

## MINNESOTA REVENUE

To: MN County Assessors

Date: October 20, 2011

Subject: Ethanol Valuation Guide

From: Tom Reineke, PTCO2

Assessors,

Thank you for contributing data on existing ethanol facilities in your county. Of the 19 operating facilities located in 18 counties, data was received on 17 of the facilities. The range of assessed values is from \$0.06 to \$0.41 per gallon of rated output per facility. While this range seems high, the majority of the values fall between \$0.20 and \$0.30 per gallon. The Counties that have values in excess of \$0.30 per gallon are trending values downward for the 2012 assessment. Counties with values below \$0.20 per gallon should take steps towards equalizing values.

The Ethanol Valuation case study presented at the 2011 Summer Seminars, supported a value of \$0.30 per gallon of rated out-put on a newer ethanol facility that in addition to ethanol, produces distiller's dry grains (DDG), a bi-product of the ethanol process.

The plants in Minnesota were built between 1995 and 2008. The older facilities that are not set-up to process distiller dry grains should be valued towards the lower end of the range.

Overall, the values placed on ethanol facilities exhibit a high level of equalization. I have attached the spreadsheet that shows how individual ethanol facilities compare from one county to the next, the range of values, and how the value would change if all counties applied a uniform rate to various components of an operating facility.

This guide is meant to be used for equalization purposes and is not intended to establish a value for your specific facility.

If you have any questions, please feel free to contact me at your earliest convenience.

Thank you.

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