AMC, in collaboration with the Minnesota Association of Assessing Officers presents:

Property Tax 101

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Introductions

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Overview

- Overview of property tax system/history
- County role
- Property Classifications
- Process of assessing parcels
- Citizens right to appeal
- Useful resources
Property Taxes in Minnesota

• Main source of revenue for all county governments

• History

• Minnesota’s property tax system is complex

• Property tax working group report
County levies and impact on property taxes

Total Proposed Local Budget
- All non-property tax revenue
= Property tax revenue needed

Taxable Market Value
X Class Rate
= Tax Capacity
X Local Tax Rate
= Base Tax
- Credits
+ Referendum Amounts
+ State General Tax
= TOTAL PROPERTY TAX PAYABLE
Property Assessment

- Assessment Process
  - Classifies property
  - Estimates market value
  - Ensures equality
  - Each process is driven by Minnesota State Statute
Five major classifications, based on use

1. Residential Homestead, three units or less
2. Agricultural
3. Commercial / Industrial / Public Utilities
4. Residential Non Homestead
   • Includes, Apartment, four units or more
5. Un-mined Iron Ore and All Others
Real Estate Appraisers

- Trained as appraisers
- Licensed as assessors
- Mass Appraisal vs. Individual Appraisal
Estimate Market Value

• View 20 percent of property each year
• Gather information
• Analyze sales
  – Traditional
  – Lender mediated
• Compute value annually on Jan. 2
Equitable Assessments

- **Sales Ratio analysis**
  - Type of home
  - Neighborhood
  - Property type
  - Jurisdiction

- **County Assessor reviews all local assessments**

**Minnesota Department of Revenue reviews all county assessments across state**
Citizen Appeals Process

- Citizens may call the assessor’s office number listed on your value notice. If no solution is reached, citizens have several other options:

- Multi-step appeal process for taxpayers contesting property valuation/classification
  - City Assessor/Board of Equalization
  - County Assessor/Board of Equalization
  - Court system
Thank you for watching!

For more information on this topic, please contact Matt Hilgart at mhilgart@mncounties.org

Useful resources:
• Department of Revenue
• Property Tax Working Group Study
• MAAO
• AMC
• House Research