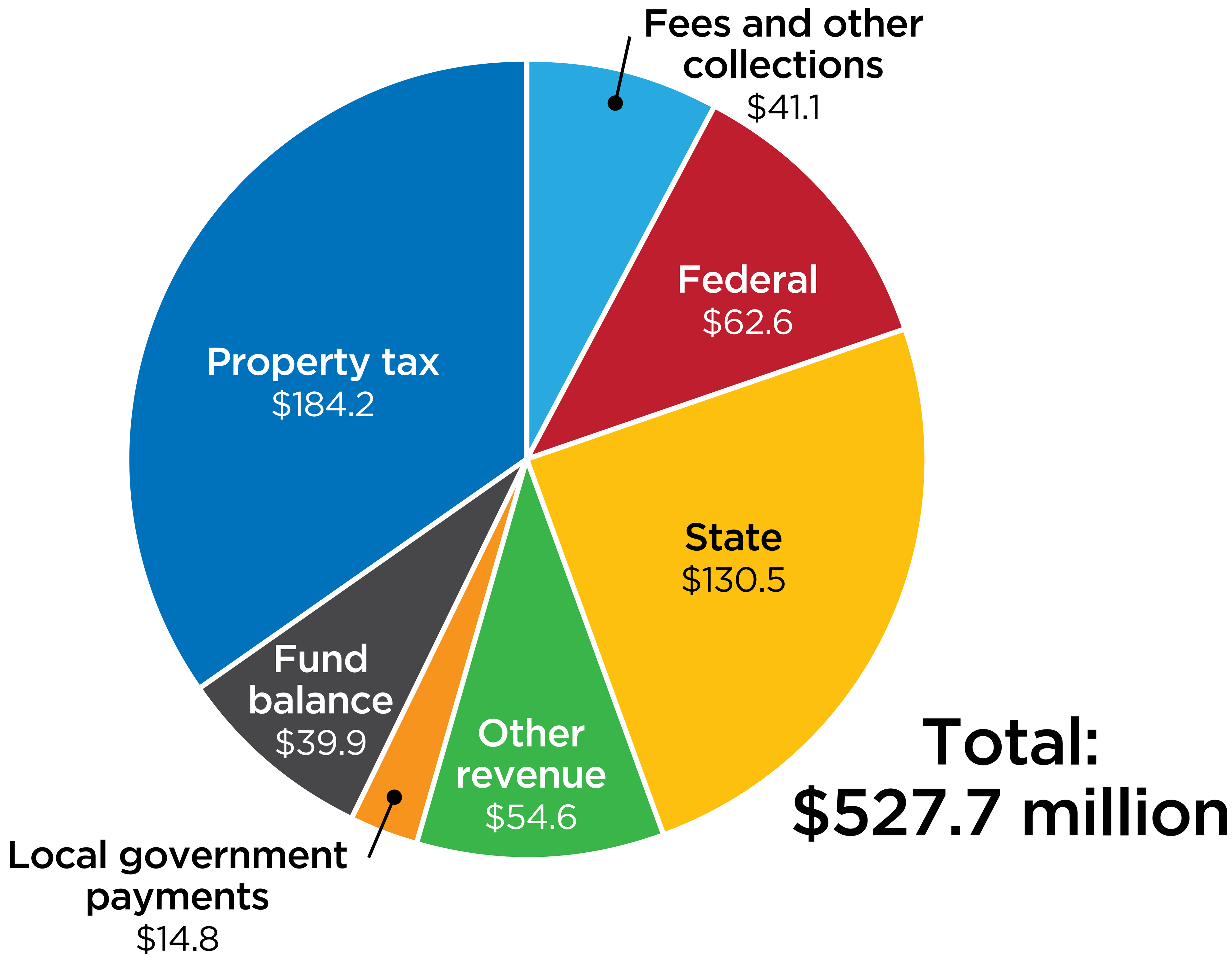
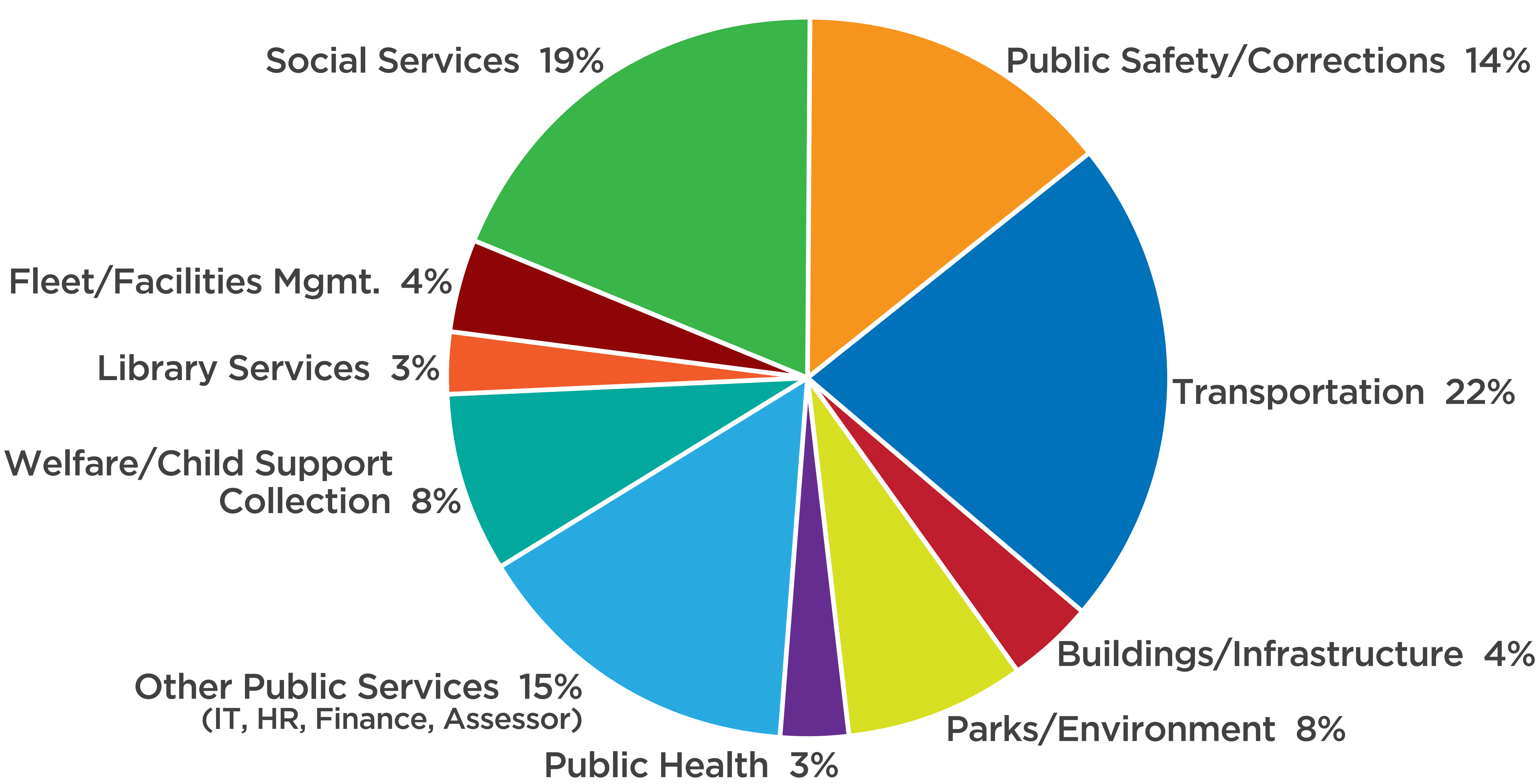
Budget and Property Tax
Open House

2026 Adopted budget

Funding sources



Expenses by area



Dakota COUNTY

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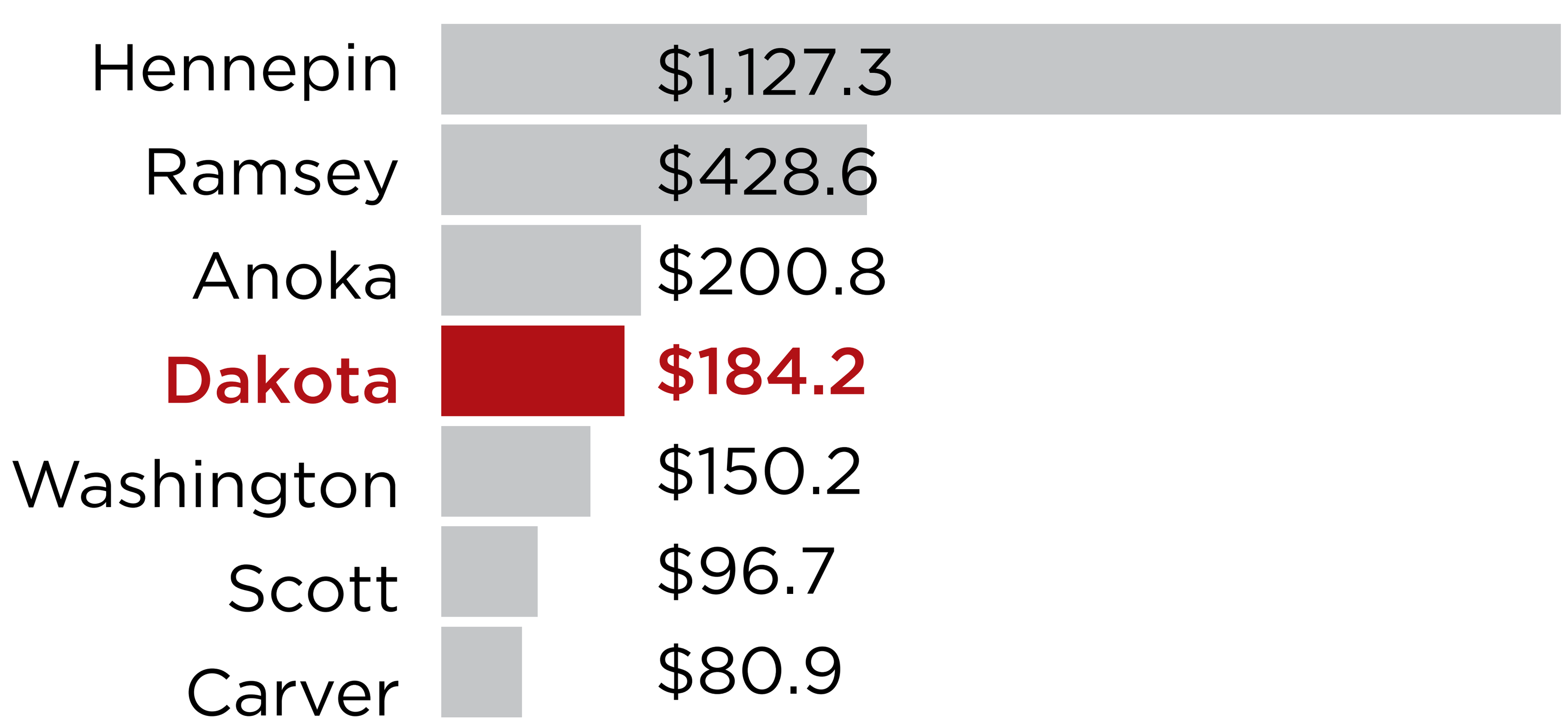
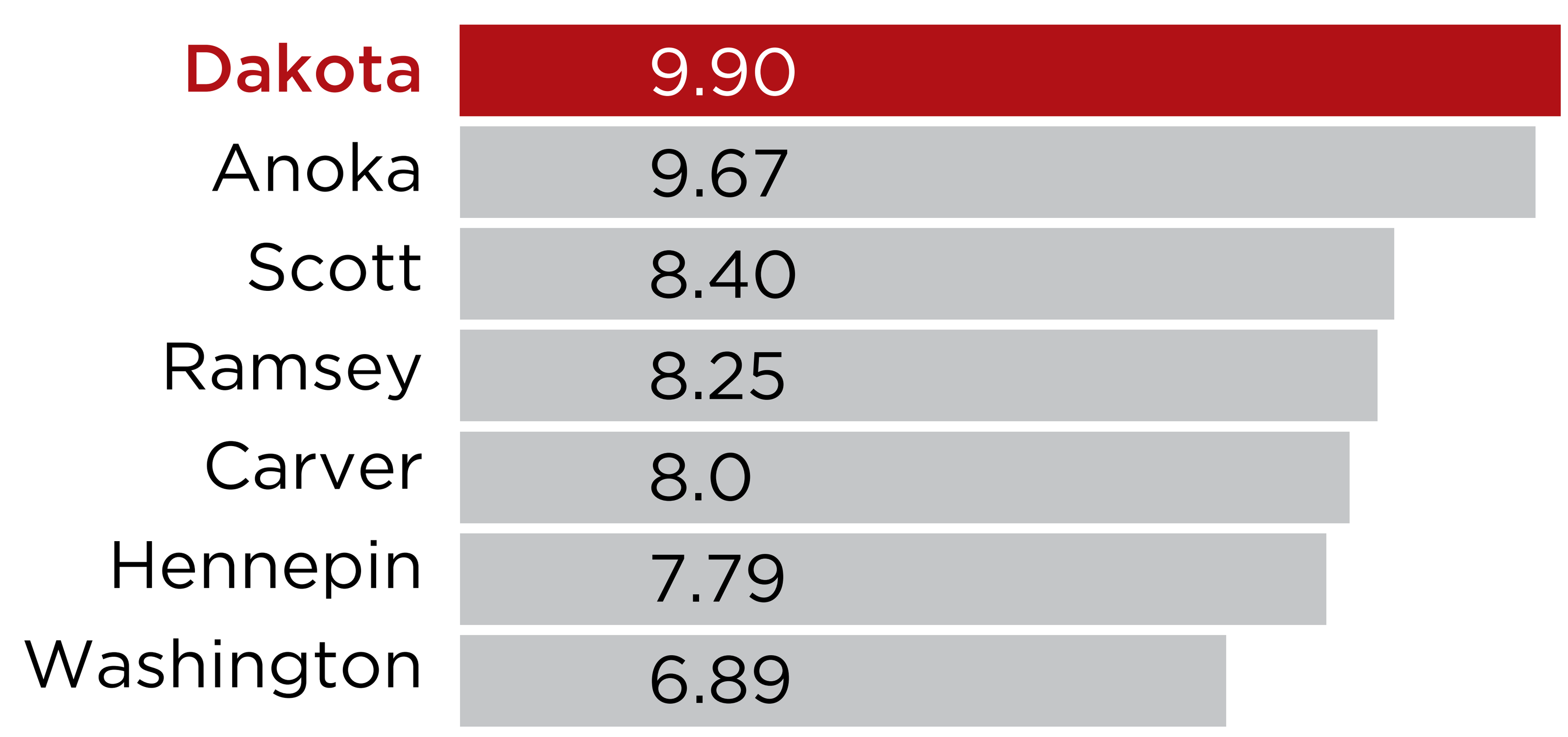
Metro County Comparisons
2026 Approved Levies

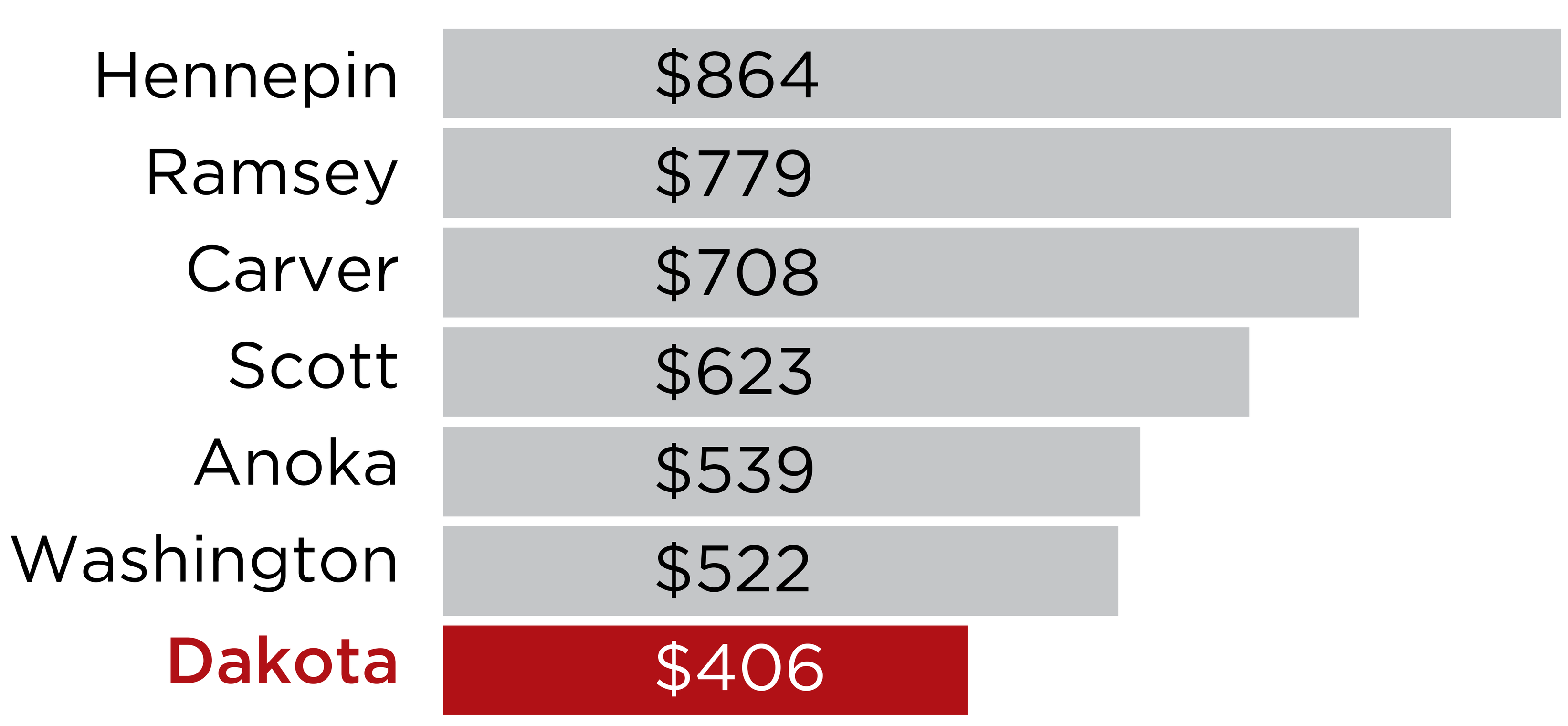
Total Levy (millions)



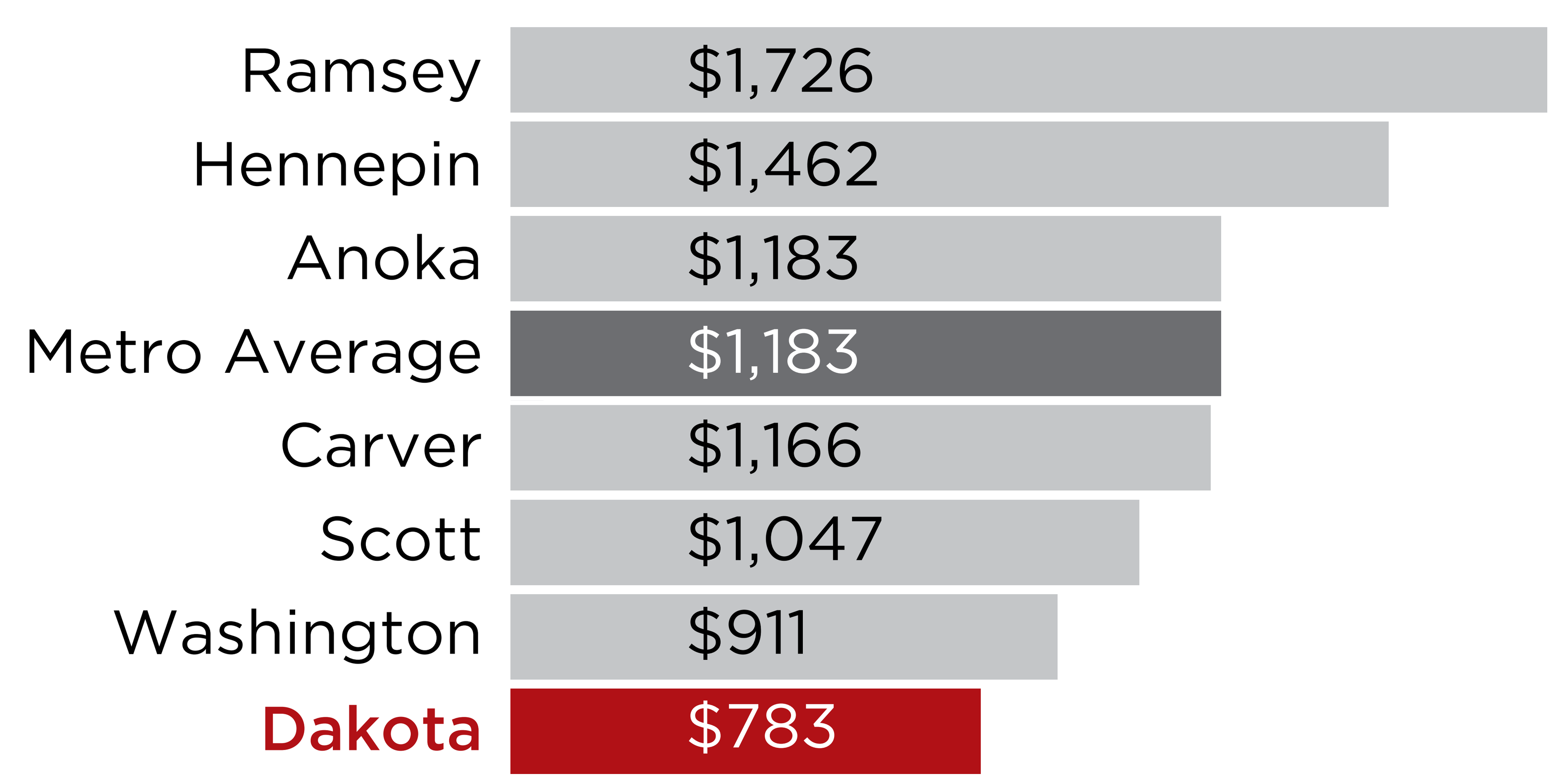
Levy Increase (%)



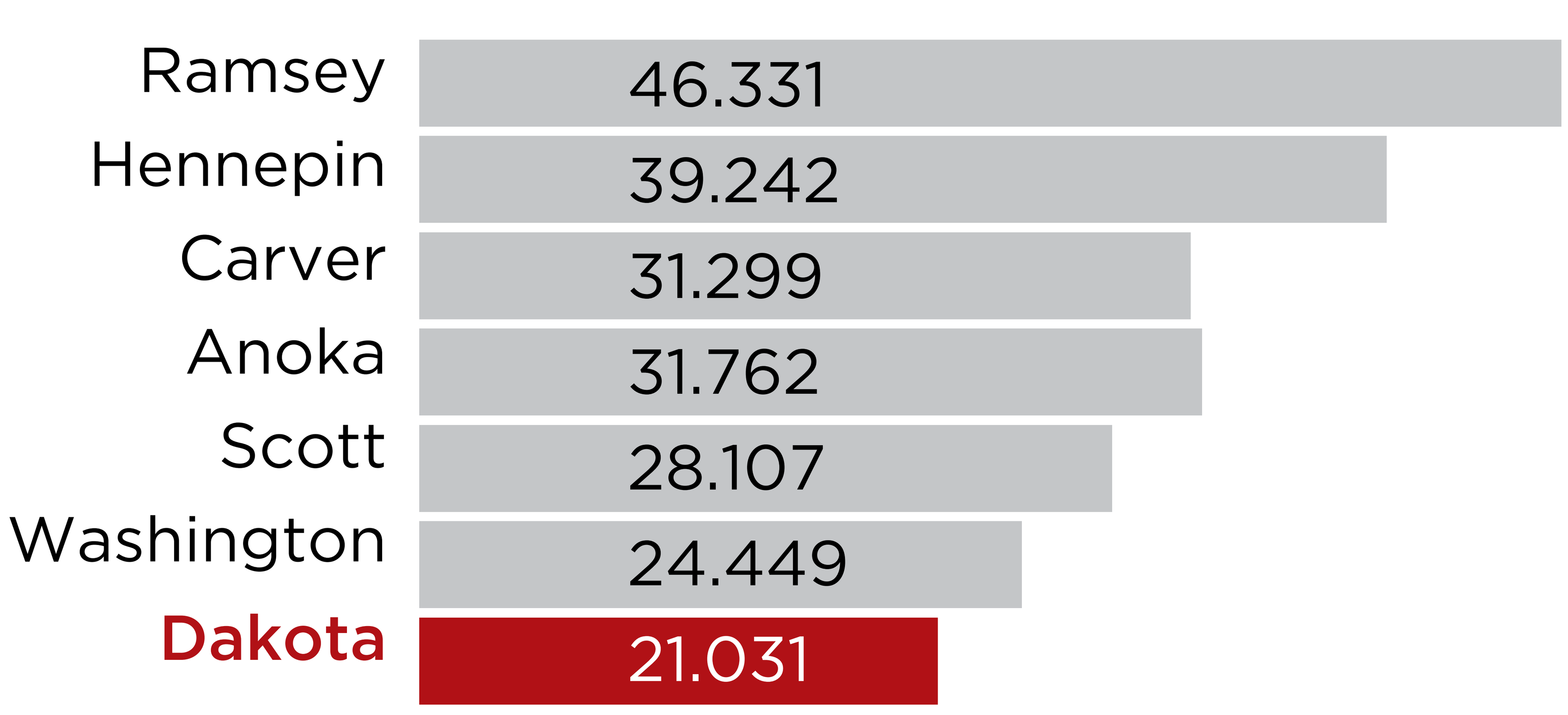
Levy Per Capita



Tax on Median Home



Levy Tax Capacity Rates (%)



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Dakota County

Where property tax dollars go in Dakota County

Townships
$5.2 million
1%

County
$184.2 million
17%

School districts
$469.8 million
43%

Cities
$389.9 million
36%

Special districts
$33.5 million
3%

*Figures are for adopted 2026 levies

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Cumulative Levy Increase (%)
2005–2026

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Annual Levy Increase (%)

2002–present

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Dakota COUNTY

Millions in cost shifts hit counties

The state and federal governments have recently shifted millions of dollars in new costs onto counties.

Dakota County will pay an additional $10 million in 2027 to help people with disabilities live on their own, provide food support to families in crisis, verify that people qualify for certain benefits and more. These cost shifts do not expand county services. They require local taxpayers pay a larger share of existing mandates.

Those state and federal shifts add $7 million in expenses for Dakota County next year. Counties weren't planning for these shifted costs, and there are few ways to pay for them.

Plus, growing costs in four state-mandated programs alone will cost Dakota County property taxpayers another $3 million next year.

New mandates and cost shifts in 2027

Program	Levy change
African American Family Preservation and Child Welfare Act	$653,368
Medical Assistance: Return to 6-month Recertification	$717,803
Supplemental Nutritional Assistance Program (SNAP) Admin. Cost	$1,605,710
SNAP Benefit Share	$1,470,000
Long Term Supports and Services Shift	$2,600,000
Community Corrections Act Funding Cut	$296,073
Total	**$7,402,954**

State-mandated service cost increases in 2027

Program	Levy Change
District Court - Court Appointed Attorneys	$650,000
Regional Treatment Center Costs	$1,500,000
Out-of-Home Placement	$185,282
Social Services Allocations/Grant Reductions	$700,000
Total	**$3,035,282**

Budget and Property Tax
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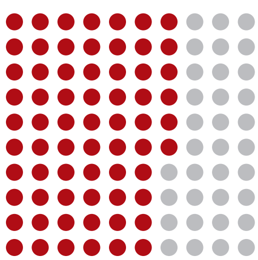
State mandates drive county services and costs

The State of Minnesota requires Dakota County to provide 108 services. Those mandated services help people in crisis, provide economic resources for low-income residents and protect vulnerable children and adults. We also offer public health services to residents of all ages, manage secure and accurate elections, collect taxes for other local governments and keep our communities safe.

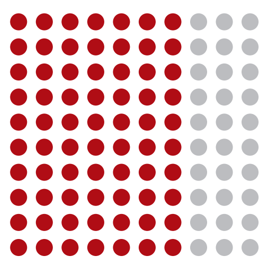
Providing high-quality essential services and other popular programs makes Dakota County a premier place to live and work — but it costs money.

The state does not provide enough funding to cover county costs for mandated services. That leaves counties with few options. We could cut services and amenities that residents value and use those funds to cover mandated services or levy additional property taxes — or both.

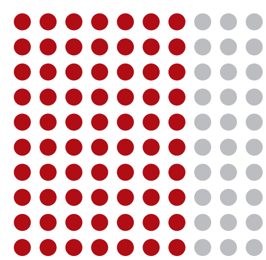
Counties have asked the state for many years to drop unfunded mandates, but instead they continue to grow. That has forced counties to raise property taxes — even as residents pay more for everything from groceries to other basic living expenses.



66 cents of every property tax dollar pay for mandated services.



70 percent of the county's total operating budget funds state-mandated services.

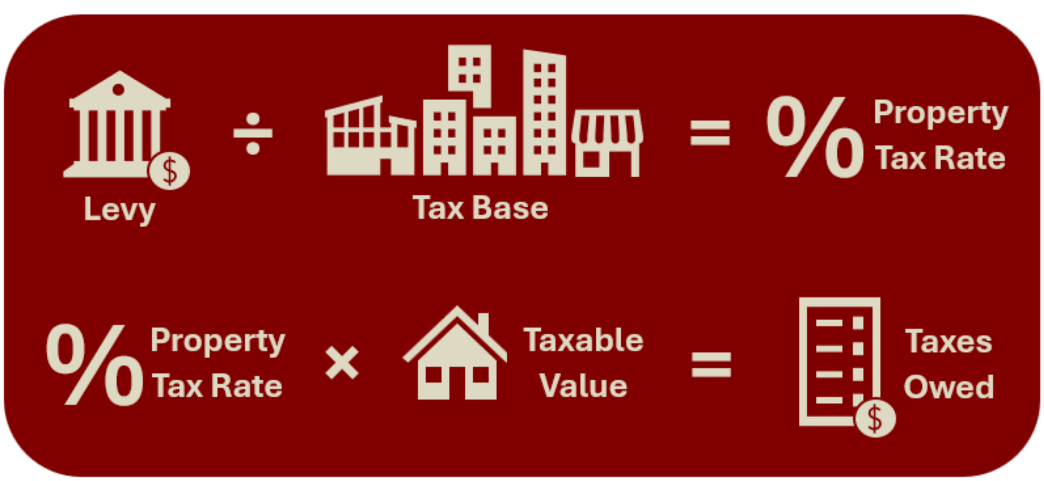


1,540 of the county's 2,200 employees provide state-mandated services.

How property taxes are determined

The basic idea of property taxes is simple. Taxing districts determine how much money they need to operate, and the taxes you owe is your share of that amount. It's a three-step process:

1. Each taxing district sets its levy.
2. The tax rate is determined by spreading the levy over the tax base.
3. Your tax bill is equal to the property's taxable value multiplied by the total tax rate for your location.



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Dakota COUNTY

Potential 2027 Levy Scenarios

The following 2027 levy scenarios were presented to the Dakota County Board of Commissioners Aug. 4 for consideration.

The board must set a maximum levy amount by Sept. 22. A final county budget and property tax levy will be approved Dec. 15.

SCENARIO 1A 21.2%	SCENARIO 2 18.7% (County Manager Recommendation)	SCENARIO 3A 16.3%
Impact on Median Home **+$167/yr**	Impact on Median Home **+$145/yr**	Impact on Median Home **+$123/yr**
Expenditure Reductions **$5.4M**	Expenditure Reductions **$10.0M**	Expenditure Reductions **$14.5 M**
Net FTE Reductions **~10**	Net FTE Reductions **~23**	Net FTE Reductions **~53**