

Tax, continued from page 1

overtaxed by \$15 million to \$20 million in that same period.

Enbridge is the top taxpayer in the county and Gassert has calculated the impact of the first Enbridge ruling at about \$750,000. The impact in three townships alone is about \$115,000 total: 40 percent in Silver Brook, 20 percent in Twin Lakes and 30 percent in Perch Lake. These townships rely on Enbridge taxes for their budgets, more than half in Silver Brook.

School districts are also responsible for \$275,000 in payback to Enbridge.

Gassert said that Enbridge paid more than \$4.7 million in taxes in Carlton County in 2016. It compares to Minnesota Power at \$3.13 million and Northern Natural Gas at \$1.14 million. Sappi in Cloquet paid about \$2.37 million in 2016.

Enbridge is largest pipeline operator in North America with six pipelines that move about 2.5 million barrels of oil per day from Canada to its terminal in Superior.

Holmes said about half of the utility cases affecting Carlton County have been decided and paid out through the multi-layered property tax system. Some of that may go unnoticed but Enbridge won't, he said.

"We are beginning to see that this is going to be a very significant problem that could cost the taxpayers of Carlton County significantly in the near future," Holmes wrote in an update on the tax crisis in November. "As I have feared, our worst-case scenario on these cases is starting to come true."

Impacts go deep

Holmes pointed out the insidious nature of the payments. While Carlton County could cover the Enbridge costs by tapping its reserve budget, that could cause a downgrade in the county's bond

rating. That would mean less-favorable terms when borrowing money for projects like the proposed new county jail.

The looming paybacks are also affecting the Wrenshall school district, which has seen two increased levy votes fail in the past year. Taxpayers are in no mood to voluntarily increase their burden.

"It's been difficult," Wrenshall Superintendent Kimberly Belcastro said. She said the district has been "hostage" to the tax increases. The district is meeting with Enbridge representatives soon. Becastro said she wasn't sure what the company will discuss.

In May, Enbridge released a statement saying it "recognizes counties are caught in the middle of this state-initiated tax dispute. We do not want to cause any hardship on them and are committed to work with each county if needed at the appropriate time."

Who is responsible?

Rep. Mike Sundin proposed a bill in the last legislative session calling on the state to remedy the problem it caused. The bill didn't go far, Sundin said. He will bring it up again next session.

The bill "allows a taxpayer to collect a refund directly from the commissioner of revenue, if the property subject to the reduced valuation determined by the court was assessed by the state (utilities and railroads). This bill also appropriates an amount sufficient to pay the refunds from the state general fund."

Sundin said that metro-rural gap of understanding may have played a part. Counties are "staring at the barrel of a gun," he said, and "there's no apologies that will make things right."

Holmes said there is a slippery slope to consider with the notion that the state simply fix its problem by dipping into the



Kyle Holmes, left, and Paul Gassert pore over some Carlton County tax numbers recently at the courthouse in Carlton. As the assessor and auditor for the county, they are working on the massive repayments to utility companies after they were ruled in Minnesita Tax Court as overtaxed through state calculations the past decade. Photo by Mike Creger / Pine Knot News

budget. It would have to apply funds to every county, an amount it simply can't cover. "You can't pick winners and losers," he said.

Holmes said that despite the huge headache, he finds no fault in the taxpaying companies. If they were overtaxed, they deserve paybacks, he said.

"Enbridge is just like a regular taxpayer," he said. "I'm mad at the state of Minnesota."

Advocacy groups supporting assessors, auditors and state counties are all working on a statewide fix.

For silver linings, Holmes said the impact on Carlton County is "medium" compared to other pipeline counties with lower populations and less diversity in business property tax bases.

"We're lucky to have Enbridge," he said. "There have been benefits over the years."

Gassert said he wishes he could fast-forward a year in order to provide clearer answers to the question he gets all the time these days: "What's my impact?"

Your voice

The issue of utility property tax overvaluations isn't going away any time soon in Carlton County. The Pine Knot News plans to keep you informed with continuing stories on the problem.

Do you have a story to tell when it comes to the impact on your tax bill? Let us know and we will tell the story and find perspectives. Email news@pineknotnews.com or call (218) 878-9332.

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MLS# 6079357 - \$155,000 - 2443 Selmser Ave - Cloquet
 Nicely updated and maintained 3Bd 1Ba home with big yard & 2 car garage. new carpet and paint. Bathroom remodel this summer. Steel siding and much more! Appliances included with sale.
Agent, Adam Paulson 218-626-5913

MLS# 6079113 - \$135,900 - 3554 Bent Trout Lake Rd. - Barnum
 Peaceful country location! 3Bd, 1Ba rambler style home with 2 car garage. custom oak kitchen, Large walk-in closet, fireplace, large family room. Immaculate and ready for you to enjoy!! All new carpet and vinyl flooring throughout.
Agent, Deb Switzer 218-340-1968

MLS# 6077976 - \$229,000 - 408 Heather - Cloquet
 One owner 4 Bd 3Ba rambler with main floor laundry, NEW furnace. LL completely finished with large Rec room and workshop. Central air, large over sized yard with apple trees and 2 car garage.
Agent, Dianne Siltinen 218-380-3328

MLS# 6074933 - \$375,000 - 11474 HWY 8 - Floodwood
 One of a kind!! 91 beautiful acres with 1700ft shoreline on St. Louis river. 2BD, 2Ba home built in 2016. 42x60 pole building, 16x72 stable with lean-to, drilled and sand pit well, compliant septic, fenced pasture and man made pond. Apple trees, crab trees and deer stands. Call today and make your dreams come true.
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 Private and well built 1Bd 1Ba on 4.5 aced country lake home. Cozy open floor plan with many updates including new roof, window's, septic and flooring! Private lake with your own boat launch. Great fishing, hunting and boating!
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MLS# 6032708 - \$9500 - XXX Surrka Rd.
 10 beautiful acres of recreational land for hunting or wheeling. Located on a dead end road.

Dupuis wins Fond du Lac District 1 special election

Jana Peterson
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On Tuesday, Fond du Lac band members in District 1 (Cloquet) elected Wally Dupuis to represent them on the tribal council — a job he's held before.

Dupuis got 53.39 percent of the vote to 46.61 percent for Patty Petite in Tuesday's Special General Election.

"My message that I believe resonated with voters was that I had the past experience to be able to get into office and get right to work," said Dupuis, who previously served on the Reservation Business Committee (RBC) for two terms, or eight years. "I have the knowledge of all programs and enterprises, along with an open door policy."

The special election was held to fill the remaining two years of the RBC seat left vacant after Vanessa Northrup was removed in July. Dupuis and Petite advanced to the general election from a crowded field of 12 primary candidates in October.

Dupuis received a total of 260 votes, with 189 of those cast on election day and 70 via absentee ballot. Petite received 227 votes, 185 on election day and 42 via absentee ballot. The total number of ballots cast was 487.

Dupuis said his start date is not yet confirmed, but he is ready to hit the ground running.

"The first thing I will do is familiarize myself with the current projects that the FDL band have in the works," he told the Pine Knot News.

In his previous response to the Pine Knot candidate profile questions, Dupuis said

he is particularly concerned about the opioid epidemic that is sweeping across the entire country and the reservation. He also wants to be actively involved with the implementation of the Enbridge pipeline project, so that will be one of his first priorities. He praised the work the FDL tribal government has done in health care for band members and in natural resources.

Dupuis has more than 20 years experience in law enforcement and has more recently served as a community advocate representing the Fond du Lac band in both the St. Louis and Carlton County treatment courts.

During his last term on the RBC, Dupuis served as Chairman of the Band for seven months after Chair Karen Diver took a position in Washington D.C. and before the current Chair Kevin Dupuis was elected.