

What we do

Value

- Market Value
 - ✓ Land
 - ✓ Building
- Mass Appraisal

Market Value defined:

“the price that would tend to prevail under typical, normal competitive open market conditions.”

Mass Appraisal defined:

“the process of valuing a group of properties as of a given date using common data, standardized methods, and statistical testing.”

What we do

Classify

- According to use
- Classifications are defined in Minnesota Statutes

m DEPARTMENT OF REVENUE

Class Rate Table for Taxes Payable in 2021

Class	Description	Tiers	NTC Class Rate	Subject to R/V/Tax	Subject to State Tax
1a	Residential Homestead	First \$500,000	1.00%	Yes	No
1b	Homestead of Persons who are Blind/Disabled [classific as 1a or 2a]	Over \$500,000	1.25%	Yes	No
		\$50,000 - \$500,000	0.45%	Yes - 45%	No
		Over \$500,000	1.00%	Yes	No
1c	Homestead Resort	First \$600,000	0.50%	Yes - 50%	No
		\$600,001 - \$2,300,000	1.00%	Yes	No
		Over \$2,300,000	1.25%	Yes	Yes
1d	Housing for Seasonal Workers	First \$500,000	1.00%	Yes	No
		Over \$500,000	1.25%	Yes	No
2a	Agricultural Homestead House, Garage, 1 Acre (HGA)	First \$500,000	1.00%	Yes	No
		Over \$500,000	1.25%	Yes	No
2a/2b	Agricultural Homestead First Tier	First \$1,900,000	0.50%	No	No
2a/2b	Farm Entities Remaining First Tier	Unused First Tier	0.50%	No	No
2a/2b	Agricultural Nonhomestead or Excess First Tier		1.00%	No	No
2b	Rural Vacant Land		1.00%	No	No
2c	Managed Forest Land		0.65%	No	No
2d	Private Airport		1.00%	No	No
2e	Commercial Aggregate Deposit		1.00%	No	No
3a	Commercial/Industrial/Utility (not including utility machinery)	First \$100,000	1.50%	Yes	No
		\$100,001 - \$150,000	1.50%	Yes	Yes
		Over \$150,000	2.00%	Yes	Yes
	Electric Generation Public Utility Machinery		2.00%	Yes	No
	All Other Public Utility Machinery		2.00%	Yes	Yes
	Transmission Line Right-of-Way		2.00%	Yes	Yes
4a	Residential Nonhomestead 4+ Units		1.25%	Yes	No
4b(1)	Residential Nonhomestead 1-3 Units		1.25%	Yes	No
4b(2)	Unclassified Manufacture Home		1.25%	Yes	No
4b(3)	Agricultural Nonhomestead Residence (2-3 Units)		1.25%	Yes	No
4b(4)	Unimproved Residential Land		1.25%	Yes	No
4b(1)	Residential Nonhomestead Single Unit	First \$500,000	1.00%	Yes	No
		Over \$500,000	1.25%	Yes	No
4bb(2)	Agricultural Nonhomestead Single Unit (HGA)	First \$500,000	1.00%	Yes	No
		Over \$500,000	1.25%	Yes	No
4bb(3)	Condominium Storage Unit	First \$500,000	1.00%	Yes	No
		Over \$500,000	1.25%	Yes	No
4c(1)	Seasonal Residential Recreational Commercial (resort)	First \$500,000	1.00%	Yes	Yes
		Over \$500,000	1.25%	Yes	Yes
4c(2)	Qualifying Golf Course		1.25%	Yes	No
4c(3)(i)	Nonprofit Community Service Org. (non-revenue)		1.50%	Yes	No
	Congressionally Chartered Veterans Organizations (non-revenue)		1.00%	Yes	No
4c(3)(ii)	Nonprofit Community Service Org. (donations)		1.50%	Yes	Yes
	Congressionally Chartered Veterans Organizations (donations)		1.00%	Yes	Yes
4c(4)	Post-Secondary Student Housing		1.00%	No	No
4c(5)(i)	Manufactured Home Park		1.25%	Yes	No
4c(5)(ii)	Manufactured Home Park (>50% owner-occupied)		0.75%	Yes - 75%	No
4c(5)(iii)	Manufactured Home Park (50% or less owner occupied)		1.00%	Yes	No
4c(5)(iv)	Class I Manufacture Home Park		1.00%	Yes	No
4c(6)	Metro Nonprofit Recreational Property		1.25%	Yes	No
4c(7)	Certain Noncommercial Aircraft Hangars and Land (leased land)		1.50%	Yes	No
4c(8)	Certain Noncommercial Aircraft Hangars and Land (private land)		1.50%	Yes	No
4c(9)	Bed & Breakfast		1.25%	Yes	No
4c(10)	Seasonal Restaurant on a Lake		1.25%	Yes	No
4c(11)	Marina	First \$500,000	1.00%	Yes	No
		Over \$500,000	1.25%	Yes	No
4c(12)	Seasonal Residential Recreational Noncommercial	First \$76,000	1.00%	No	Yes - 0.40%
		\$76,001 - \$500,000	1.00%	No	Yes - 1.00%
		Over \$500,000	1.25%	No	Yes - 1.25%
4d	Low Income Rental Housing (Per Unit)	First \$162,000	0.75%	Yes - 75%	No
		Over \$162,000	0.25%	Yes - 25%	No
5(1)	Unmined Iron Ore and Low-Grade Iron-Bearing Formations		2.00%	Yes	Yes
5(2)	All Other Property		2.00%	Yes	No

How we do it

Statutes

- > 80 commonly used statutes
- Most are in M.S. 272-274

Rules/Policies

- Minnesota Department of Revenue
- State Board of Assessors

Standards

- IAAO
- USPAP – Mass Appraisal

ASSESSMENT CYCLE

**Annual Assessment:
Value and Classify
Property**

**Administer
Appeals
Process**

**Statutory Quintile
Inspections**

**Value
Permitted
Work/
Improvements**



Annual Assessment: Value and Classify

- January 2 Assessment Date
- Real and Personal Property
- Sales Study period
 - Sales between **October 1, 2019 – September 30, 2020** used to determine **January 2, 2021** value

Annual Assessment: Value and Classify

Assessment Date
January 2, 2021



Sales Study Period
October 2019 – September 2020

Taxes Due
(first half)
May 15, 2022

Annual Assessment: Value and Classify

- Sales Study period, continued
 - Sales Ratio = Estimated Market Value / Sale Price

EXAMPLE:

Assessor's EMV = \$270,000

Sale Price = \$300,000

$\$270,000 / \$300,000 = 90.0\%$

- Sales Ratio standard = 90 – 105%

Annual Assessment: Value and Classify

- Computer Aided Mass Appraisal (CAMA)
- Classify property according to use
- Notices of Valuation and Classification mailed between January and March

Administer Appeals Process

- Informal Appeals
- Local Board of Appeal and Equalization
- County Board of Appeal and Equalization
- Tax Court

Statutory Quintile Inspections

- Physically inspect property
- Every five (5) years
- Typical process: notify, inspection, photo, sketch and document characteristics (condition, age, dimensions and amenities)

Value Permitted Work/Improvements

- Physical changes: additions, remodels, new construction
- Improvements are allocated separately from market changes

Year round processes and tasks

- Tax Court negotiations and litigation
- Sales processing and verification
- Homestead and other special program administration
 - Homestead
 - Relative Homestead
 - Ag Homestead
 - Blind/Disabled
 - Disabled Veteran's Exclusion
 - Platted Law
 - Green Acres
 - Rural Preserve
 - Open Space
 - 2C Managed Forest

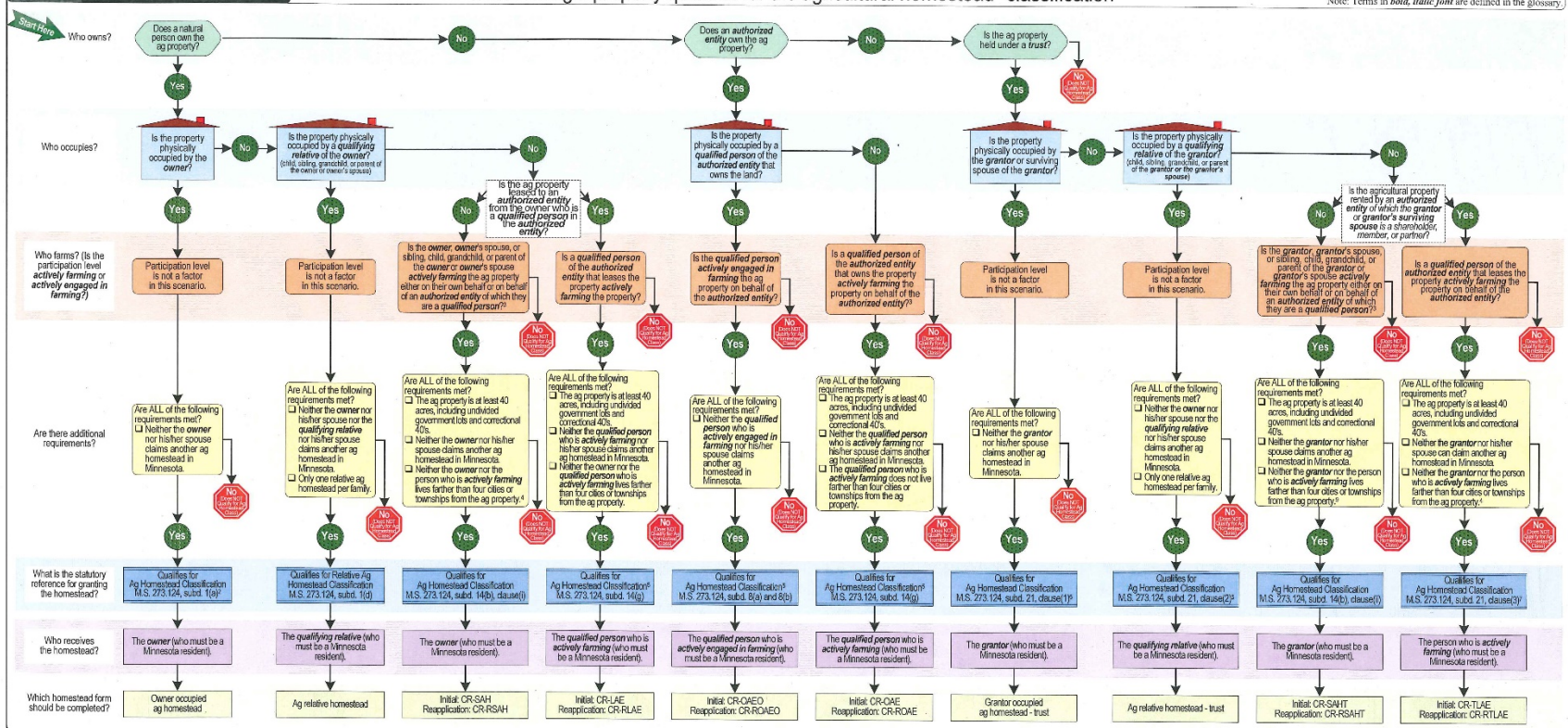
Ag Homestead Flow Chart

MINNESOTA • REVENUE

2011 Revisions

Determining if property qualifies for the agricultural homestead¹ classification

Note: Terms in **bold**, *italic font* are defined in the glossary.



Footnotes

- The property must first properly qualify as agricultural pursuant to M.S. 273.13, subd. 23.
- If the entire property including the HGA is leased, the property must meet the requirements of M.S. 273.124, subd. 8(c) to qualify as an owner occupied ag homestead.
- In some cases, the Farm Service Agency number may be in an *authorized entity's* name when the person *actively farming* is doing so on behalf of the *authorized entity*.

- If the *owner* or the *owner's* spouse (or *grantor* or *grantor's* spouse) is required by their employer to live in employer-provided housing, the *owner* or *owner's* spouse, who is *actively farming* the agricultural property, may live more than four townships or cities, or combination of four townships or cities from the agricultural property.
- This is limited to *authorized entities* with 12 or fewer members, shareholders or partners.
- If the entire property including the HGA is leased, the property must qualify under M.S. 273.124, subd. 21, clause (3) to qualify as an owner occupied ag homestead.

Note: Terms in **bold**, *italic font* are defined in the glossary.

This statute was amended by Laws 2005, Chapter 151, Article 5, Section 21. Previously, this provision required a *qualified person* of the *authorized entity* to occupy the property and *actively farm* it on behalf of the *authorized entity* to receive homestead (the qualified person did not have to be the *grantor*, spouse of the *grantor* or son or daughter of the *grantor*). Those receiving homestead under this provision for taxes payable in 2005, but no longer qualify due to the 2005 law change, may continue to receive homestead as long as the requirements of this clause as it existed for taxes payable in 2005 are met.

Glossary

actively engaged in farming - participation on the farm on a regular and substantial basis. The person who is actively engaged in farming must be a Minnesota resident.

authorized entity - can be a *family farm corporation*, *joint family farm venture*, *limited liability company*, or *partnership* operating a *family farm* (M.S. 273.124, subdivision 8(a)). This is limited to authorized entities with 12 or fewer members, shareholders or partners. The following entities would be eligible for homestead treatment: *authorized farm limited liability company* (operating a *family farm*); *authorized family partnership* (operating a *family farm*); *family farm partnership* (operating a *family farm*); *family farm corporation*; *family farm limited liability company* (operating a *family farm*); *family farm partnership* (operating a *family farm*).

Note: Terms used in the flow chart are defined below. See the full glossary in the agricultural bulletin for definitions of **bold**, *italic* words listed below.

grantor - is defined as the person creating or establishing a testamentary, *inter vivos*, *revocable* or *irrevocable trust* by written instrument, through the exercise of a power of appointment (M.S. 273.124, subdivision 21). For property that is held under a trust to receive an agricultural homestead, the grantor must be a Minnesota resident, and neither the grantor nor the spouse of the grantor can claim another agricultural homestead.

owner - is defined as an individual person or multiple people who own the property (i.e. not owned by a business or entity). To receive an agricultural homestead, the owner must be a Minnesota resident, and neither the owner nor the spouse of the owner can claim another agricultural homestead.

qualified relative or surviving relative - must be a Minnesota resident. For agricultural property a qualified relative can be a child, sibling, grandchild or parent of the owner or grantor of the property or a child, sibling or grandchild of the spouse of the owner or grantor of the agricultural property (M.S. 273.124, subdivision 1(c)). The list of relatives for residential property is different (M.S. 273.124, subdivision 1(c)).

trust - a fiduciary relationship under which one party holds property for the benefit of another party. **trustee** - means the party that holds property rights for the benefit of another party through a trust.

ANNUAL CALENDAR DATES & DEADLINES

mi DEPARTMENT OF REVENUE

Jan 2	Assessment date for both real and personal property.
Jan 2	Date by which personal property (manufactured homes, park trailers, travel trailers, and improvements) must be classified as taxable or exempt .
Jan 15	Last day for owners to submit for class 1c resort or 4c(5) classification.
Feb 1	Last day for local assessors to deliver assessment records to the county assessor .
Feb 1	Last day to file for exemption from taxation with the assessor.
Feb 1	Last day for LBAE and CBAE to certify a trained member to the county assessor.
Feb 15	Last day for assessor to notify township and city clerks of Local Board dates.
Mar – Apr	Valuation notices are mailed. (Must be 10 days prior to Local Board meeting.)
Mar 31	Last day to mail tax statements for all real and personal property, except manufactured homes.
Apr 1 – May 31	Local Boards of Appeal and Equalization are convened.
Apr 1	Initial "PRISM" files of assessment is due to Commissioner of Revenue.
Apr 15 – Jun 30	State Board of Equalization is convened.
Apr 30	Last day to file Tax Court petition for dispute over value that affects the taxes payable in the current year.
May 1	Last day to file application for class 4c(3) ii non-profit community service oriented organization for the current assessment year.
May 1	Last day to file application for Green Acres for the current assessment year.
May 1	Last day for assessor to return manufactured home assessment books to auditor .
May 1	Last day to file application for class 2c Managed Forest Land .
May 15	First half real property taxes due (except for class 1c or 4c seasonal commercial and some class 3a commercial property which has until May 31).

Revised 11/2020

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May 29	Last day for owners of manufactured homes assessed as personal property to establish and apply to assessor for homestead treatment .
June (or before)	The assessor must notify the Commissioner of Revenue of any changes made to the PRISM 1 file (preliminary assessment) within 10 days of the final action of the Local Boards and within 5 days of the County Boards.
June 1	Last day to file application for Metropolitan Agricultural Preserves . (Except for 2010, the date is August 1.)
June 1	The assessor must notify owners of their property's contamination value by June 1 or within 30 days after the reduction in value is finally granted.
June (3 rd Mon)	Assessor sends summaries of assessment to the auditor.
June	County Board of Appeal and Equalization convenes. (Any day after the second Friday for up to 10 meeting days.)
June 30	Last day for the Commissioner of Revenue to certify changes in assessments as revised by the State Board of Equalization to county auditors unless the abstract was late.
July 1	Cut-off date for changes in taxable/exempt status to be effective for the current assessment year.
July 1	All assessments of real and personal property are finalized . No changes, except where authorized, may be made after this date.
July 1	Last day property owners can notify the county assessor of entity-owned property that may qualify for value linkage to their individually-owned and homestead agricultural property to receive the lower first tier agricultural homestead classification rate for the current assessment year.
July 15	Last day to mail tax statements to owners of manufactured homes .
Aug 5	Last day for assessors in counties with fiscal disparities to certify to their auditors the net tax capacity of commercial-industrial property within each municipality as determined before any adjustments under the Tax Increment Law.
Aug 15	Last day to file for Property Tax Refund , form M-1PR.
Aug 31	Last day to pay first half of personal property tax on manufactured homes .

Revised 11/2020

mi DEPARTMENT OF REVENUE

Sept 1	Last day for assessors to file the final PRISM submission of Assessment with the Commissioner of Revenue.
Sept 1	Last day for assessors to submit the PRISM 4 Manufactured Home File .
Oct 1	Last day for taxpayers to apply to for Class 1b (blind & disabled) for current assessment year.
Oct 15	Last day for assessors to certify approval of applications for Open Space for current year.
Oct 15	Last day to pay second half of real estate taxes unless part of the parcel is classified 2a agricultural land.
Nov 3	Last day to file application for Open Space for the next assessment year.
Nov 1	Last day for senior citizens to file for property tax deferral (for the next year's taxes).
Nov 15	Last day to pay second half of personal property taxes on manufactured homes and second half of real estate taxes on parcels with any class 2a agricultural land.
Dec 1	Last day for real property owners to establish homestead for the current year, and for the assessor to publish a newspaper notice of the requirement to file an application for homestead by December 15.
Dec 1	County assessor may examine appraisal records of local assessors .
Dec 15	Last day disabled veterans can file applications for value exclusion for the current assessment year.
Dec 15	Last day for taxpayers to file a homestead application with the assessor for the current year's assessment.
Dec 31	Last day for assessor to file a copy of the corrections of clerical and administrative errors made after Local and County Boards of Appeal and Equalization with the county board of commissioners.
Dec 31	Expiration of terms of county assessors every 4th year (2016, 2020, etc.).
Dec 31	Last day to change assessment rolls to remove property that has become tax-forfeited, or add tax-forfeited property that has been repurchased or sold.

Revised 11/2020



Minnesota Assessment Services
 Parks & Land, MARA • City of Ancker
 180 Second Street NE, Suite 200
 Minneapolis, MN 55402-2436
www.minnassessmentservices.com

VALUATION & NOTICE

2017

Property tax notices are delivered on the following schedule:

March 24, 2016

Property ID Number: 14-0029 24-33 0005

Property Location: 630 67th Ave SE

Assessor/Client Name: Joe & Christensen

City/County: 630 67th Ave SE

Assessor/Client Address: 630 67th Ave SE

Step	Valuation and Classification Notice	
1	Class: 1200; Homestead: None	
	Estimated Market Value: 276000	
	Estimated Market Value: 19950	
	taxable Market Value: 230545	

See Details Below

Step 2

Proposed Taxes Notice

3/23 Property Tax:

Starting November 2016

Step 3

Property Tax Statement

3/23 Property Tax:

Due Date: 3/23/2017

Starting March 2017

The City to appeal or question your **CLASSIFICATION or VALUATION** is now!

It will be too late when **Proposed Tax Notices** are sent.

Your Property's Classification(s) and Values

	Taxes Payable in 2016 (2015 Assessment)	Taxes Payable in 2017 (2016 Assessment)	
Estimated Market Value:	\$ 205300	\$ 236300	Any improvements included in your 2016 assessment.
Net House Deductions:	\$ 0	\$ 0	Market Value Deductions:
Dualized Values Deductions:	\$ 0	\$ 0	\$ 0
Relaxation Market Value:	\$ 205300	\$ 236300	
Homesteaded Market Value:	\$ 18745	\$ 13955	
Taxable Market Value:	\$ 186755	\$ 220345	

The assessor has determined your property's classification(s) to be:

Property Classification:	100% Homesteaded
Residential	100% Homesteaded

If this has been checked, your classification has changed from last year's assessment.

The classification(s) of your property affect the rate at which your value is taxed.

Appealing the Value or Classification of Your Property

Information Appeal Options: Contact Your Assessor

If you have questions or disagree with the 2016 classification or estimated market value for your property, please contact your assessor first to discuss the matter or to determine your options. Often your issues can be resolved at this level.

Valuation Questions: (612) 672-3208

Homesteaded Questions: (612) 672-3000

The following informal meetings are available to discuss your value and classification with Assessor's appeal staff:

Monday, March 28, 2016, 6:00 AM - 7:00 PM
 North Regional Library, 1315 Loring Avenue North
 Minneapolis, MN 55412
 Ardenmore Park and Center, 2500 W 57th Street

Please read the back of this notice for important information about the formal appeal process.

Attention: If you want help transmitting this information or hand of forwarding, call (612) 672-3306 (or TTY 612-672-2175).

Warning: Certain forms, including tax forms, are not to be refiled. Do not refile.

Special: Notices: It is the policy of Minnesota Assessment Services that notices be printed on recycled paper.

Printed: Copies made and recycled in bags to be recycled to meet environmental standards.

[illegible][illegible]

Value Notice

Proposed Tax Statement

Tax Statement

Month	Days Above 60°F
J	10
F	15
M	20
A	25
M	28
J	30
J	30
A	25
S	20
O	15
N	10
D	5
J	15
F	20
M	25

YEAR 1

YEAR 2

Minnesota Department of Revenue – Property Tax Administrators

http://www.revenue.state.mn.us/local_gov/prop_tax_admin/Pages/Whats-New.aspx

IAAO

MAAO

2020/2021 MAAO LEGISLATIVE COMMITTEE MEMBERS

Updated 12/22/2020

COMMITTEE CHAIR

Mark Peterson

Cass County Assessor
PO Box 3000
Walker, MN 56484
218-547-7239
CELL: 218-760-3158

mark.peterson@co.cass.mn.us

REGION I

Mark Krupski

Olmsted County Director of Property
Records and Licensing
151 4th Street SE
Rochester, MN 55904
507-328-7663
CELL: 507-208-6095

krupski.mark@co.olmsted.mn.us

REGION II

Michael Sheplee

Martin County Assessor
201 Lake Ave
Fairmont, MN 56031
507-238-3278
Cell: 612-418-6584

mike.sheplee@co.martin.mn.us

REGION III

Jeff Johnson

Stearns County
Property Services Division Director
705 Courthouse Square
St Cloud, MN 56303
320-656-3683
CELL: 320-293-4589

jeff.johnson@co.stearns.mn.us

REGION IV

Robert Thompson

Cook County Assessor
411 W 2nd St
Grand Marais, MN 55604
218-387-3653
Cell: 952-486-2494

Bob.Thompson@Co.Cook.MN.US

REGION V

Tom Houselog

Rock County Land Records Director
PO Box 509
Luverne, MN 56156
507-283-5022
CELL: 507-215-0797

tom.houselog@co.rock.mn.us

REGION VI

Sandy Vold

Big Stone County Assessor
20 2nd Street SE
Ortonville, MN 56278
320-839-6363
CELL: 320-808-6747

sandy.vold@co.big-stone.mn.us

REGION VII

Nathan Aakre

Moorhead City Assessor
500 Center Ave
Moorhead, MN 56560
218-299-5167
CELL: 218-979-7295

nathan.aakre@ci.moorhead.mn.us

REGION VIII

Joe Skerik

Beltrami County Assessor
701 Minnesota Ave, Suite 130
Bemidji, MN 56601
218-333-4146
CELL: 218-556-6316

joe.skerik@co.beltrami.mn.us

REGION IX (provisional member)

Rebecca Malmquist

City of Minneapolis Assessor
309 Second Avenue S, Room 100
Minneapolis, MN 55401
612-673-2347
CELL: 612-704-2979

Rebecca.malmquist@minneapolis.gov

REGION IX

Joshua Hoogland

Assistant Hennepin County Assessor
A-2103 Government Center
Minneapolis, MN 55487
612-348-8853
CELL: 612-245-5653

Joshua.hoogland@hennepin.us

REGION IX

James Atchison

Hennepin County Assessor
A-2103 Government Center
Minneapolis, MN 55487
612-348-4567
CELL: 612-803-0612

james.atchison@hennepin.us

REGION IX

Kent Smith

City of Bloomington
1800 West Old Shakopee Road
Bloomington, MN 55431
952-563-8707
CELL: 952-210-2391

ksmith@bloomingtonMN.gov

LEGISLATIVE LIAISON

AMC Matt Hilgart

125 Charles Avenue
Saint Paul, MN 55103-2108
651-789-4343
CELL: 612-805-5088

mhilgart@mncounties.org



MAAO
Minnesota Association
of Assessing Officers

MINNESOTA ASSOCIATION OF ASSESSING OFFICERS (MAAO)

Position Statement for 2021 Legislative Session

Adopted by the MAAO Executive Board on August 4, 2020

1. **MAAO** supports the production of high-quality annual assessments through uniform and consistent application of best practices in assessment administration.
2. **MAAO** supports the safety and security of assessors engaged in property reviews for taxation purposes.
3. **MAAO** supports the principle of ad valorem taxation – taxation based on market value, as a major component of a diverse budget-based tax system. Such a system should be:
 - Based upon a uniform and equitable tax base.
 - A reliable source of revenue for local taxing authorities.
 - Accountable and justifiable with similar properties.
 - Understandable and transparent to taxpayers.
 - Consistent with the most recent standards published by the International Association of Assessing Officers.
 - a) MAAO believes adjustments to market value, such as limitations on assessors' estimated market values, acquisition values, deferrals, exclusions or exemptions, creates inequities between taxpayers.
 - b) MAAO supports good tax policy that treats all taxpayers in a consistent manner. MAAO opposes classifications or programs that target only a small number of taxpayers.
 - c) MAAO encourages the continued use of state administered programs, such as the property tax refund program, special targeted refunds, the income tax system, etc., if policy makers wish to grant additional tax relief.
 - d) MAAO supports legislation and policies that are consistent with accepted standards of appraisal and assessment practices.
4. **MAAO** supports consolidating agricultural land and buildings (excluding house, garage and one acre) into a single classification rate. Changes to the qualifications for agricultural homestead have added to the complexity of administration of the agricultural homestead classification and confusion on the part of taxpayers.
5. **MAAO** supports legislation to make the classification system more understandable and transparent by consolidating the existing classes. We do so for the following reasons:
 - Easier for taxpayers to understand.
 - Streamline administration costs to local governments.
 - The tiered classification system increases complexity and produces unexpected property tax shifting.
6. **MAAO** supports a taxpayer appeal process that encourages timely resolution and open communication between taxpayers and assessors.
7. **MAAO** believes that new state mandated programs be funded by the state.

Footnote: Additional references may be made by reading, "Standard on Property Tax Policy", IAAO, January 2010.

"The mission of the Minnesota Association of Assessing Officers is to provide education and information to promote excellence in property appraisal and assessment administration through professional development with the highest ethical standards."
