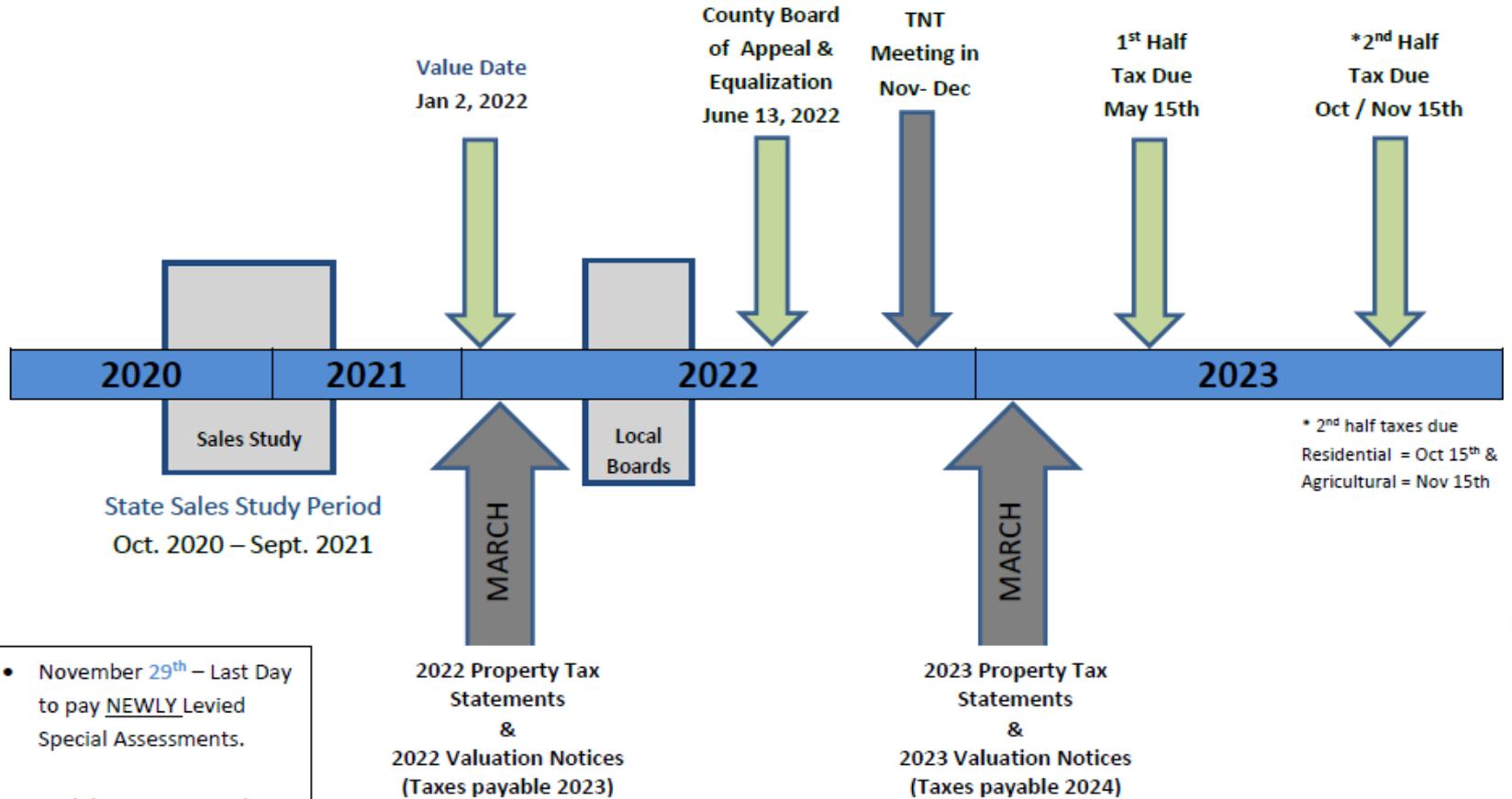


Arlington City 2022 Assessment Overview

Laura Hacker, Sibley County Assessor
&
Sam Kral, Appraiser II

Timeline for Property Taxes payable in 2023



- November 29th – Last Day to pay NEWLY Levied Special Assessments.
- Mobile Home taxes due Aug 31st and Nov 15th

The Appraisal Process

- ◉ Classify the property according to current use
 - Includes homestead determination
- ◉ Value the property (ad valorem) each year
 - View property
 - The appraiser is required to view each property at least once every five years.
 - The appraiser may visit your property at shorter intervals for the following reasons:
 - Result of a building permit
 - Request for a review by the owner
 - Review appraisal for an appeal
 - Anytime the assessor feels that property may be in error and or incorrect value may be placed on the property
 - Update information on property records
 - Analyze sales and Establish estimated market value
 - Mail valuation and classification notices

Definitions

◉ Estimated Market Value (EMV)

- Price the property would likely sell for on the open market under typical, normal, and competitive conditions
- Set as of January 2nd of each year

◉ Taxable Market Value (TMV)

- Amount of value actually used in calculating property tax

Why Are EMV and TMV Sometimes Different?

- Special programs – green acres, plat law, this old house, Veteran’s exclusion, etc.
- Homestead exclusion



Homesteads

- Own, occupy and apply by December 31st to be eligible for benefits on the following year's taxes paid
- In 2012, Legislation changed the way homesteads were calculated. Prior, it was a credit upon your tax. Now, it is an exclusion of a portion of your value.

First \$76,000 in EMV: 40% Excluded (Up to max. of \$30,400)
Over \$76,000 in EMV: Reduce maximum exclusion by 9%
Note: Exclusion eliminated for properties valued higher than \$413,000

Homesteads DO have an
impact on taxes!



The Three “BIG” reasons why values change:

Appreciation or depreciation in the real estate market.

The assessor’s office collects information on the local real estate market and adjusts property values annually in order to reflect the market. The requirement that the assessor actually view properties once every five years does not limit the assessor to revaluing properties once every five years. The assessor is required to review property values and classifications each year.



Physical changes to improvements on the property.

Improvements such as building a deck or finishing the basement increase the value of the property, and the assessor would adjust the value to reflect these improvements. Similarly, the assessor should adjust the value for any structural components that may be removed.



Equalization process.

The Commissioner of Revenue, acting as the State Board of Equalization, has the authority to increase or decrease values to bring about equalization. The orders are usually on a county-, city-, or township-wide basis for a particular classification of property. All State Board orders must be implemented by the county for the current assessment year.



Change In EMVs

- How do we determine market changes to EMVs every year?
 - Department of Revenue compares our EMV to the sale price of arms-length “good” sales (no relative sales, old contracts, foreclosures, short sales, etc.)
 - Median ratio of sales in that jurisdiction must be between 90% - 105%
Goal is 100%

Example: 7 sales with ratios of

82%	
83%	
85%	
86%	Median
93%	
99%	
104%	

Result: EMVs must be increased by at least 4%

October 1, 2020 to September 30, 2021

SALES
SALES
SALES

- ❖ These sales determine the annual market adjustment for the 2022 Assessment Year, if any.
- ❖ 49 Residential Sales were included in the Dept. of Revenue Sales Study for the City of Arlington
Median Ratio was 73.70%
- ❖ 4 Commercial Sales included in Dept. of Revenue Sales Study –
Median Ratio was 74.83%
- ❖ No Sales of Apartments in Arlington City this year



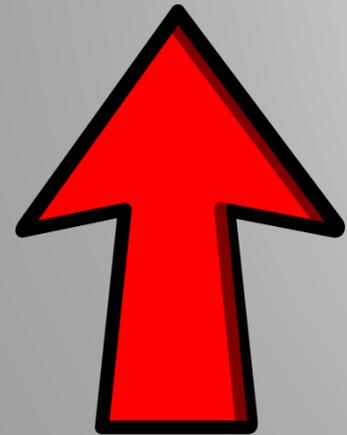
2022 Assessment Average Market Value Change for Arlington City

⦿ Residential: 25% Increase
(Countywide range 10% - 40%)

⦿ Commercial / Industrial: 15% Increase
(Countywide range 5% - 15%)

⦿ Apartments: No Change
(Countywide range 3% - 35%)

⦿ Tillable: 22% Increase
(Countywide)





Does a 25% increase in property values mean that my taxes will go up 25% next year?



Not necessarily.

There are several factors that affect the amount of property tax you pay:

1. Property Classification
2. Class rates (set by state legislature)
3. City, County, School & Other Taxing Authorities' budgets / levy amounts

Appeals

◎ What if you disagree with your value or classification?

• Informal Options

- Contact the Assessor's Office with questions or concerns
- Step 1 - Appeal at the Open Book Meeting
(if chosen by your jurisdiction in place of Local Board of Appeal & Equalization)
(City of Arlington **IS** an Open Book Appeal jurisdiction)

• Formal Options

• Option 1 – County Board of Appeal & Equalization

- Available for appellants who were not satisfied with or were unable to participate in the Open Book appeal through the Assessor's office
- Step 2 - Appeal at the County Board of Appeal & Equalization Meeting (June 13, 2022)

• Option 2 – Minnesota Tax Court

- Small Claims Division or Regular Division of Tax Court
(depending on type of appeal)

Open Book Meeting

- ◎ Benefits for property owners
 - Less formal
 - Can schedule a time for assessor to view
 - Process is efficient
 - Convenient for property owners
 - Property owners talk to assessor
 - On a one-on-one basis
 - Less intimidating
 - Can still appeal to higher levels
 - More private setting
 - Not having to be apprehensive about making a presentation

FAQs

Can I refuse entry to the Assessor?

A property owner may refuse to allow an assessor to inspect their property. This refusal by the property owner must be either verbal or expressly stated in a letter to the county assessor. If the assessor is denied access to view a property, the assessor is authorized to estimate the property's estimated market value by making assumptions believed appropriate concerning the property's finish and condition. (M.S. 273.20)

However, if a property owner refuses entry to the assessor, they do not have the right to appeal their value.

Any officer authorized by law to assess property for taxation may, when necessary to the proper performance of their duties, enter any dwelling, house, building, or structure and view the same and the property therein. (M.S. 273.20) Any officer authorized by law to assess property for ad valorem tax purposes shall have reasonable access to land and structures as necessary for the proper performance of their duties.

FAQs

- ◎ **Is it legal for the assessor to increase or decrease my value so much in one year?**

Yes. The assessor must value property at market value each year. Property values change continuously with changing economic conditions. There is no limit to the amount of increase or decrease in estimated market values in a given year.



QUESTIONS?