



**LOCAL BOARD OF
APPEAL AND EQUALIZATION
AGENDA
Tuesday, April 22, 2014
7:00 p.m.
City Hall
Council Chambers**

1. Call to Order
2. Appoint Mary Wells as Secretary for Annual Board of Appeal and Equalization
3. Pledge of Allegiance
4. Roll Call
5. Adopt Agenda
6. Introduce City Staff and Mike Sutherland, County Assessor
7. Presentation from the 2014 LBAE Book by City Assessor
8. Hear Appeals from Property Owners (Taken in Order as Registered)
9. Consider Appeals Received by Letter
10. Staff Recommendations
11. Select Date for Completion of Local Board of Appeal and Equalization (if necessary)
 - Tuesday, May 6, 2014
12. Sign Board of Appeal and Equalization Certification Form (if complete)
13. Adjourn



LBAE

7.

Meeting Date: 04/22/2014

Subject: Presentation from the 2014 LBAE Book by City Assessor

From: Ned Storla, City Assessor

Information

INFORMATION:

The 2014 Coon Rapids Local Board of Appeal and Equalization is scheduled for Tuesday, April 22, 2014 at 7:00 PM in the Council Chambers.

DISCUSSION

Attached for your review are the following items:

- The 2014 Local Board of Appeal and Equalization book
- Agenda

The above information should be helpful to understand the valuation and taxation process. Please feel free to call with questions beforehand.

The property owners who would like to have the Board revalue their property may do so in order of registration. The Local Board of Appeal and Equalization has the power to increase the value being contested, reduce the value being contested, or keep the value being contested the same. City staff and the Board must complete its work within 20 days.

RECOMMENDATION

Staff recommends the Local Board of Appeal and Equalization reconvene on May 6, 2014 between 6 and 6:30 if necessary.

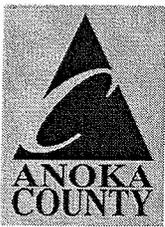
Attachments

2014 LBAE Book



2014 Board of Appeal and Equalization

I. PRESENTATION



Anoka County

Jonell M. Sawyer, Division Manager
 Property Records and Taxation
 2100 3rd Avenue
 Anoka, MN 55303-2281
 (763) 323-5400
 www.co.anoka.mn.us

2014 PROPERTY TAX STATEMENT

Taxpayer(s):

Property I.D.: 09-31-24-43-0028 REAL
 Property Description: THOMPSON HEIGHTS 5TH ADDITION LOT 6 BLK 6
 THOMPSON HTS 5TH ADD-SUBJ TO DRAIN & UTIL EASE
 OVER WLY 5 FT & AS SHOWN ON PLAT-

TCA: 17011A

Owner(s):

PROPERTY TAX VALUES & CLASSIFICATION		
Taxes Payable Year:	2013	2014
Estimated Market Value:	129,700	129,700
Homestead Exclusion:	25,567	25,567
Taxable Market Value:	104,133	104,133
New Improvements/ Expired Exclusions:		
Property Classification:	Res Hstd	Res Hstd

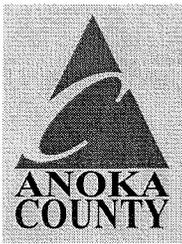
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You may be eligible for one or even two refunds to reduce your property tax.

REFUNDS?

Read the back of this statement to find out how to apply.

Taxes Payable Year:	2013	2014
1. Use this amount on Form MIPR to see if you are eligible for a property tax refund. File by August 15. If this box is checked, you owe delinquent taxes and are not eligible. <input type="checkbox"/>		\$1,583.36
2. Use these amounts on Form MIPR to see if you are eligible for a special refund.	\$1,677.51	
Property Tax and Credits		
3. Property taxes before credits	\$1,677.51	\$1,583.36
4. Credits that reduce property taxes		
A. Agricultural market value credit	\$0.00	\$0.00
B. Other credits	\$0.00	\$0.00
5. Property taxes after credits	\$1,677.51	\$1,583.36
Property Tax by Jurisdiction		
6. County		
A. General county levy	\$462.32	\$450.12
B. Regional rail authority	\$8.08	\$9.19
7. County/municipal public safety system	\$3.64	\$3.89
8. City or town	\$508.39	\$494.55
9. State general tax	\$0.00	\$0.00
10. School district #11		
A. Voter approved levies	\$444.22	\$252.81
B. Other local levies	\$186.94	\$308.58
11. Special taxing districts		
A. Metropolitan special taxing districts	\$36.22	\$33.70
B. Other special taxing districts	\$27.70	\$30.52
C. Tax increment	\$0.00	\$0.00
D. Fiscal disparity	\$0.00	\$0.00
12. Non-school voter approved referenda levies	\$0.00	\$0.00
13. Total property tax before special assessments	\$1,677.51	\$1,583.36
Special Assessments		
14. Special assessments		
A. Solid waste management charge	\$24.02	\$24.02
B. All other special assessments	\$0.00	\$0.00
C. Contamination tax	\$0.00	\$0.00
15. TOTAL PROPERTY TAX AND SPECIAL ASSESSMENTS	\$1,701.53	\$1,607.38



Anoka County

Property Records and Taxation
 Michael R. Sutherland
 2100 3rd Avenue
 Anoka, MN 55303-2281
 (763) 323-5475
 E-mail: proptax@co.anoka.mn.us
www.anokacounty.us

VALUATION NOTICE

2015

2014 Values for Taxes Payable in

Property tax notices are delivered on the following schedule:

Step	Valuation and Classification Notice	
1	Class: Res Hstd	<i>See Details Below.</i>
	Estimated Market Value: \$150,100	
	Homestead Exclusion: \$23,731	
	Taxable Market Value: \$126,369	
Step	Proposed Taxes Notice	
2	2014 Tax:	
	2015 Proposed:	<i>Coming November 2014</i>
	Change:	
Step	Property Tax Statement	
3	Taxes Due May 15:	
	Non-Ag Taxes Due October 15:	<i>Coming March 2015</i>
	Ag Taxes Due November 15:	
	Total Taxes Due in 2015:	

Taxpayer(s):

Property I.D.: 09-31-24-43-0028

Property Description:

THOMPSON HEIGHTS 5TH ADDITION LOT 6 BLK 6 THOMPSON HTS
 5TH ADD-SUBJ TO DRAIN & UTIL EASE OVER WLY 5 FT & AS
 SHOWN ON PLAT-
 11848 CROCUS ST NW
 COON RAPIDS MN 55433-0000

The time to appeal or question your CLASSIFICATION or VALUATION is NOW!

It will be too late when proposed taxes are sent.

Your Property's Classification(s) and Values

	Taxes Payable in 2014 (2013 Assessment)	Taxes Payable in 2015 (2014 Assessment)
<i>The assessor has determined your property's classification(s) to be:</i>		
<input type="checkbox"/> If this box is checked, your classification has changed from last year's assessment.	Res Hstd	Res Hstd
<i>The assessor has estimated your property's market value to be:</i>		
Estimated Market Value	\$129,700	\$150,100
<i>Several factors can reduce the amount that is subject to tax:</i>		
Homestead Market Value Exclusion	\$25,567	\$23,731
Taxable Market Value	\$104,133	\$126,369
<i>The following values (if any) are reflected in your estimated and taxable market values:</i>		
<i>The classification(s) of your property affect the rate at which your value is taxed.</i>		

How to Respond

If you believe your valuation and property class are correct, it is not necessary to contact your assessor or attend any listed meetings.

If the property information is not correct, you disagree with the values, or have other questions about this notice, **please contact your assessor first to discuss any questions or concerns.** Often your issues can be resolved at this level. If your questions or concerns are not resolved, more formal appeal options are available.

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

Property information is available for viewing Monday - Friday, 8:00 AM - 4:30 PM at the Anoka County Government Center, Room 165 Public Research Area, 2100 3rd Ave., Anoka, or online at www.anokacounty.us.

The following meetings are available to discuss or appeal your value and classification:

Local Board of Appeal and Equalization

April 22, 2014 7:00 PM
 Coon Rapids City Hall
 11155 Robinson Dr NW
 Coon Rapids MN 55433

To appear please call your Local Assessor at 763-767-6446.

County Board of Appeal and Equalization

June 16, 2014 6:00 PM
 Anoka County Government Center
 County Boardroom - Room 705
 2100 3rd Ave
 Anoka MN 55303

An appointment must be made in advance to appear before the board. To schedule an appointment please call the County Assessor's Office at 763-323-5475.

Appealing the Value or Classification of Your Property

Informal Appeal Options - Contact Your Assessor

If you have questions or disagree with the classification or estimated market value for your property for the 2014 assessment, please contact your assessor's office first to discuss your concerns. Often your issues can be resolved at this level. Contact information for your assessor's office is on the other side of this notice.

Some jurisdictions choose to hold open book meetings to allow property owners to discuss their concerns with the assessor. If this is an option available to you, the meeting time(s) and location(s) will be indicated on the other side of this notice.

Formal Appeal Options

If your questions or concerns are not resolved after meeting with your assessor, you have two formal appeal options:

Option 1 - The Boards of Appeal and Equalization

You may appear before the Boards of Appeal and Equalization in person, through a letter, or through a representative authorized by you. The meeting times and locations are on the other side of this notice. **You must have presented your case to the Local Board of Appeal and Equalization BEFORE appealing to the County Board of Appeal and Equalization.**

Step 1 - Local Board of Appeal and Equalization

If you believe your value or classification is incorrect, you may bring your case to the Local Board of Appeal and Equalization. Please contact your assessor's office for more information. If your city or township no longer has a Local Board of Appeal and Equalization (as indicated on the other side of this notice) you may appeal directly to the County Board of Appeal and Equalization.

Step 2 - County Board of Appeal and Equalization

If the Local Board of Appeal and Equalization did not resolve your concerns, you may bring your case to the County Board of Appeal and Equalization. Please contact the county assessor's office to get on the agenda or for more information.

Option 2 - Minnesota Tax Court

Depending on the type of appeal, you may take your case to either the Small Claims Division or the Regular Division of Tax Court. You have until April 30 of the year in which taxes are payable to file an appeal with the Small Claims Division or the Regular Division of Tax Court for your valuation and classification.

For more information, contact the Minnesota Tax Court:

Phone: 651-296-2806 or for MN Relay call 1-800-627-3529

On the web: www.taxcourt.state.mn.us

Definitions

Disabled Veterans Exclusion - Qualifying disabled veterans may be eligible for a valuation exclusion on their homestead property.

Estimated Market Value - This value is what the assessor estimates your property would likely sell for on the open market.

Green Acres - Applies to class 2a agricultural property that is facing increasing values due to pressures not related to the agricultural value of the land. This value is determined by looking at what comparable agricultural land is selling for in areas where there is no development pressure. The taxes on the higher value are deferred until the property is sold, transferred, withdrawn, or no longer qualifies for the program.

Homestead Market Value Exclusion - Applies to residential homesteads and to the house, garage, and one acre of land for agricultural homesteads. The exclusion is a maximum of \$30,400 at \$76,000 of market value, and then decreases by nine percent for value over \$76,000. The exclusion phases out for properties valued at \$413,800 or more.

JOBZ - Qualifying businesses within a Job Opportunity Business Zone may be eligible for a partial property tax exemption.

New Improvements - This is the assessor's estimate of the value of new or previously unassessed improvements you have made to your property.

Plat Deferral - For land that has been recently platted (divided into individual lots) but not yet improved with a structure, the increased market value due to platting is phased in over time. If construction begins, or if the lot is sold before expiration of the phase-in period, the lot will be assessed at full market value in the next assessment.

Rural Preserve - Applies to class 2b rural vacant land that is part of a farm homestead or that had previously been enrolled in Green Acres, if it is contiguous to agricultural land enrolled in Green Acres. This value may not exceed the Green Acres value for tilled lands. The taxes on the higher value are deferred so long as the property qualifies.

Taxable Market Value - This is the value that your property taxes are actually based on, after all reductions.

This Old House Exclusion - This program expired with the 2003 assessment. However, property may still be receiving the value exclusion through the 2013 assessment. Qualifying properties with improvements that increased the estimated market value by \$5,000 or more were eligible to have some of the value deferred for a maximum of 10 years. After this time the deferred value is phased in.

HOMESTEAD MARKET VALUE EXCLUSION

COMPUTATION OF CREDIT AND EXCLUSION AMOUNTS

Even though the tax benefits of the credit and the exclusion are not equal, the calculation of the exclusion amount is similar to the calculation of the former credit. Both reach their maximum at \$76,000 of market value (\$304 for the credit; \$30,400 for the exclusion). Both reduce to \$0 at about \$414,000 of market value.

Credit = 0.4% of the first \$76,000,
minus 0.09% of the value over \$76,000.

Exclusion = 40% of the first \$76,000,
minus 9% of the value over \$76,000.

Example: A house valued at \$116,000.

<p>Credit = (0.4% x \$76,000) – (\$40,000 x 0.09%) = \$304 – \$36 = \$268</p>	<p>Exclusion = (40% x \$76,000) – (\$40,000 x 9%) = \$30,400 – \$3,600 = \$26,800</p>
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WANT MORE DETAILS? CONSIDER THIS THEORETICAL ILLUSTRATION

Similarly computed amounts do not yield equal benefits:

AVERAGE TAX RATE ILLUSTRATION		
	Old Law: <u>Credit</u>	New Law: <u>Exclusion</u>
Estimated Market Value	\$116,000	\$116,000
<u>Exclusion</u>	\$0	\$26,800
Taxable Market Value	\$116,000	\$89,200
Class Rate	1%	1%
Net Tax Capacity	\$1,160	\$892
Tax Rate	105.810%	110.920%
Gross Tax	\$1,227	\$989
<u>Credit</u>	\$268	\$0
Net Tax	\$959	\$989

LOW TAX RATE ILLUSTRATION		
	Old Law:	New Law:
Tax Rate	63.486%	66.552%
Gross Tax	\$736	\$594
<u>Credit</u>	\$268	\$0
Net Tax	\$468	\$594

Let's say you live in a house valued at \$116,000. Under the old law the full value was taxed, but the new exclusion lowers the taxable value.

Different classes of property are taxed at different levels. The first \$500,000 of homestead value has a rate of 1%. (Higher value has a rate of 1.25%.)

"Net tax capacity" is a term describing the taxable value after class rates are applied. Again, this is lower under the new law due to the exclusion.

Tax rates increase because the exclusion shrinks the taxable value. This illustration shows statewide average rates before and after the change.

The gross tax under the old law was higher because there was no exclusion, but the credit reduced the net tax. Under the new law the gross and net are the same. Here the increase is modest, but...

Tax rates affect the relative strength of the exclusion because multiplying excluded value by a low rate is less beneficial than multiplying it by a high rate. So, under a "low tax rate" example, the increase in tax is more extreme.

NOTE: This illustration does not reflect an actual location.

WHAT ELSE AFFECTS MY TAXES (IN ADDITION TO THE HOMESTEAD BENEFIT)?

Local levy decisions, including the effects of changes in state aid and local budget priorities.

Market forces can affect property taxes in two ways:

- The **value of your property** may increase or decrease.
- The **value of other properties** may increase or decrease and change the share that your property is of the total tax base, whether your property's value changed or not.

Various other changes (the **classification** of your property, eligibility for **other benefits**, and miscellaneous **law changes**) may also affect property taxes.

PURPOSE, RESPONSIBILITIES AND PROCEDURES OF THE BOARD OF APPEAL AND EQUALIZATION

The **purpose** of the Board of Appeal and Equalization (the Board) is to establish an orderly and consistent appeal procedure for property owners who want to challenge the estimated market value or classification of their property. As the Board of Appeal and Equalization, the City Council has the ability to change values or classifications in accordance with State law. State Statute reads:

"All real property subject to taxation shall be listed and reassessed every year with reference to its value on January 2nd preceding the assessment."

At least one voting member at each meeting of a Local Board of Appeal and Equalization (beginning with the 2005 local boards) must have attended an appeals and equalization course developed or approved by the Commissioner of Revenue within the last four years. The appeals and equalization course details the responsibilities, procedures and requirements of Boards, including:

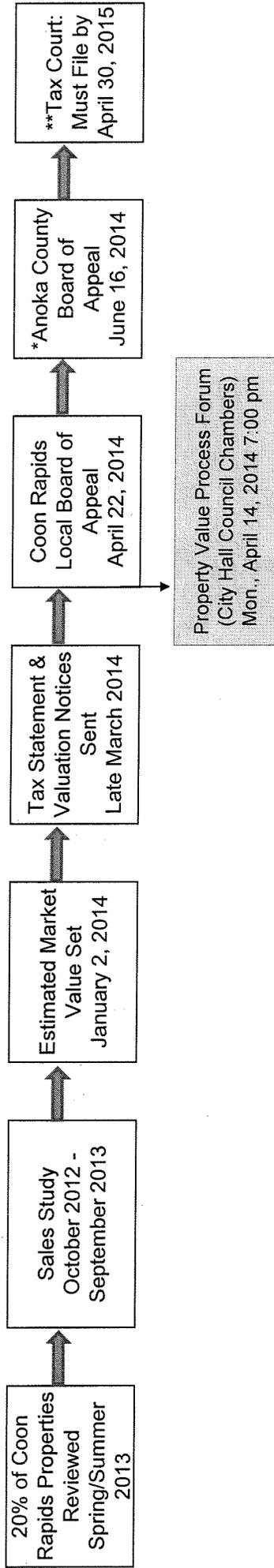
- the role of the local board in the assessment process;
- the legal and policy reasons for fair and impartial appeal and equalization hearings;
- local board meeting procedures that foster fair and impartial assessment reviews and other best practices recommendations;
- quorum requirements for local boards; and
- explanations of alternate methods of appeal.

The **rules** and responsibilities of the Board of Appeal and Equalization, according to Minnesota State Statute, are:

- A majority of the members be in attendance in order to have a quorum.
- The Board shall see that all taxable property is properly valued and classified.
- If property has been omitted from the tax rolls, it may be added by the Board.
- The Board cannot give a class of property an increase or a decrease. The Board may only increase or decrease individual properties.
- As the Board makes reductions to individual properties, the amount of the reduction cannot exceed 1% of the City-wide aggregate assessment.
- The Board must hear cases for the current assessment. This year the Board will review the cases for the 2014 assessment for taxes payable in 2015.
- If the Board finds a case of under valuation, the Board may raise the value of a property, but it must first notify the owner.
- The Board must complete and adjourn within twenty days from the time it convened.

ASSESSMENT AND VALUATION TIMELINE

2014 Market Value for Taxes Payable 2015



January 2, 2014 values were established per State law from "qualified" sales occurring between October 1, 2012 and September 30, 2013. Qualified sales include all "non-distressed open-market arms-length transactions" and are included in sales studies. Studies do not include "distressed sales", such as foreclosures, sales to relatives, sales subject to short sale, estate sales, etc. The qualified sales information is used to update the market value as of January 2, 2014 (for taxes payable in 2015).

Values are set using sales from three to fifteen months before the assessment date. The residential properties are valued using sales from within each neighborhood group, whenever possible.

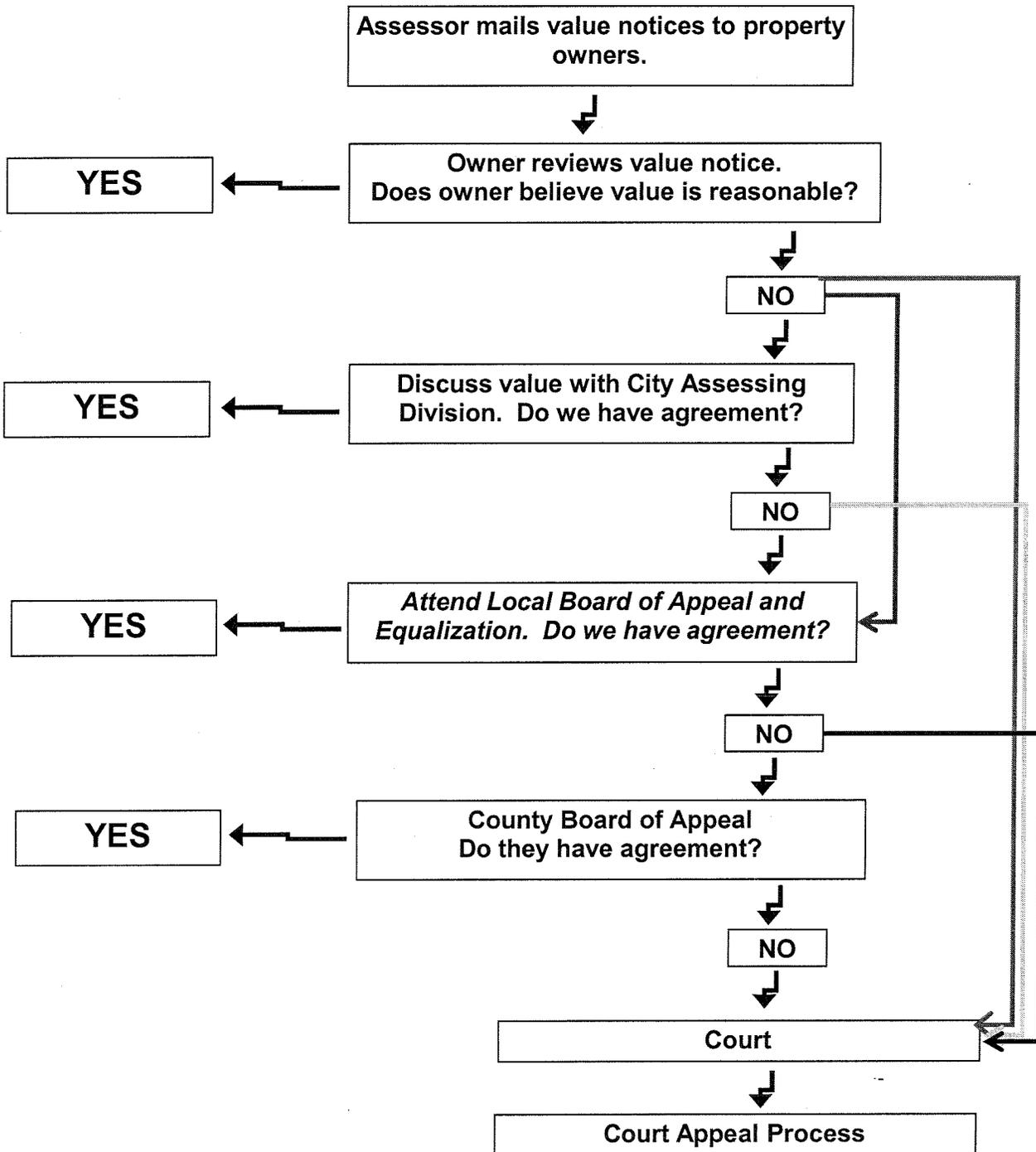
Maintaining the same valuation process every year ensures equalized assessments for all properties.

*If the Coon Rapids Local Board of Appeal and Equalization arrives at a value not agreed with, the case may be heard by the County Board of Appeal and Equalization. It must be appealed at the local level first.

**For more information, contact the Minnesota Tax Court: 25 Rev. Dr. Martin Luther King, Jr. Blvd., Room 245, St. Paul, MN 55115.
Phone: 651-296-2806. Website: www.taxcourt.state.mn.us

MARKET VALUE APPEAL SYSTEM

The chart below shows the process that a property owner may use to appeal their valuation or classification. Property owners are provided with a description of this process on their valuation notices and on the back of their tax statement. A property owner can appeal their value to the next level if they think the decision of the Board is not correct.



DEFINITION OF MARKET VALUE

State Statute reads: "*All real property subject to taxation shall be listed and reassessed every year with reference to its value on January 2nd preceding the assessment.*" This has been done and the owners of property in Coon Rapids have been notified of any value change. Minnesota Statute 273.11 reads: "*All property shall be valued at its market value.*" It further states, "*In estimating and determining such value, the Assessor shall not adopt a lower or different standard of value because the same is to serve as a basis for taxation, nor shall the assessor adopt as a criterion of value the price for which such property would sell at auction or at a forced sale, or in the aggregate with all the property in the town or district; but the assessor shall value each article or description of property by itself, and at such sum or price as the assessor believes the same to be fairly worth in money.*" The Statute says all property shall be valued at market value, not may be valued at market value. This means that no factors other than market factors should affect the Assessor's value and the subsequent action by the Board of Appeal and Equalization.

Market value is **defined** many ways. Many appraisers define it as follows:

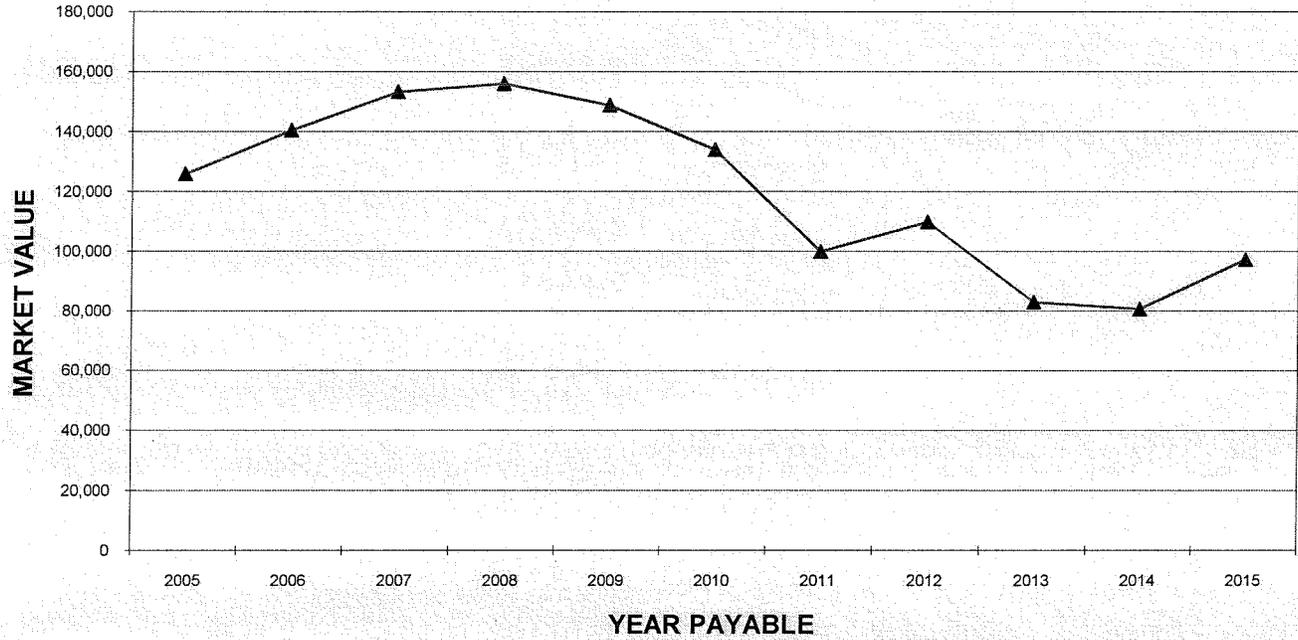
The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by any undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) buyer and seller are typically motivated;
- (2) both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) a reasonable time is allowed for exposure in the open market;
- (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto;
- (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

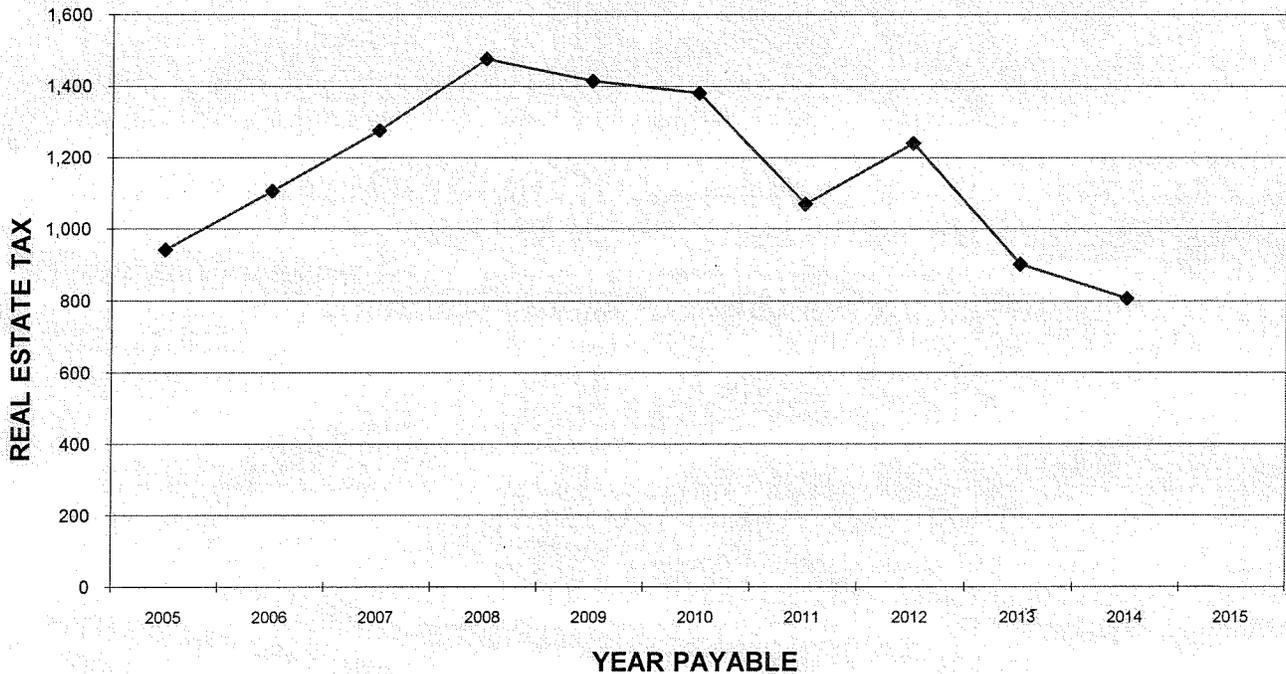
II. BENCHMARK PROPERTIES

**BENCHMARK PROPERTIES
(LOWER VALUED HOME)**

**MARKET VALUE HISTORY
LOT 4, BLOCK 4, WOODCREST**

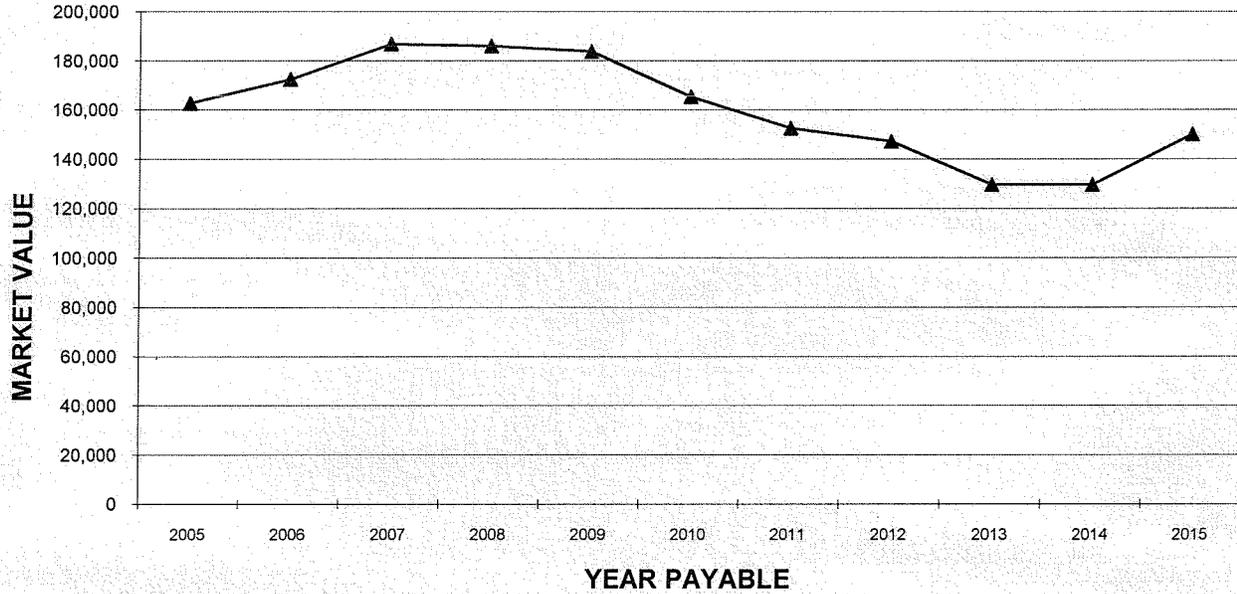


**REAL ESTATE TAX HISTORY
LOT 4, BLOCK 4, WOODCREST**

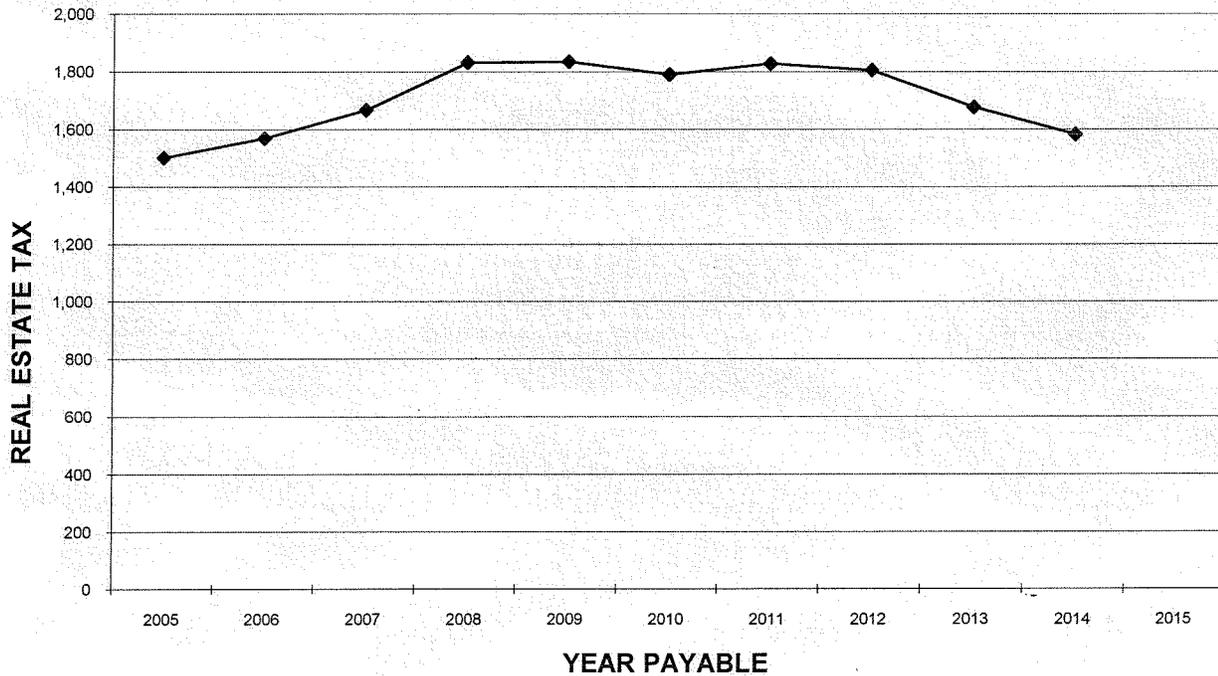


**BENCHMARK PROPERTIES
(MIDDLE VALUED HOME)**

**MARKET VALUE HISTORY
LOT 6, BLOCK 6, THOMPSON HGTS, 5TH**

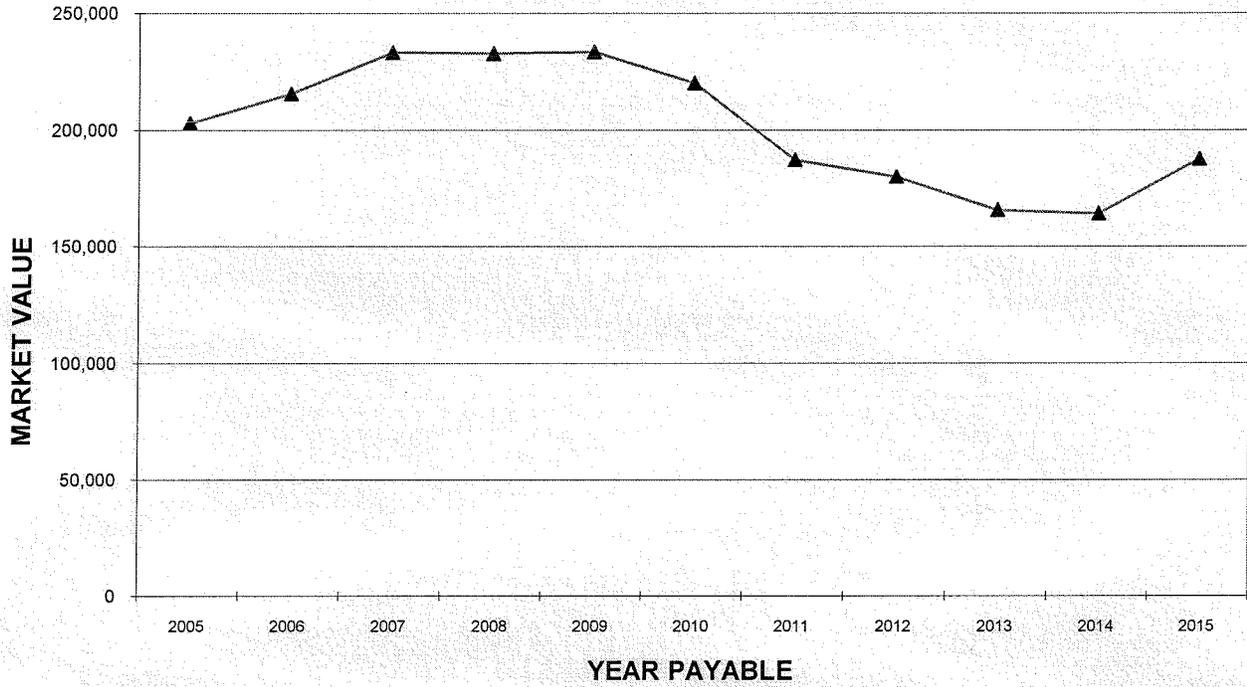


**REAL ESTATE TAX HISTORY
LOT 6, BLOCK 6, THOMPSON HGTS, 5TH**

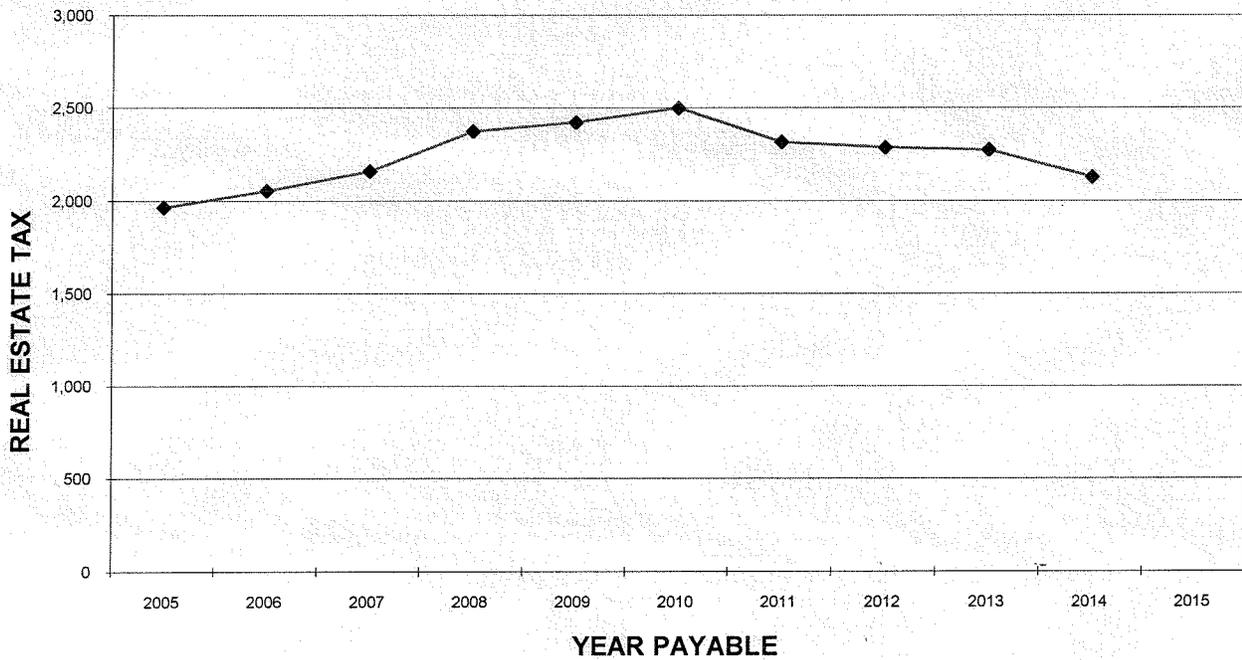


**BENCHMARK PROPERTIES
(UPPER MIDDLE-1 VALUED HOME)**

**MARKET VALUE HISTORY
LOT 12, BLOCK 1, DALYCE 4TH ADDITION**

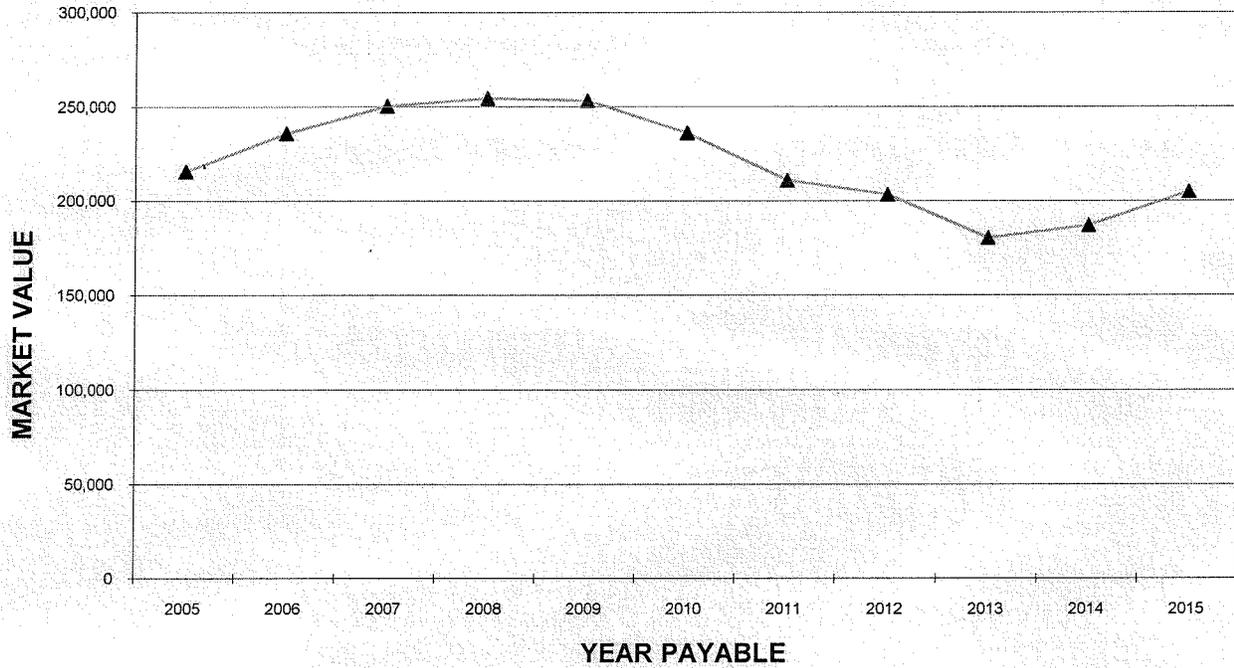


**REAL ESTATE TAX HISTORY
LOT 12, BLOCK 1, DALYCE 4TH ADDITION**

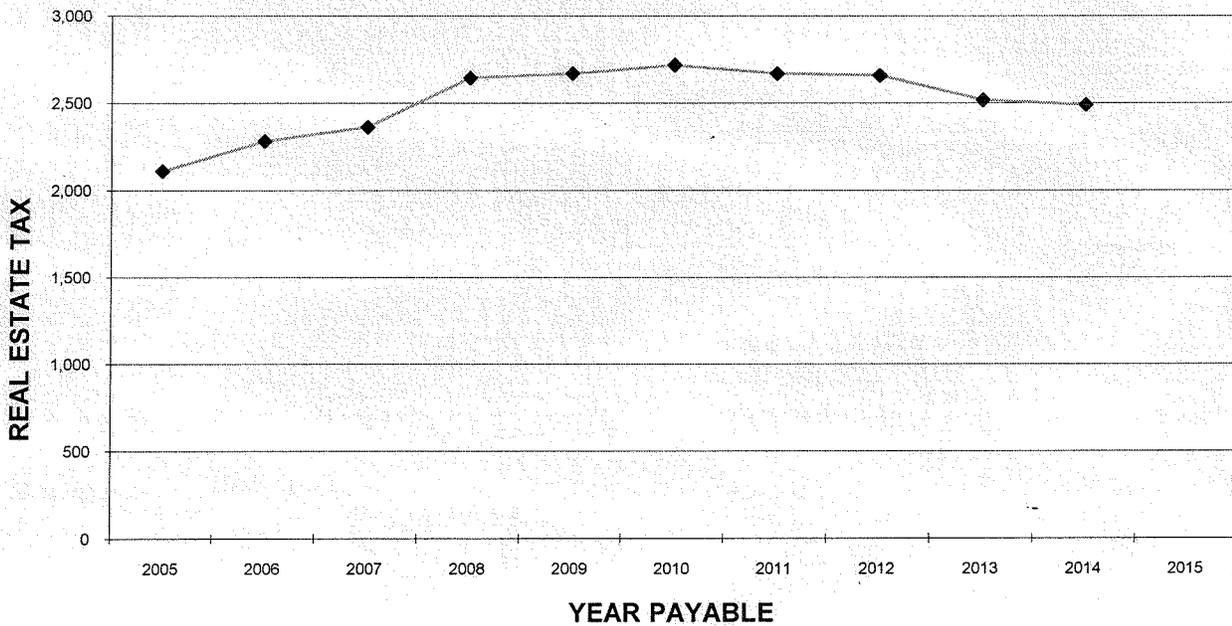


**BENCHMARK PROPERTIES
(UPPER MIDDLE-2 VALUED HOME)**

**MARKET VALUE HISTORY
LOT 8, BLOCK 3, CREEK VILLAS N. 2ND**

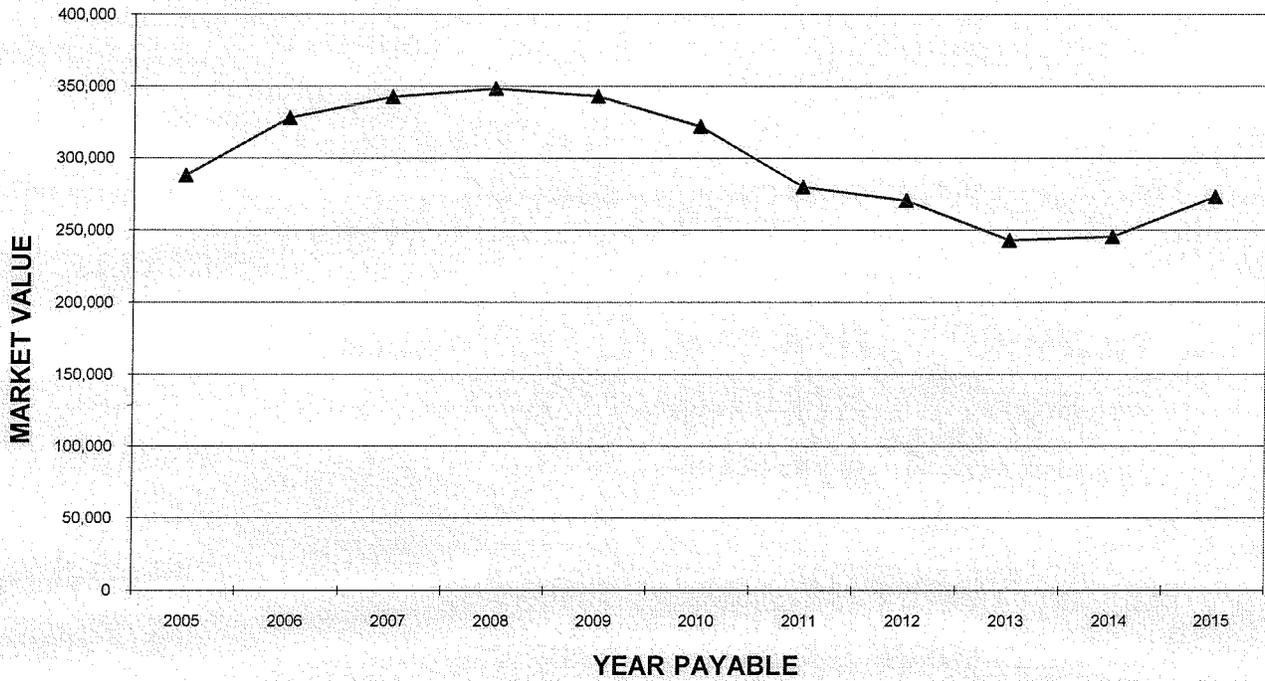


**REAL ESTATE TAX HISTORY
LOT 8, BLOCK 3, CREEK VILLAS N. 2ND**

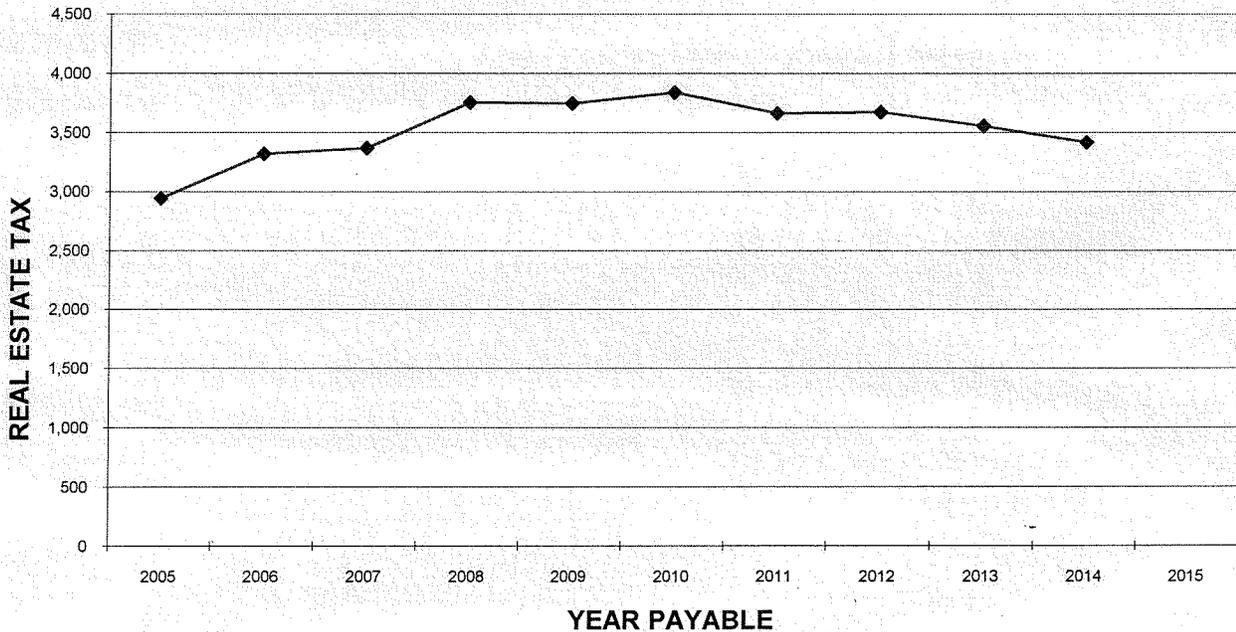


**BENCHMARK PROPERTIES
(HIGHER VALUED HOME)**

**MARKET VALUE HISTORY
LOT 4, BLOCK 1, SAND CREEK HEIGHTS**

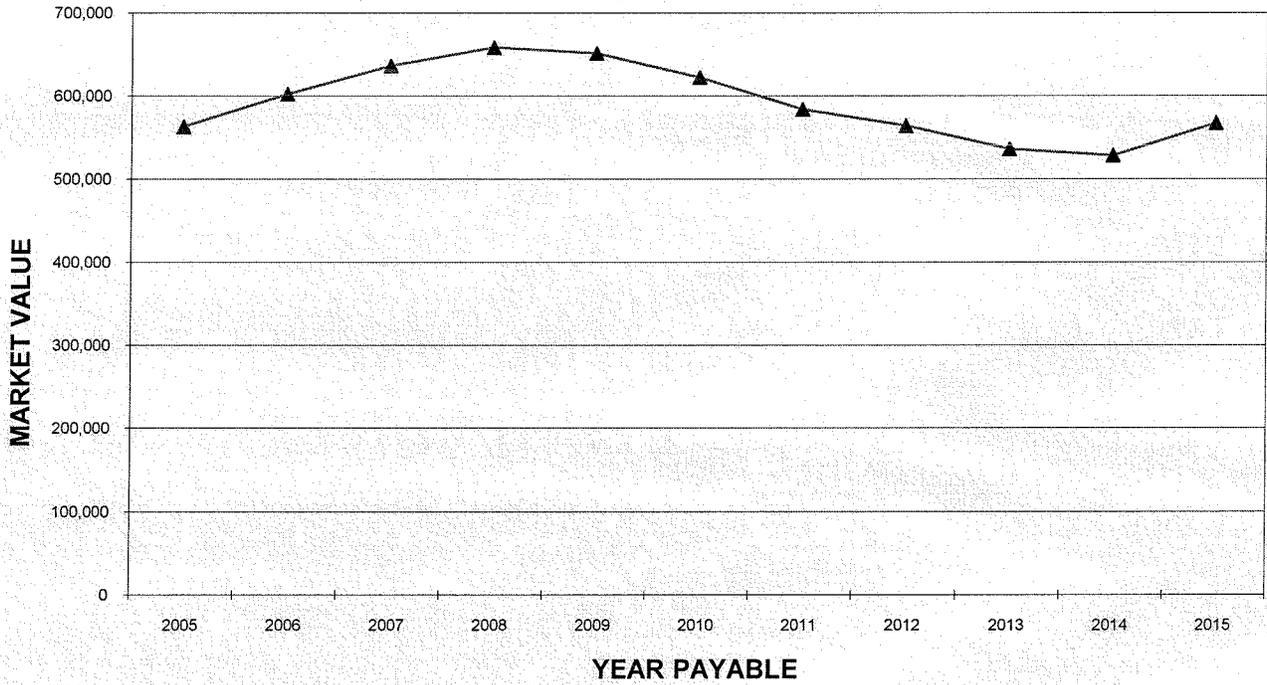


**REAL ESTATE TAX HISTORY
LOT 4, BLOCK 1, SAND CREEK HEIGHTS**

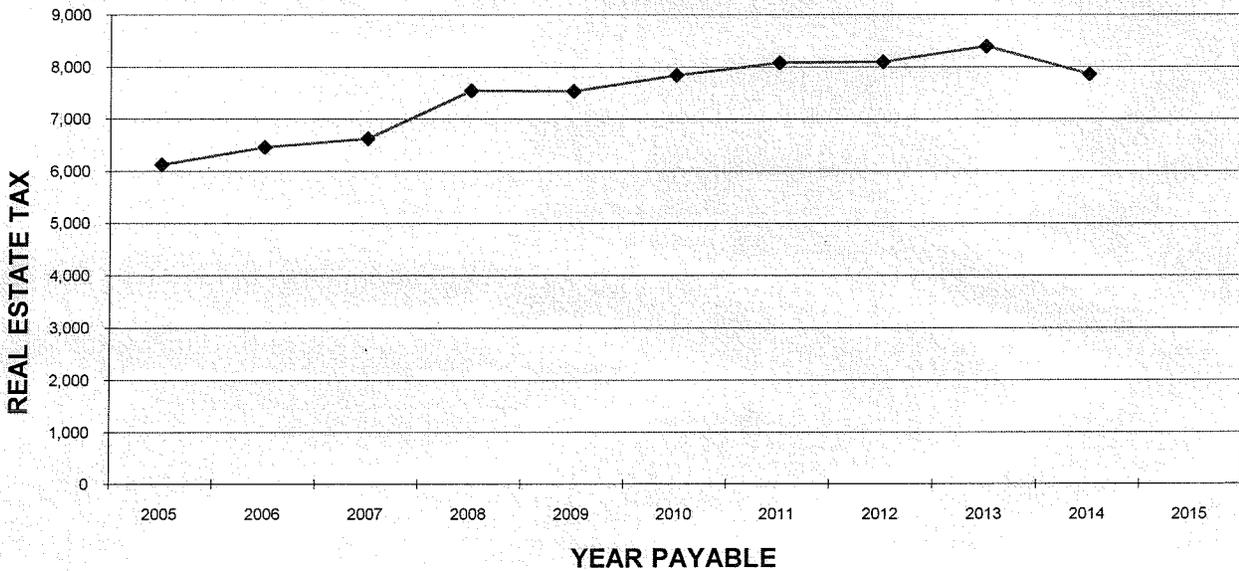


**BENCHMARK PROPERTIES
(ESTATE VALUED HOME)**

**MARKET VALUE HISTORY
PT. LOTS 10-12 MISSISSIPPI SHORES**



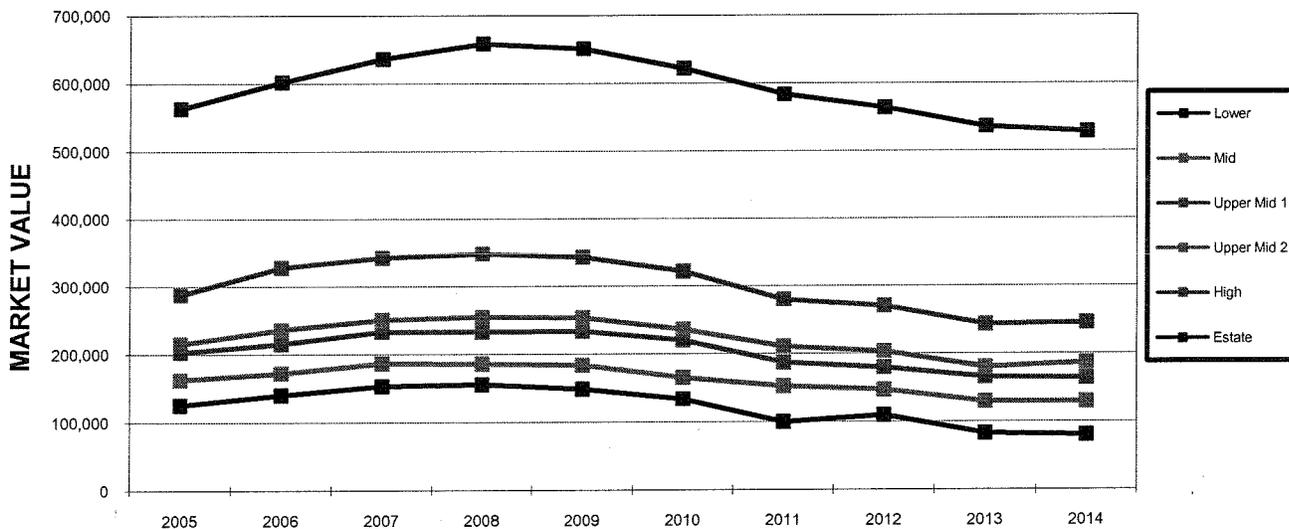
**REAL ESTATE TAX HISTORY
PT. LOTS 10-12, MISSISSIPPI SHORES**



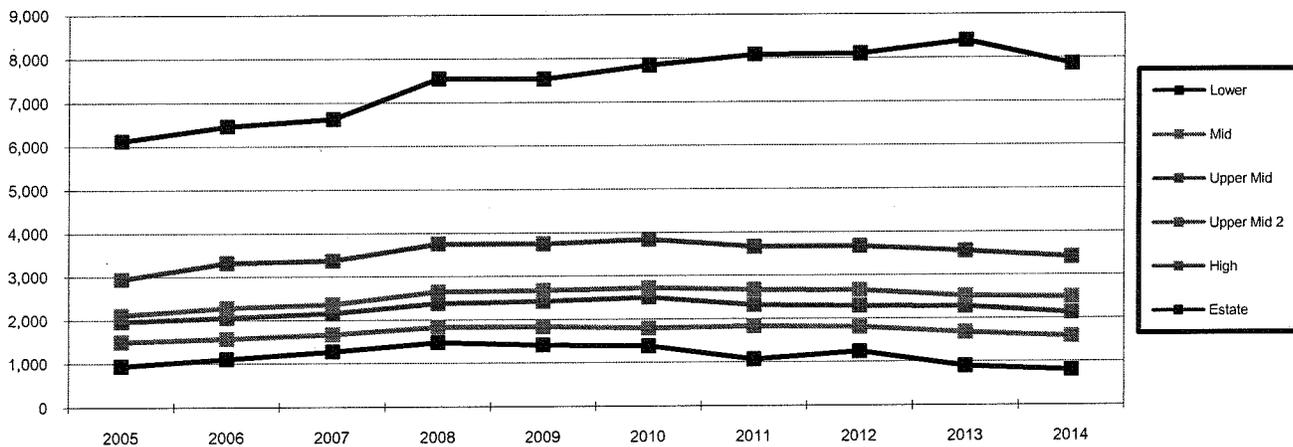
SUMMARY OF BENCHMARK PROPERTIES
MARKET VALUE, TAXES AND SALE PRICES

YEAR	Lower Valued Home 25-31-24-22-0014 Lot 4, Block 4, Woodcrest		Middle Valued Home 09-31-24-43-0028 Lot 6, Block 6, Thompson Hghts. 5th		Upper Middle Valued Home - 1 22-31-24-44-0032 Lot 12, Block 1 Dalyce 4th Addition		Upper Middle Valued Home - 2 12-31-24-32-0017 Lot 8, Block 3, Creek Villas North 2nd		Higher Valued Home 12-31-24-43-0033 Lot 4, Block 1, Sand Creek Heights		Estate Valued Home 21-31-24-22-0006 Pt. of Lots 10-12 Mississippi Shores	
	VALUE	TAX	VALUE	TAX	VALUE	TAX	VALUE	TAX	VALUE	TAX	VALUE	TAX
2005	125,900	942.87	162,700	1,501.97	203,000	1,965.98	215,600	2,111.80	288,000	2,945.73	563,400	6,129.50
2006	140,500	1,106.20	172,500	1,570.01	215,600	2,055.51	235,900	2,283.81	328,200	3,322.99	602,200	6,466.31
2007	153,300	1,277.04	186,800	1,667.75	233,300	2,175.69	250,600	2,364.18	342,800	3,371.01	636,400	6,630.58
2008	156,000	1,476.48	186,000	1,832.03	232,800	2,374.94	254,700	2,646.25	348,500	3,757.95	658,500	7,551.85
2009	148,800	1,414.60	183,800	1,834.93	233,600	2,422.69	253,400	2,670.78	343,200	3,749.23	651,300	7,540.27
2010	134,000	1,380.82	165,300	1,790.33	220,200	2,499.76	236,300	2,719.28	322,100	3,841.86	622,200	7,846.71
2011	100,000	1,069.62	152,600	1,828.13	187,300	2,316.46	211,000	2,670.27	280,000	3,665.26	583,800	8,084.97
2012	109,900	1,240.90	147,200	1,805.67	180,000	2,288.46	203,500	2,659.48	270,600	3,676.17	564,300	8,103.00
2013	83,000	902.68	129,700	1,677.51	165,700	2,275.61	180,400	2,519.22	243,100	3,559.03	536,300	8,399.92
2014	80,700	807.26	129,700	1,583.36	164,200	2,129.83	187,000	2,491.62	245,600	3,420.26	528,700	7,864.77
2015	97,300		150,100		187,700		187,000		273,100		567,600	

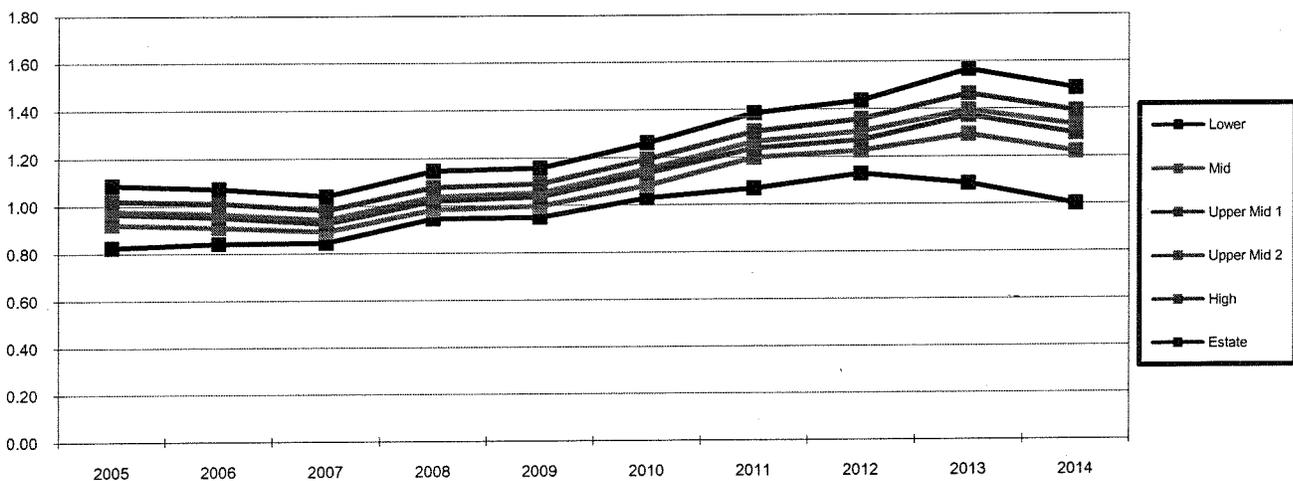
MARKET VALUE TRENDS 2005-2014



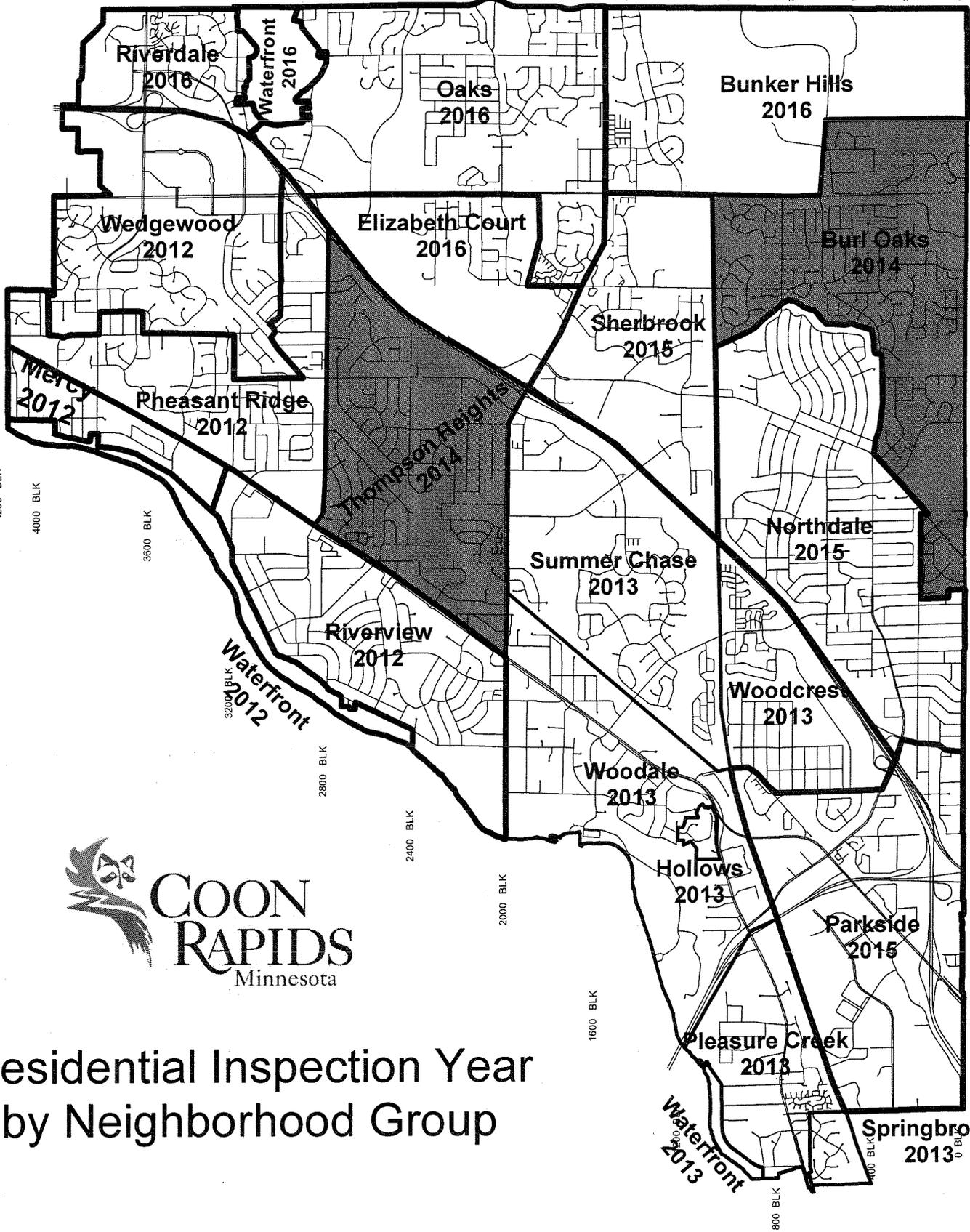
TAX TRENDS 2005-2014



EFFECTIVE TAX RATE 2005-2014



9TH AVE
 4150 ELDORADO ST
 DAKOTAH ST
 4000 CREE ST
 BLACKFOOT ST
 AZTEC ST
 ZEA ST
 YUCCA ST
 XENIA ST
 3750 WOODBINE ST
 VINTAGE ST
 UNDERCLIFF ST
 TULIP ST
 SILVEROD ST
 3600 ROSE ST
 QUAY ST
 POPPY ST
 ORCHID ST
 3500 NARCISUS ST
 MARGOLD ST
 LILY ST
 KERRY ST
 3400 IYWOOD ST
 JONWOOD ST
 HEATHER ST
 3000 GLADIOLA ST
 FLORA ST
 EDELWEISS ST
 2750 JARLUA ST
 CROCUS ST
 BITTERSWEET ST
 ARROWHEAD ST
 ZION ST
 YUKON ST
 2500 XAVIS ST
 WREN ST
 2300 VERDIN ST
 UPLANDER ST
 THRUISH ST
 2250 SWALLOW ST
 WINDY ST
 QUINN ST
 PARTIDGE ST
 OSAGE ST
 2000 NIGHTINGALE ST
 MARTIN ST
 LINNET ST
 KILLDEER ST
 JAY ST
 1750 IBIS ST
 HUMMINGBIRD ST
 GROUSE ST
 FLAMINGO ST
 EAGLE ST
 1500 DRAKE ST
 CRANE ST
 AVOCET ST
 1250 ZILLA ST
 YELLOW PINE ST
 XEON ST
 WINTERGREEN ST
 VALE ST
 1000 UNITY ST
 SYRACUSE ST
 STAMORE ST
 QUINCE ST
 750 PALM ST
 OLIVE ST
 NORWAY ST
 MAGNOLIA ST
 LARCH ST
 KUNOLIA ST
 JUNIPER ST
 ILEX ST
 500 HOLLY ST
 GOLDENROD ST
 FLINTWOOD ST
 250 EVERGREEN ST
 DOGWOOD ST
 COTTONWOOD ST
 BUTTERNUT ST
 ALDER ST
 UNIVERSITY AVE



133RD AVE
 132ND AVE
 131ST AVE
 130TH AVE
 129TH AVE
 128TH AVE
 127TH AVE
 126TH AVE
 125TH AVE
 124TH AVE
 123RD AVE
 122ND AVE
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 93RD AVE
 92ND AVE
 91ST AVE
 90TH AVE
 89TH AVE
 88TH AVE
 87TH AVE
 86TH AVE
 85TH AVE
 84TH AVE
 83RD AVE



Residential Inspection Year by Neighborhood Group

SUMMARY
TAX CAPACITY RATES AMONG THE VARIOUS TAXING DISTRICTS
2005-2014

YEAR	CITY RATE	CITY SHARE	COUNTY RATE	COUNTY SHARE	SCHOOL RATE	SCHOOL SHARE	OTHER RATES *	OTHER SHARE	TOTAL RATE
2005	30.328	33.06%	33.080	36.06%	21.492	23.43%	6.829	7.44%	91.729
2006	30.586	34.37%	32.096	36.07%	20.046	22.53%	6.262	7.04%	88.990
2007	30.526	35.33%	30.696	35.53%	19.353	22.40%	5.824	6.74%	86.399
2008	30.731	35.87%	31.078	36.28%	16.983	19.82%	6.879	8.03%	85.671
2009	32.706	36.89%	32.078	36.18%	18.263	20.60%	5.606	6.32%	88.653
2010	34.468	36.02%	35.189	36.78%	19.939	20.84%	6.089	6.36%	95.685
2011	38.951	35.45%	39.952	36.36%	23.999	21.84%	6.985	6.36%	109.887
2012	42.824	37.47%	41.146	36.00%	23.325	20.41%	6.990	6.12%	114.285
2013	48.835	38.36%	44.411	34.88%	26.801	21.05%	7.268	5.71%	127.315
2014	47.509	37.57%	43.239	34.20%	28.265	22.35%	7.425	5.87%	126.438

* Other districts include: Met Council, Metro Transit, Mosquito Control, Coon Creek Watershed, Coon Rapids HRA and Railroad Authority.

RESIDENTIAL TAX ESTIMATES

Final PAY 2014

(Estimate excludes special assessments and other charges)

AREA **COON RAPIDS**

Tax Rate 126.438%

Levy Code 16011D

SD RMV Rate 0.20597%

CITY RMV Rate 0.00000%

**RESIDENTIAL HOMESTEAD
(1A)**

**RES NON-HSTD SFD
(4BB1)**

MARKET VALUE PRIOR TO EXCLUSION
(MVPT) \$164,200

TAXABLE MARKET VALUE \$164,200

Homestead Exclusion Amount
1ST 76,000 Of Mkt Value @ 40% \$30,400
Phase-out Balance @ 9% (\$7,938)
Total Homestead Market Value Exclusion \$22,462

1ST 500,000 Of Mkt Value @ 1% 1,642
Balance @ 1.25% 0
Tax Capacity 1,642

TAXABLE MARKET VALUE (after exclusion) \$141,738
1ST 500,000 Of Mkt Value @ 1% 1,417
Balance @ 1.25% 0
Tax Capacity 1,417

Tax Capacity * Tax Rate \$2,076.11

Tax Capacity * Tax Rate \$1,791.63
Refer Mkt Value * SD RMV Rate \$338.20
Refer Mkt Value * CITY RMV Rate \$0.00

Refer Mkt Value * SD RMV Rate \$338.20
Refer Mkt Value * CITY RMV Rate \$0.00

Total Estimated Tax \$2,129.83
OA Tax rate 0.013

Total Estimated Tax \$2,414.31
0.015

**RESIDENTIAL/AG HOMESTEAD BLIND
(1BAG) and (1BNA)**

**RES/AG NON-HSTD 2-3 UNITS/VACANT
(4B1 & 4B3 & 4B4)
MANUF. HOME PARK (4C5)
BED & BREAKFAST (4C9)**

MARKET VALUE PRIOR TO
EXCLUSION (MVPT) \$164,200

TAXABLE MARKET VALUE \$164,200
All @ 1.25% 2,053

Homestead Exclusion Amount
1ST 76,000 Of Mkt Value @ 40% \$30,400
Phase-out Balance @ 9% (\$7,938)
Total Homestead Market Value Exclusion \$22,462

Tax Capacity 2,053

TAXABLE MARKET VALUE (after exclusion) \$141,738
1ST 50,000 Of Mkt Value @ .45% 225
50,000 to 500,000 @ 1% 917
Balance @ 1.25% 0
Tax Capacity 1,142

Tax Capacity * Tax Rate \$2,595.77

Tax Capacity * Tax Rate \$1,443.92
Refer Mkt Value * SD RMV Rate \$281.56
Refer Mkt Value * CITY RMV Rate \$0.00

Refer Mkt Value * SD RMV Rate \$338.20
Refer Mkt Value * CITY RMV Rate \$0.00

Total Estimated Tax \$1,725.48
OA Tax rate 0.011

Total Estimated Tax \$2,933.97
0.018

**Residential Tax Due-May 15 and Oct. 15
Manufactured Home Tax Due-Aug. 31 and Nov. 15**

**COMMERCIAL PROPERTY TAX CALCULATION PAY 2014
(CONTIGUOUS)**

A.	Market Value	2,000,000	
	Class Rate:		
B.	Market Value @ 2.0%	40,000	
D.	Tax Capacity	<u>40,000</u>	
E.	F.D. Ratio	0.36501	
F.	FD Tax Capacity	14,600	(D x E)
G.	Local Tax Capacity	25,400	(D - F)
H.	Local Tax Rate	126.438%	
I.	F.D. Tax Rate	163.121%	
J.	F.D. Tax	\$ 23,816.32	(F x I)
K.	Local Tax	<u>\$ 32,114.75</u>	(G x H)
L.	Total Tax Capacity Based Tax	\$ 55,931.06	(J + K)
M.	Statewide Business tax	20,864	D x 52.16%
N.	M.V. Referendum Rate	0.20597%	
O.	M.V. Tax	<u>\$ 4,119.40</u>	(A x N)
P.	Total Tax	\$ 80,914.46	(L + M+O)

**COMMERCIAL PROPERTY TAX CALCULATION PAY 2014
(NON-CONTIGUOUS)**

A.	Market Value	2,000,000	
	Class Rate:		
B.	1st \$150,000 MV @ 1.50%	2,250	
C.	Balance @ 2.0%	<u>37,000</u>	
D.	Tax Capacity	39,250	(B+C)
E.	F.D. Ratio	0.36501	
F.	FD Tax Capacity	14,327	(D x E)
G.	Local Tax Capacity	24,923	(D - F)
H.	Local Tax Rate	126.438%	
I.	F.D. Tax Rate	163.121%	
J.	F.D. Tax	\$ 23,369.76	(F x I)
K.	Local Tax	<u>\$ 31,512.59</u>	(G x H)
L.	Total Tax Capacity Based Tax	\$ 54,882.36	(J + K)
M.	Statewide Business tax	20,473	D x 52.16%
N.	M.V. Referendum Rate	0.20597%	
O.	M.V. Tax	<u>\$ 4,119.40</u>	(A x N)
P.	Total Tax	\$ 79,474.56	(L + M+O)

**APARTMENT PROPERTY TAX CALCULATION
PAY 2014**

A.	Market Value	8,400,000	
	Class Rate:		
B.	Market value @ 1.25%	105,000	
C.	Local Tax Rate	126.438%	
D.	Local Tax	\$ 132,759.90	(B x C)
E.	M.V. Referendum Rate	0.20597%	
F.	M.V. Tax	<u>\$ 17,301.48</u>	(A x E)
G.	Total Tax	\$ 150,061.38	(D + G)

**2014 REAL ESTATE TAX INFORMATION &
HOW IT AFFECTS THE BENCHMARK PROPERTIES**

The 2014 real estate tax statements were mailed mid March. The following information shows the effect new tax rates have on selected properties within the City. A brief review of the tax procedure is also provided.

The real estate tax is an **ad valorem tax**; that is, a **tax based on the value of the property**.

The **calculation of the tax** requires two variables, a **tax capacity value** and the **tax capacity rate** applicable to each individual property.

Tax Capacity Value - Tax capacity value is determined by multiplying the class rate (a percentage) by the estimated taxable market value of a property. The class rate is set by state law. Determination of tax capacity values have changed over the years (generally going down).

The tax capacity value for residential homestead property is determined as follows:

<u>Residential Homestead</u>	<u>Taxable Market Value</u>	<u>Class Rate</u>
(1a classification)	First \$500,000	@ 1.0%
	Over \$500,000	@ 1.25%
Rental Non-homestead residential property 1 Unit (4bb classification)	First \$500,000	@ 1.0%
	Over \$500,000	@ 1.25%
2 to 3 Units (4b1 classification)	All	@ 1.25%
4 or more Units (4a classification)	All	@ 1.5%

Tax Capacity Rates - The tax capacity rate is determined by taking the total dollars requested by a taxing district and dividing that dollar amount by the total tax capacity value within that district. The City of Coon Rapids has several taxing districts within its boundaries that can collect taxes from the property owners. The total tax capacity rate for 2013 and 2014, for most properties in Coon Rapids was 127.315 and 126.438 respectively, or a decrease of .69%.

Homestead Market Value Exclusion – Under the new law, the exclusion is still calculated using the value of the homestead, but the tax benefit depends on a variety of factors other than homestead value. Because the exclusion is a reduction in the value subject to tax, it also affects tax rates and taxes of all properties. The calculation of the exclusion amount is similar to the calculation of the former homestead credit: Exclusion = 40% of the first \$76,000, minus 9% of the value over \$76,000. The maximum is still reached at \$76,000 of market value (\$30,400) and reduces to \$0 at about \$414,000 of market value.

Following is a summary of the 2013 and 2014 tax capacity rates for those districts making up the typical tax rate within the City of Coon Rapids.

<u>JURISDICTION</u>	<u>2013</u> <u>RATE</u>	<u>2014</u> <u>RATE</u>	<u>CHANGE</u>	<u>%</u> <u>CHANGE</u>
School District 11	26.801	28.265	1.464	5.46%
County of Anoka	44.411	43.239	(1.172)	-2.64%
City of Coon Rapids	48.835	47.509	(1.326)	-2.72%
Metro Council/Metro Transit/Mosquito Control	3.480	3.237	(0.243)	-6.98%
Coon Creek Watershed	1.153	1.482	0.329	28.53%
Coon Rapid HRA	1.508	1.450	(0.058)	-3.85%
Railroad Authority	0.777	0.882	0.105	13.51%
Radio	0.350	0.374	0.024	6.86%
TOTAL	127.315	126.438	(0.877)	-0.69%

The tax capacity rate of 126.438 is the rate that includes the Coon Creek Watershed District and is the most commonly used rate within the City. There are several other rates that are used within the City because of other watershed areas. Following are the various watershed areas and the total tax capacity rate for those areas.

<u>WATERSHED AREA</u>	<u>TOTAL TAX RATE</u>	
	<u>2013</u>	<u>2014</u>
16011- Rum River Watershed	126.162	124.956
16011D Six Cities Watershed	127.315	126.438
16011M Springbrook Storm Drain	127.315	126.438
17011A Coon Creek Watershed	127.315	126.438
18011H Pleasure Creek Watershed	127.315	126.438
72011A Coon Creek Watershed Ditch 39	127.315	126.438
73011A Coon Creek Watershed Ditch 57	127.315	126.438
74011A Coon Creek Watershed Ditch 60	127.315	126.438

2014 TAXES ON BENCHMARK RESIDENTIAL PROPERTIES

Each year, City staff uses 28 sample homes to monitor what is happening in the real estate market and to the real estate tax. Of the 28 samples, six of the homes are used as benchmark homes to show value and tax changes. The six benchmark homes are lower, middle, two upper middle, higher and estate valued. The following shows how the 2014 tax capacity rates affect the 2014 taxes in comparison to the 2013 taxes.

2013 and 2014 Tax Comparisons -- All Units of Government

<u>Lower Valued Home</u>	<u>2013 TAX</u>	<u>2014 TAX</u>	<u>\$ CHANGE</u>	<u>% CHANGE</u>
Estimated Market Value	83,000.00	80,700.00	-2,300.00	-2.77
Market Exclusion	29,770.00	29,977.00		
Taxable Market Value	53,230.00	50,723.00		
Tax Capacity	532	507	-25.00	-4.70
City Tax	259.80	240.87	-18.93	-7.29
County Tax	236.27	219.22	-17.04	-7.21
School Tax	367.94	309.52	-58.42	-15.88
All Other	38.67	37.64	-1.02	-2.64
Total Tax	902.67	807.26	-95.41	-10.57
% of Tax to Market Value	1.09%	1.00%		
<u>Middle Valued Home</u>	<u>2013 TAX</u>	<u>2014 TAX</u>	<u>\$ CHANGE</u>	<u>% CHANGE</u>
Estimated Market Value	129,700.00	129,700.00	0.00	0.00
Market Exclusion	25,567.00	25,567.00		
Taxable Market Value	104,133.00	104,133.00		
Tax Capacity	1,041	1,041	0.00	0.00
City Tax	508.37	494.57	-13.80	-2.72
County Tax	462.32	450.12	-12.20	-2.64
School Tax	631.16	561.38	-69.78	-11.06
All Other	75.66	77.29	1.63	2.16
Total Tax	1,677.51	1,583.36	-94.15	-5.61
% of Tax to Market Value	1.29%	1.22%		
<u>Upper Middle Valued Home -1</u>	<u>2013 TAX</u>	<u>2014 TAX</u>	<u>\$ CHANGE</u>	<u>% CHANGE</u>
Estimated Market Value	165,700.00	164,200.00	-1,500.00	-0.91
Market Exclusion	22,327.00	22,462.00		
Taxable Market Value	143,373.00	141,738.00		
Tax Capacity	1,434	1,417	-17.00	-1.19
City Tax	700.29	673.20	-27.09	-3.87
County Tax	636.85	612.70	-24.16	-3.79
School Tax	834.23	738.72	-95.52	-11.45

All Other	104.22	105.21	0.99	0.95
Total Tax	2,275.61	2,129.83	-145.78	-6.41
% of Tax to Market Value	1.37%	1.30%		

<u>Upper Middle Valued Home -2</u>	<u>2013 TAX</u>	<u>2014 TAX</u>	<u>\$ CHANGE</u>	<u>% CHANGE</u>
Estimated Market Value	180,400.00	187,000.00	6,600.00	3.66
Market Exclusion	21,004.00	20,410.00		
Taxable Market Value	159,396.00	166,590.00		
Tax Capacity	1,594	1,666	72.00	4.52
City Tax	778.43	791.50	13.07	1.68
County Tax	707.91	720.36	12.45	1.76
School Tax	917.03	856.06	-60.97	-6.65
All Other	115.85	123.70	7.85	6.77
Total Tax	2,519.22	2,491.62	-27.60	-1.10
% of Tax to Market Value	1.40%	1.33%		

<u>Higher Valued Home</u>	<u>2013 TAX</u>	<u>2014 TAX</u>	<u>\$ CHANGE</u>	<u>% CHANGE</u>
Estimated Market Value	243,100.00	245,600.00	2,500.00	1.03
Market Exclusion	15,361.00	15,136.00		
Taxable Market Value	227,739.00	230,464.00		
Tax Capacity	2,277	2,305	28.00	1.23
City Tax	1,111.97	1,095.08	-16.89	-1.52
County Tax	1,011.24	996.66	-14.58	-1.44
School Tax	1,270.32	1,157.37	-112.95	-8.89
All Other	165.49	171.15	5.65	3.42
Total Tax	3,559.03	3,420.26	-138.77	-3.90
% of Tax to Market Value	1.46%	1.39%		

<u>Estate Valued Home</u>	<u>2013 TAX</u>	<u>2014 TAX</u>	<u>\$ CHANGE</u>	<u>% CHANGE</u>
Estimated Market Value	536,300.00	528,700.00	-7,600.00	-1.42
Market Exclusion	0.00	0.00		
Taxable Market Value	536,300.00	528,700.00		
Tax Capacity	5,454	5,359	-95.00	-1.74
City Tax	2,663.46	2,546.01	-117.45	-4.41
County Tax	2,422.18	2,317.18	-105.00	-4.33
School Tax	2,917.89	2,603.68	-314.20	-10.77
All Other	396.40	397.91	1.51	0.38
Total Tax	8,399.92	7,864.77	-535.16	-6.37
% of Tax to Market Value	1.57%	1.49%		

WASTE MANAGEMENT CHARGE

Included on the 2014 tax statement (all improved properties) is a dollar amount for solid waste management charge. This charge is in addition to the tax. The solid waste management charge will fund the County-wide Integrated Waste Management System. This system is designed to protect the environment through extensive recycling efforts, waste reduction, household hazardous waste collections, tree waste processing, yard waste composting and waste-to-energy conversion. The charges will be as follows:

SOLID WASTE MANAGEMENT CHARGES

BY: JODIE RAYMOND, REPORTER

At the November 22, 2011 Anoka County Board meeting, Resolution #2011-134 was approved. This resolution revises the Anoka County Solid Waste Management Charges to reflect the current costs to meet the program budget needs. The following chart reflects the new charges that are effective January 1, 2012 for taxes payable in 2012:

Solid Waste Management Charge		
Property Classification	2011 Fee	New Charges Effective January 1, 2012
Residential Fee		
Single Family	\$36.09	\$24.02
Mobile Home Pads	\$28.87	\$19.22
Apartments	\$23.46	\$15.61
Non-Residential Fee		
Micro-Generator	\$41.95	\$27.92
Category I – Improved value of \$25,000 --- \$200,000	\$79.97	\$53.23
Category II – Improved value of \$200,001 --- \$500,000	\$259.72	\$172.86
Category III --- Improved value of \$500,001 --- \$1,000,000	\$584.21	\$388.83
Category IV --- Improved value of \$1,000,001 and more	\$2,047.71	\$1,362.90

This charge is also levied to improved tax exempt properties (building value only). Improved properties that do not generate waste or generate waste on a reduced scale can appeal their charge to the County Waste Management Services.

**COMPARISON OF TOTAL TAX BILL ON BENCHMARK HOMES
OVER A TEN YEAR PERIOD**

Following is a comparison of the six benchmark properties shown previously, comparing the 2014 information to the 2005.

<u>Lower Valued Home</u>	<u>2005 TAX</u>	<u>2014 TAX</u>	<u>% CHANGE</u>
Estimated Market Value	125,900	80,700	-35.90
Net Tax	942.87	807.26	-14.38
% of Tax to Market Value	0.75	1.00	
<u>Middle Valued Home</u>	<u>2005 TAX</u>	<u>2014 TAX</u>	<u>% CHANGE</u>
Estimated Market Value	162,700	129,700	-20.28
Net Tax	1,501.97	1,583.36	5.42
% of Tax to Market Value	0.92	1.22	
<u>Upper Middle Valued Home - 1</u>	<u>2005 TAX</u>	<u>2014 TAX</u>	<u>% CHANGE</u>
Estimated Market Value	203,000	164,200	-19.11
Net Tax	1,965.98	2,129.83	8.33
% of Tax to Market Value	0.97	1.30	
<u>Upper Middle Valued Home - 2</u>	<u>2005 TAX</u>	<u>2014 TAX</u>	<u>% CHANGE</u>
Estimated Market Value	215,600	187,000	-13.27
Net Tax	2,111.80	2,491.62	17.99
% of Tax to Market Value	0.98	1.33	
<u>Higher Valued Home</u>	<u>2005 TAX</u>	<u>2014 TAX</u>	<u>% CHANGE</u>
Estimated Market Value	288,000	245,600	-14.72
Net Tax	2,945.73	3,420.26	16.11
% of Tax to Market Value	1.02	1.39	
<u>Estate Valued Home</u>	<u>2005 TAX</u>	<u>2014 TAX</u>	<u>% CHANGE</u>
Estimated Market Value	563,400	528,700	-6.16
Net Tax	6,129.50	7,864.77	28.31
% of Tax to Market Value	1.09	1.49	

Comparison of Total Tax Bill on Benchmark Homes Over a Ten Year Period – (continued)

Over ten years, the taxes have varied from year to year on the six homes. The following shows the years with the lowest and highest taxes.

<u>Property</u>	<u>Lowest taxes</u>	<u>Year</u>	<u>Highest taxes</u>	<u>Year</u>
Lower valued	807.26	2014	1,476.48	2008
Middle valued	1,501.97	2005	1,834.93	2009
Upper middle - 1	1,965.98	2005	2,499.76	2010
Upper middle - 2	2,111.80	2005	2,719.28	2010
Higher valued	2,945.73	2005	3,841.86	2010
Estate valued	6,129.50	2005	8,399.92	2013

Over the same ten year span, the percent of total tax to the estimated market value has changed from year to year. The following shows the lowest and highest percentage of tax to market value and the corresponding year in which that occurred:

<u>Property</u>	<u>Lowest rates</u>	<u>Year</u>	<u>Highest rates</u>	<u>Year</u>
Lower valued	0.83	2005	1.13	2012
Middle valued	0.89	2007	1.29	2013
Upper middle - 1	0.93	2007	1.37	2013
Upper middle - 2	0.94	2007	1.40	2013
Higher valued	0.98	2007	1.46	2013
Estate valued	1.04	2007	1.57	2013

ESTIMATED MARKET VALUE AND LIMITED MARKET VALUE COMPARISONS
ON SELECTED RESIDENTIAL PROPERTIES
2013 TO 2014 ASSESSMENT YEAR

DIST	ADDITION	PIN	2013 EMV	2014 EMV	PERCENT CHANGE IN EMV
17011A	Golf View Estates	01-31-0016	187,500	205,000	9.33%
17011A	Golf View Estates	01-31-0017	231,500	254,500	9.94%
17011A	Oaks of Shen	03-42-0026	240,000	277,500	15.63%
17011A	Thom Hgts 5th	09-43-0028	129,700	150,100	15.73%
17011A	Golf Terr 3rd	12-31-0069	170,900	187,100	9.48%
17011A	Creek Villas N 2nd	12-32-0017	187,000	205,000	9.63%
17011A	Creek Villas N 2nd	12-32-0025	215,300	236,600	9.89%
17011A	Northdale 3rd	12-33-0142	123,200	136,900	11.12%
17011A	Sand Creek Hts	12-43-0033	245,600	273,100	11.20%
17011A	Sand Creek Hts	12-43-0037	186,700	204,500	9.53%
17011A	Sand Creek Hts	12-43-0038	180,100	197,400	9.61%
17011A	Gorham's Oak Ridge	13-44-0087	203,500	224,100	10.12%
17011A	Northdale 4th	14-14-0028	126,400	141,300	11.79%
16011D	O.T.R.T. 6TH	21-11-0053	139,800	161,400	15.45%
16011D	O.T.R.T. 3RD	21-12-0057	123,200	141,100	14.53%
16011D	Miss. Shores	21-22-0006	528,700	567,500	7.34%
16011D	O.T.R.T. 8TH	21-22-0052	133,400	153,900	15.37%
16011D	Dalyce 4th	22-44-0029	163,200	180,700	10.72%
16011D	Dalyce 4th	22-44-0032	164,200	187,700	14.31%
17011A	Creekwood Estates	23-22-0011	146,500	162,000	10.58%
17011A	Creekwood Estates	23-22-0025	143,100	163,100	13.98%
17011A	Creekwood Estates	23-22-0027	135,500	150,200	10.85%
17011A	Park Place	23-41-0015	133,900	153,700	14.79%
17011A	Wood Crest Plat 2	23-44-0083	172,300	198,400	15.15%
17011A	Carlson's An Oaks	24-24-0032	81,100	92,300	13.81%
17011A	Woodcrest	25-22-0008	85,400	96,800	13.35%
17011A	Woodcrest	25-22-0014	80,700	97,300	20.57%
TOTALS			4,658,400	5,199,200	
AGGREGATE					11.6%

This random sampling of PIN's show an increase of approximately 11.6 % for single family homes.

Benchmark properties in bold.

III. AUTHORITY

AUTHORITY OF THE LOCAL BOARD OF APPEAL AND EQUALIZATION

- Property assessments are done as a way to measure the **relative share** of each taxpayer's cost of local government. It is the Assessor's duty to value all real and personal property (except tax exempt property and others that have special methods of taxation). To fairly share the cost of local government among property owners, it is important that all taxable properties be included in the tax roll as accurately as possible.
- **The Board of Appeal and Equalization of any city, unless a longer period is approved by the Commissioner of Revenue, must complete its work and adjourn within twenty days from the time of convening specified in the notice of the clerk. No action taken subsequent to such date shall be valid.**
- The local Board has authority over the individual assessments of real and personal property. It does not have the power to increase or decrease by percentage all of the assessments in the district of a given class of property. **Changes in aggregate assessments** by classes are made by the County Board of Equalization.
- Although the Local Board of Appeal and Equalization has the authority to increase or reduce individual assessments, the total of such adjustments must not reduce the aggregate assessment by more than one percent. If total adjustments lower the aggregate assessment by more than one percent, none of the adjustments will be allowed. This limitation does not apply, however, to the correction of clerical errors or to the removal of duplicate assessments.
- *The Local Board of Appeal and Equalization does not have the authority in any year to reopen former assessments on which taxes are due and payable. The Board considers only the assessments that are in process in the current year. Prior year adjustments can be made only by abatement process or by legal action.*
- In reviewing individual assessments, the Board may find instances of **undervaluation**. Before the Board can raise the market value identified undervalued property, it must notify the owner whose property is to be increased in value. The Local Board of Appeal and Equalization meetings assure a property owner an opportunity to contest any other matter relating to the taxability of their property. The Board is required to review the matter and make any corrections that it deems just.
- **A property owner cannot appear before a higher board unless he or she has first appeared at the lower board levels.**
- Pursuant to Minnesota Statute 274.01; the Board may not reduce an individual market value or make a classification change that would benefit the property if the assessor was not permitted to inspect the interior of any buildings or structures.
- A non-resident may file written objections to his/her assessment with the county assessor prior to the meeting of the Board of Appeal and Equalization. Such **objections must be presented to the Board** for consideration while it is in session.

Authority of the Local Board Of Appeal and Equalization – (continued)

- Before adjourning, the Board of Appeal and Equalization should cause the record of the official proceedings to be prepared. The law requires that the proceedings be listed on a separate form which is appended to the assessment book. The assessments of omitted property must be listed in detail and all assessments that have been increased or decreased should be shown as prescribed in the form. After the proceedings have been completed, **the record should be signed** and dated by the members of the Board of Appeal and Equalization. It is the duty of the county assessor to enter changes by Boards of Appeal and Equalization in the assessment book of each district.

IV. TERMINOLOGY

REAL ESTATE APPRAISAL TERMINOLOGY

AD VALOREM TAX A tax varying with the value of a good or commodity; a real estate tax based on the value of the property.

AMENITIES The pleasant satisfactions that are received through using rights in real property but not received in the form of money. The tangible and intangible benefits generated by a property.

APPRAISAL An estimate or opinion of value. The act or process of estimating value. The resulting opinion of value derived from the appraisal may be informal, transmitted orally; or it may be formal, presented in written form. Usually it is a written statement setting forth an opinion of the value of an adequately described property as of a specified date, supported by the presentation and analysis of relevant data.

ARM'S LENGTH TRANSACTION A real estate transaction in which a willing seller and a willing buyer are acting prudently, for self interest and are knowledgeable of all the uses to which the property is adapted and for which the property is capable of being used.

AVERAGE DEVIATION Total of deviations from the median divided by the number of properties.

CAPITALIZATION The process of converting income into value.

CAPITALIZATION RATE The sum of a Discount Rate, Capital Recapture Rate and Estimated Tax Rate. It is applied to any income stream with a finite term over which the invested principal is to be returned to the investor or lender.

CLASSIFICATION The class that a type of property is assigned. A property's classification is based upon the existing use of the property. If the land is vacant and there is no identifiable use, the proper classification would be the most probable use of the land, which would most likely be determined by the zoning classification.

CLASSIFICATION RATES The class rate assigned to a particular classification of property. Classification rates are established by the state legislature. Class rates are the same upon the same class of property throughout Minnesota.

COEFFICIENT OF DISPERSION Average deviation of a group of numbers from the median, expressed as a percentage of the median.

COEFFICIENT OF VARIATION Standard deviation expressed as a percentage of the mean.

COMPARABLES (COMPARABLE SALES) Recently sold properties that are similar in important respects to a property being appraised to assist in estimating the value of a specific property.

COST APPROACH That approach in appraisal analysis which is based on the proposition that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility as the subject property. It is particularly applicable when the property being appraised involves relatively new improvements which represent the highest and best use of the land or when relatively unique or specialized improvements are located on the site and for which there exist no comparable properties on the market.

DEPRECIATION A loss of utility and, hence, value from any cause. An effect caused by deterioration and/or obsolescence. Deterioration or physical depreciation is evidenced by wear and tear, decay, dry rot, cracks, encrustational or structural defects. Obsolescence is divisible into two parts, functional and economic. Functional obsolescence may be due to poor floor plan, mechanical inadequacy or over adequacy, functional inadequacy or over adequacy due to size, style, age, etc. It is evidenced by conditions within the property. Economic obsolescence is caused by changes external to the property, such as neighborhood infiltrations of inharmonious groups or property uses, legislation, etc. It is also the actual decline in market value of the improvement to land from time of purchase to the time of resale.

CURABLE DEPRECIATION Those items of physical deterioration and functional obsolescence which are economically feasible to cure and hence are customarily repaired or replaced by a prudent property owner. The estimate of this depreciation is usually computed as a dollar amount of the cost-to-cure.

INCURABLE DEPRECIATION Elements of physical deterioration or functional obsolescence which either cannot be corrected; or, if possible to correct, cannot be corrected except at a cost in excess of their contribution to the value of the property.

PHYSICAL DEPRECIATION A reduction in utility resulting from an impairment of physical condition. For purposes of appraisal analysis, it is most common and convenient to divide physical deterioration into curable and incurable components.

PHYSICAL CURABLE DEPRECIATION Physical deterioration which the prudent buyer would anticipate correction upon purchase of the property. The cost of effecting the correction or cure would be no more than the anticipated addition to utility, and hence ultimately to value, associated with the cure.

PHYSICAL INCURABLE DEPRECIATION Physical deterioration which in terms of market conditions as of the date of the appraisal is not feasible or economically justified to correct. The cost of correcting the condition or effecting a cure is estimated to be greater than the anticipated increase in utility, and hence ultimately in value of the property that will result from correcting or curing the condition.

FUNCTIONAL DEPRECIATION Impairment of functional capacity or efficiency. Functional obsolescence reflects the loss in value brought about by such factors as overcapacity, inadequacy and changes in the art, that affect the property item itself or its relation with other items comprising a larger property. The inability of a structure to perform adequately the function for which it is currently employed.

FUNCTIONAL CURABLE DEPRECIATION Functional obsolescence which may be corrected or cured when the cost of replacing the outmoded or unacceptable component is at least offset by the anticipated increase in utility, and hence ultimately in value, resulting from the replacement.

FUNCTIONAL INCURABLE DEPRECIATION Functional obsolescence that results from structural deficiencies or superadequacies that the prudent purchaser or owner would not be justified in replacing, adding or removing, because the cost of effecting a cure would be greater than the anticipated increase in utility resulting from the replacement, addition or removal.

ECONOMIC OBSOLESCENCE Impairment of desirability or useful life arising from factors external to the property, such as economic forces of environmental changes which affect supply-demand relationships in the market. Loss in the use and value of a property arising from the factors of economic obsolescence is to be distinguished from loss in value from physical deterioration and functional obsolescence, both of which are inherent to the property. Also referred to as Locational or Environmental Obsolescence.

EASEMENT A right held by one person to use the land of another for a specific purpose such as access to other property.

EQUALIZATION The adjustment of estimated market valuation of real property in a particular area to establish a more equitable division of the total tax burden within the area.

ESTIMATED MARKET VALUE Represents the assessor's estimate of the property's actual market value. Market value is defined as the most probable price that a well informed buyer would pay a well informed seller for a property without either party being unduly forced to buy or sell. In other words, what the property would likely sell for if it were to be sold in an arm's length transaction. Although the sale price of a property often reflects the market value; market value and sale price are not always synonymous.

GRADING OF PROPERTY The process used by an appraiser to identify the quality of construction in the physical structure.

HIGHEST AND BEST USE That reasonable and probable use that will support the highest present value, as defined, as of the effective date of an appraisal.

HOMESTEAD For property tax purposes, homestead is a tax benefit granted to property owners (or qualifying relatives) who are Minnesota residents and who own and occupy their home as their primary place of residence. Homestead is a fact question which may require the assessor to utilize a number of indicators to determine if it is being appropriately claimed. Although factors such as mailing address and drivers license may sometimes be useful indicators to determine where a person lives, in the final analysis, the question comes down to, "*Is the residence occupied as the applicant's primary place of residence?*" In other words, do they actually live there? If the answer is no, no amount of supporting documentation such as voter registrations or mailing addresses can alter the fact.

IMPROVED LAND Land having either on-site improvements, off-site improvements or both.

IMPROVEMENT A structure or building permanently attached to the land.

INCOME APPROACH That procedure in appraisal analysis which converts anticipated benefits (dollar income or amenities) to be derived from the ownership of property into a value estimate. The income approach is widely applied in appraising income-producing properties. Anticipated future income and/or revisions are discounted to a present worth figure through the capitalization process.

INDEX OF REGRESSION Mean assessment ratio divided by the sales weighted-aggregate ratio.

LEGAL DESCRIPTION A statement containing a designation by which land is identified according to a system set up by law or approved by law.

MARKET APPROACH Traditionally, an appraisal procedure in which the market value estimate is predicated upon prices paid in actual market transactions and current listings, the former fixing the lower limit of value in a static or advancing market (price wise), and fixing the higher limit of value in a declining market; and the latter fixing the higher limit in any market. It is a process of analyzing sales of similar recently sold properties in order to derive an indication of the most probable sales price of the property being appraised. The reliability of this technique is dependent upon (a) the availability of comparable sales data, (b) the verification of the sales data, (c) the degree of comparability or extent of adjustment necessary for time differences; and (d) the absence of non-typical conditions affecting the sale price.

MARKET VALUE EXCLUSION An exclusion is a reduction in the amount of value subject to tax.

MASS APPRAISING A method used in revaluation of a community for tax purposes. As the term implies, it is a method of appraising a large number of properties at one time by adopting standard techniques, and giving due consideration to the appraisal process so that uniformity or equality of values may be achieved between all properties.

MEAN ASSESSMENT RATIO Total of ratios divided by number of properties.

MEDIAN ASSESSMENT RATIO Middle assessment ratio or the average of the two middle terms when the ratios are lined up from low to high.

METES AND BOUNDS A description of a parcel of land by reference to the courses (bearings, that is, the angles East or West of due North and due South) and distances (usually feet or chains) of each straight line which forms its boundary, with one of the corners tied to an established point; that is, the bearing and distance from an established point, such as a section corner or to the intersection of the center lines of two roads, etc.

If one part of the boundary is on a curve, this part is described by showing the number of degrees of the central angle subtended by the curve (arc), the length of the radius and the length along the curve.

MODE Assessment-ratio that appears most frequently.

NET TAX CAPACITY New for payable 1990. Is used to extend taxes in accordance to multiplying the market value by the appropriate class rate.

OBSOLESCENCE One of the causes of depreciation. It is the impairment of desirability and usefulness brought about by new inventions, current changes in design and improved processes for production, or from external influencing factors, which make a property less desirable and valuable for a continued use. Obsolescence may be either economic or functional.

PARCEL A piece of land, regardless of size in one ownership.

PROPERTY CLASS The class that has been assigned to the property based upon the use of the property.

PROPERTY IDENTIFICATION NUMBER A geographically related parcel numbering system. The number contains twelve digits made up of section, township, range, quarter-quarter and parcel. The first six digits, based on the public land survey, geographically locate the section in which the property is located. The next two digits will designate in which quarter-quarter the property is located. The ninth through twelfth digits indicate the parcel within the quarter-quarter. The parcels will be numbered consecutively beginning with 0001. When a division is made, the next consecutive available number(s) will be assigned, and the old number(s) will be retained for historical data.

RANGE Difference between the high sales ratio and the low sales ratio.

REVALUATION The mass appraisal of all property within an assessment jurisdiction to obtain equalization of estimated market values. Reappraisal of a former assessment.

SALES ASSESSMENT RATIO The ratio derived by dividing the estimated market value by the selling price.

AGGREGATE RATIO The ratio determined by dividing the total estimated market value of all sales by the total selling prices.

AVERAGE MEAN The total of all the ratios in a given set divided by the number of items in the set.

MEDIAN RATIO The value of the middle item where an odd number of items are arranged (arrayed) according to size, or the arithmetic average of the two central items if there is an even number of items. It is a positional average and is not affected by the size of extreme values.

SALES WEIGHTED AGGREGATE RATIO Total of assessment values divided by total of selling price.

SAMPLE SUFFICIENCY GAUGE Square root of half the range divided by the number of properties.

SPECIAL ASSESSMENT A charge made by government against real estate to defray the cost of making a public improvement adjacent to the property which, while of general community benefit, is of special benefit to the property so assessed.

STANDARD DEVIATION Square root of total of squared deviations from mean divided by number of properties.

TAX CAPACITY RATE (Local Tax Rate): Determined by dividing a taxing district's property tax levy by the taxing district's total net tax capacity. The tax capacity rate is expressed as a percentage of net tax capacity.

TOPOGRAPHY The contour of land surface, i.e., flat, rolling, mountainous, etc.

TRUTH IN TAXATION Provides taxpayers with a preliminary property tax notification if any taxing district proposes to increase taxes through proposed budget increases. Included on the notification is the market value, classification, a proposed tax by taxing district, and time and place of taxing district budget hearings.

UNIMPROVED LAND Land without buildings, in its natural state.

VACANT LAND Land without buildings. May or may not have improvements such as grading, sewer, etc.