



Assessor's Responsibility

Assessor Values & Classifies real and personal property for property tax purposes.

The annual assessment date is January 2nd

What we do

Classify

- According to use
- Classifications are defined in Minnesota Statutes

mn DEPARTMENT OF REVENUE

Classification Rates for Assessment Year 2023

Class	Description	Tiers	Class Rate	State General Rate
1a	Residential Homestead	First \$500,000	1.00%	N/A
		Over \$500,000	1.25%	N/A
1b	Homestead of Persons who are Blind/Disabled (classified as 1a or 2a)	First \$50,000	0.45%	N/A
		\$50,000 - \$500,000	1.00%	N/A
		Over \$500,000	1.25%	N/A
1c	Homestead Resort	First \$600,000	0.50%	N/A
		\$600,000 - \$2,300,000	1.00%	N/A
		Over \$2,300,000	1.25%	1.25%
1d	Housing for Seasonal Workers	First \$500,000	1.00%	N/A
		Over \$500,000	1.25%	N/A
2a	Agricultural Homestead - House, Garage, 1 Acre (HGA)	First \$500,000	1.00%	N/A
		Over \$500,000	1.25%	N/A
2a/2b	Agricultural Homestead - First Tier	***TBD -2023***	0.50%	N/A
2a/2b	Farm Entities Remaining First Tier	Unused First Tier	0.50%	N/A
2a	Agricultural - Non-Homestead or Excess First Tier		1.00%	N/A
2b	Rural Vacant Land		1.00%	N/A
2c	Managed Forest Land		0.65%	N/A
2d	Private Airport		1.00%	N/A
2e	Commercial Aggregate Deposit		1.00%	N/A
3a	Commercial/Industrial/Utility (not including utility machinery)	First \$150,000	1.50%	N/A
		Over \$150,000	2.00%	2.00%
	Electric Generation Public Utility Machinery		2.00%	N/A
	All Other Public Utility Machinery		2.00%	2.00%
	Transmission Line Right-of-Way		2.00%	2.00%
4a	Residential Non-Homestead 4+ Units		1.25%	N/A
4b(1)	Residential Non-Homestead 1-3 Units		1.25%	N/A
4b(2)	Unclassified Manufactured Home		1.25%	N/A
4b(3)	Agricultural Non-Homestead Residence (2-3 units)		1.25%	N/A
4b(4)	Unimproved Residential Land		1.25%	N/A
4bb(1)	Residential Non-Homestead Single Unit	First \$500,000	1.00%	N/A
		Over \$500,000	1.25%	N/A
4bb(2)	Agricultural Non-Homestead Single Unit - (HGA)	First \$500,000	1.00%	N/A
		Over \$500,000	1.25%	N/A
4bb(3)	Condominium Storage Unit	First \$500,000	1.00%	N/A
		Over \$500,000	1.25%	N/A
4c(1)	Seasonal Residential Recreational Commercial (resort)	First \$500,000	1.00%	1.00%
		Over \$500,000	1.25%	1.25%
4c(2)	Qualifying Golf Course		1.25%	N/A
4c(3)(i)	Non-Profit Community Service Org. (non-revenue)	Congressionally Chartered Veterans Organization (non-revenue)	1.50%	N/A
		Congressionally Chartered Veterans Organization (donations)	1.00%	N/A
4c(3)(ii)	Non-Profit Community Service Org. (donations)	Congressionally Chartered Veterans Organization (donations)	1.50%	1.50%
			1.00%	1.00%
4c(4)	Post-Secondary Student Housing		1.00%	N/A
4c(5)(i)	Manufactured Home Park		1.25%	N/A
4c(5)(ii)	Manufactured Home Park (>50% owner-occupied)		0.75%	N/A
4c(5)(iii)	Manufactured Home Park (50% or less owner-occupied)		1.00%	N/A
4c(5)(iv)	Class 1 Manufactured Home Park		1.00%	N/A
4c(6)	Metro Non-Profit Recreational Property		1.25%	N/A
4c(7)	Certain Non-Comm. Aircraft Hangars and Land (leased land)		1.50%	N/A
4c(8)	Certain Non-Comm. Aircraft Hangars and Land (private land)		1.50%	N/A
4c(9)	Bed & Breakfast		1.25%	N/A
4c(10)	Seasonal Restaurant on a Lake		1.25%	N/A
4c(11)	Marina	First \$500,000	1.00%	N/A
		Over \$500,000	1.25%	N/A
4c(12)	Seasonal Residential Recreational Non-Commercial	First \$76,000	1.00%	0.40%
		\$76,000 - \$500,000	1.00%	1.00%
		Over \$500,000	1.25%	1.25%
4d	Low Income Rental Housing (Per Unit)	First \$100,000	0.75%	N/A
		Over \$100,000	0.25%	N/A
5(1)	Unmined Iron Ore and Low-Grade Iron-Bearing Formations		2.00%	2.00%
5(2)	All Other Property		2.00%	N/A



What we do

Value

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

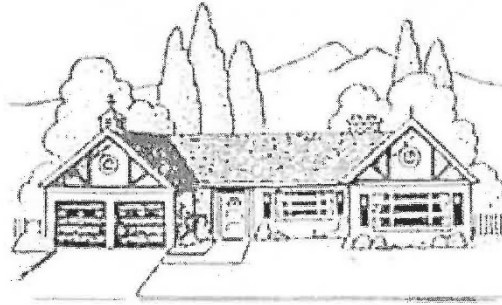
Market Value defined:

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

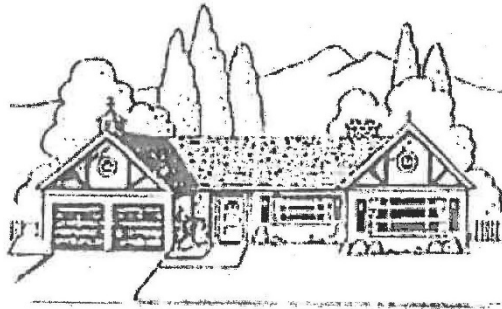
Mass Appraisal defined:

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

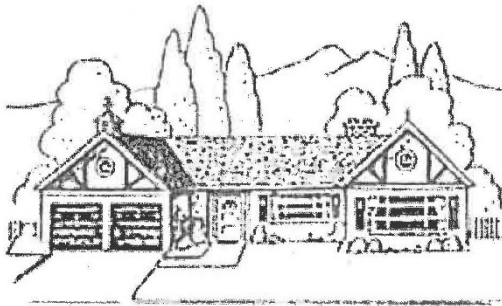
YOUR HOME AS SEEN BY



SELLER



BUYER



YOUR TAX ASSESSOR



What influences assessments?

Statutory Requirements

Department of Revenue Directives

State Board of Assessor's

IAAO & MAAO Standards

State Legislature and MDOR

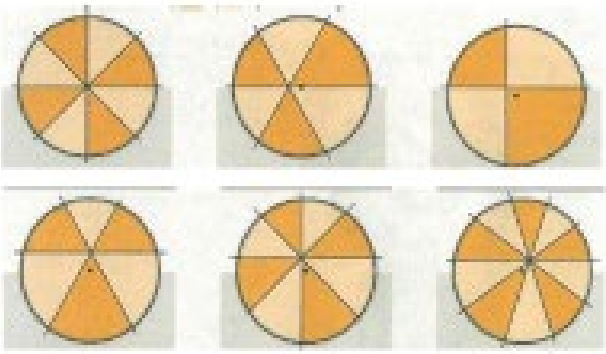


Rules Established

- Sets class rates
- Says who is eligible for exemptions, exclusions, etc.
- Determines rules and guidelines for property assessment and taxation

1.

Assessor



Values and Classifies

Determines each property owner's portion of a hypothetical pie

2.

City, County, School, etc.

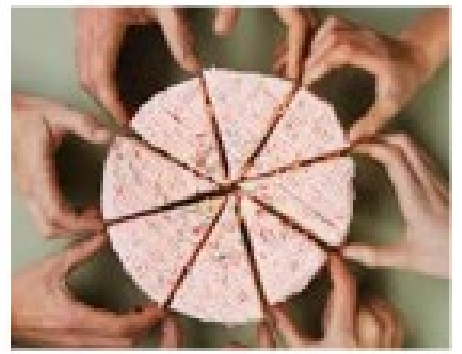


Levies/Budgets

Determine how large or small the pie will be (services provided and level of service)

3.

Auditor



Tax Rates Calculated

Ensures amount levied is collected by setting appropriate tax rates

Annual Assessment: Value and Classify

- January 2 Assessment Date
- Real and Personal Property
 - Sales Study period
- Sales between **October 1, 2021 – September 30, 2022** used to determine **January 2, 2023** value

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%



Statutory Quintile Inspections

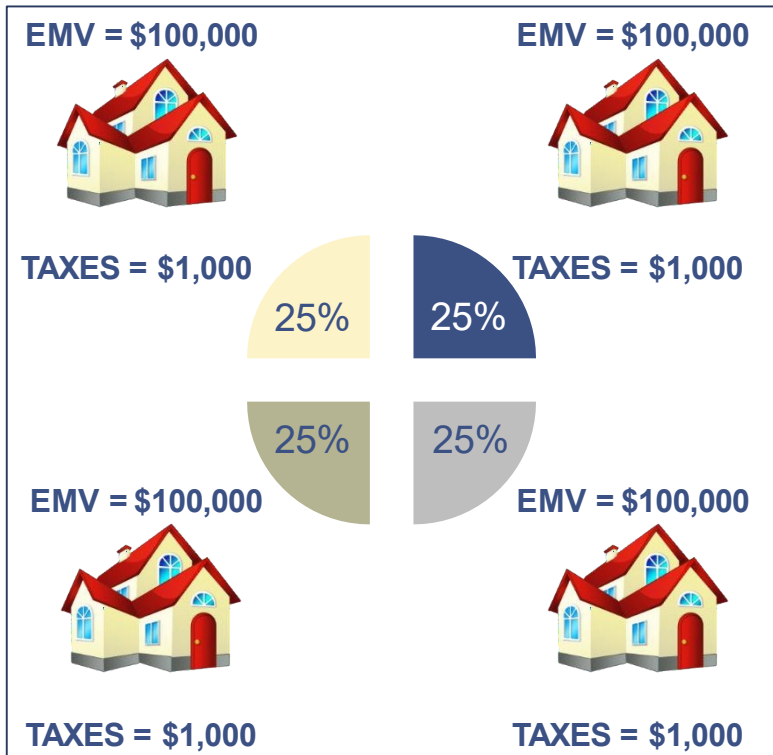
- Physically inspect property
 - Every five (5) years
- Typical process: notify, inspection, photo, sketch and document characteristics (condition, age, dimensions and amenities)

*Reference Minnesota Statute 273.08

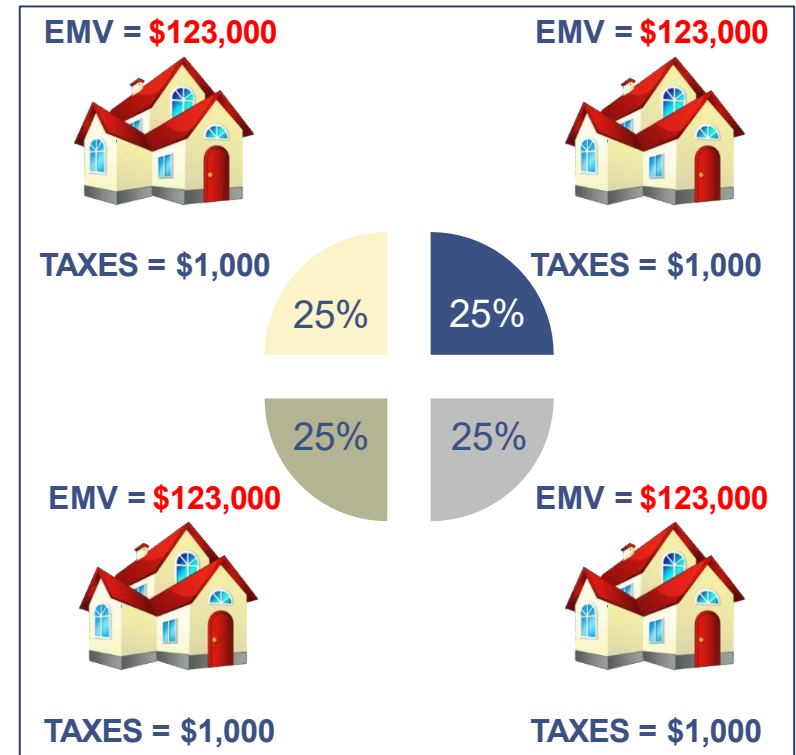
LET'S GET INTO EXAMPLES!

A Four House Town Overall Value Impact

Assume that the various entities and taxing districts (City, County, School, etc.) require a total of \$4,000 to operate

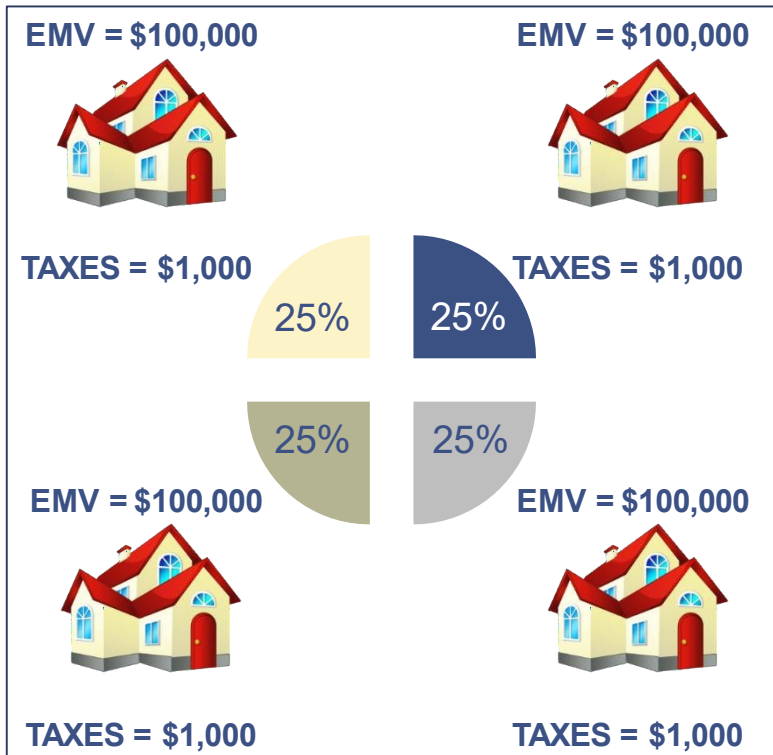


VALUES
Increase
similarly
at **23%**

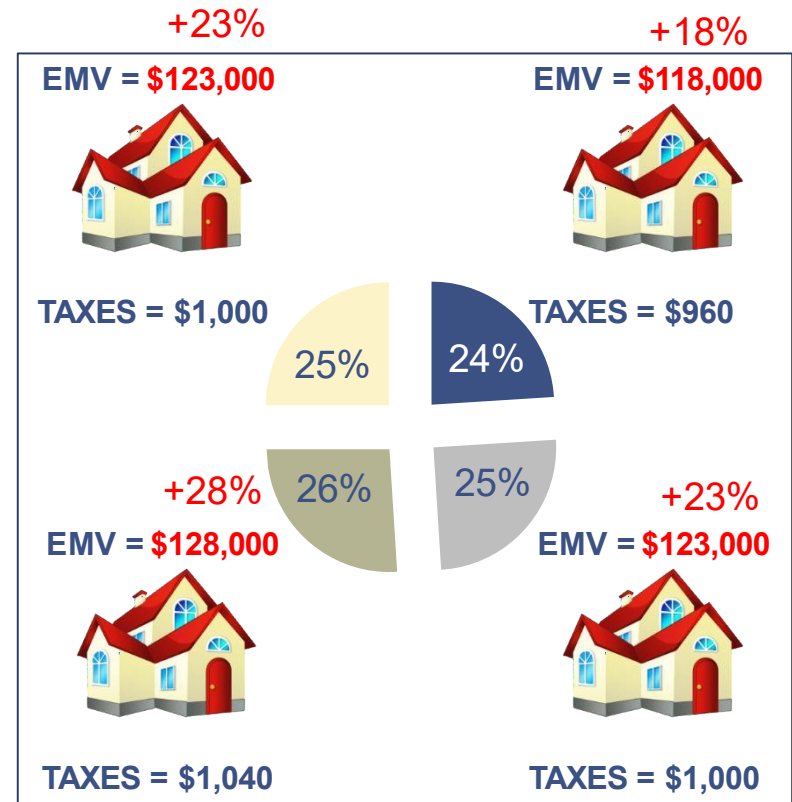


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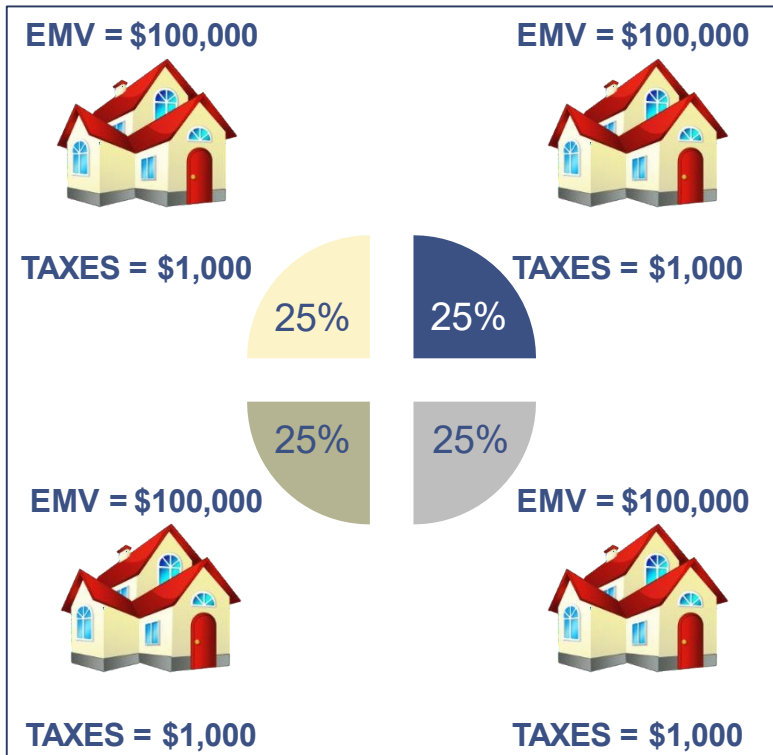
Value Changes Vary



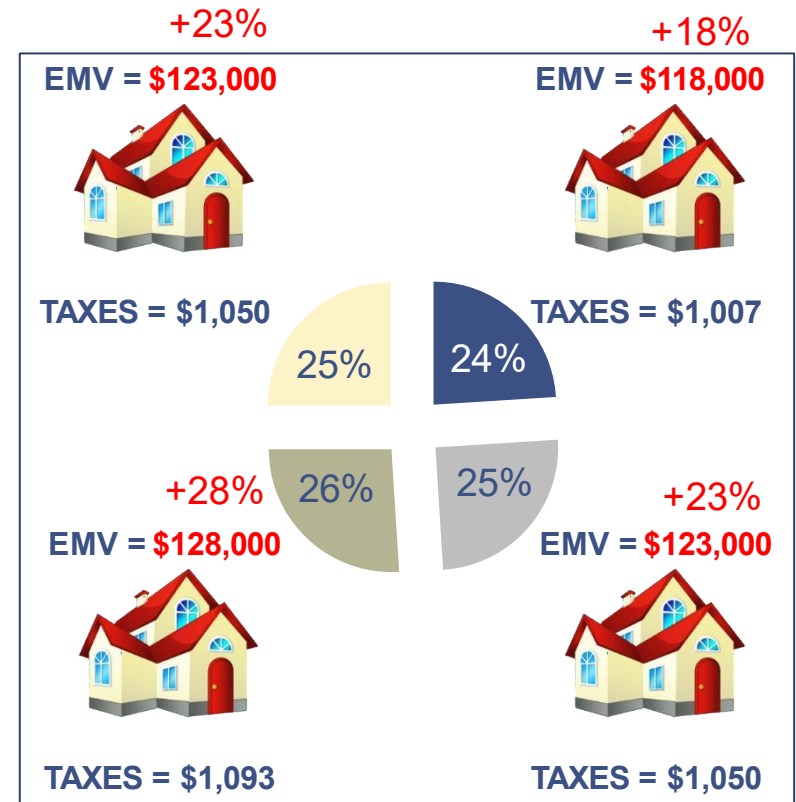
A Four House Town Overall Value Impact

Assume that the various entities and taxing districts (City, County, School, etc.) require a total of **\$4,200** to operate

+5% Levy Increase



Value Changes Vary



What Options May Exist for the Taxpayer?

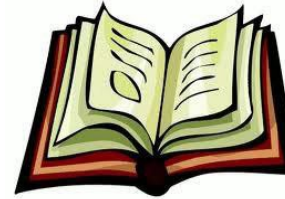
- Property Tax Refund
- Special Property Tax Refund
 - No income limitation
- Senior Citizen Property Tax Deferral
- Disabled Veteran's Homestead Property Tax Exclusion
- Land Programs
 - Green Acres
 - Rural Preserve
 - 2c Managed Forest
- Special Homestead for Property Owners who are Blind or Disabled
- Understand Appeal Process and Timeline

Appeals



Informal
talk to the
appraiser

LBAE
Local Board of
Appeal and
Equalization



Open Book
semi-formal
at assessor office



June

CBAE
SPECIAL Board of
Appeal and
Equalization

Tax Court
Can skip all
previous steps
By April 30 of year
taxes are due



Timeline for Property Taxes Payable in 2023

