



*2015 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.anokacounty.us

| <b>TAX STATEMENT</b>                     |                             | <b>2015</b> |  |
|--|-----------------------------|-------------|--|
| <b>2014 Values for Taxes Payable in</b>  |                             |             |  |
| VALUES AND CLASSIFICATION                |                             |             |  |
| Taxes Payable Year:                      | 2014                        | 2015        |  |
| Estimated Market Value:                  | 164,200                     | 187,700     |  |
| Homestead Exclusion:                     | 22,462                      | 20,347      |  |
| Taxable Market Value:                    | 141,738                     | 167,353     |  |
| New Improvements/<br>Expired Exclusions: |                             |             |  |
| Property Classification:                 | Res Hstd                    | Res Hstd    |  |
| <i>Sent in March 2014</i>                |                             |             |  |
| Step 2                                   | PROPOSED TAX                |             |  |
|  | 2015 Proposed Property Tax: | \$2,274.74  |  |
| <i>Sent in November 2014</i>             |                             |             |  |
| Step 3                                   | PROPERTY TAX STATEMENT      |             |  |
|  | 1st Half Taxes:             | \$1,150.89  |  |
|  | 2nd Half Taxes:             | \$1,150.89  |  |
|  | Total Taxes Due in 2015:    | \$2,301.78  |  |

Taxpayer(s):

Property I.D.: 22-31-24-44-0032 REAL  
 Property Description: DALYCE 4TH ADDITION LOT 12 BLK 1 DALYCE 4TH  
 ADDITION(SUBJ TO EASE AS SHOWN ON PLAT)

TCA: 16011D

Owner(s):

**\$\$\$  
REFUNDS?**

*You may be eligible for one or even two  
 refunds to reduce your property tax.  
 Read the back of this statement to  
 find out how to apply.*

| Taxes Payable Year:   | 2014       | 2015       |
|---|------------|------------|
| 1. Use this amount on Form M1PR to see if you are eligible for a property tax refund.<br>File by August 15. If this box is checked, you owe delinquent taxes and are not eligible. <input type="checkbox"/> |            | \$2,277.76 |
| 2. Use these amounts on Form M1PR to see if you are eligible for a special refund.  | \$2,129.83 |            |
| <b>Property Tax and Credits</b>   |            |            |
| 3. Property taxes before credits  | \$2,129.83 | \$2,277.76 |
| 4. Credits that reduce property taxes   |            |            |
| A. Agricultural market value credit   | \$0.00     | \$0.00     |
| B. Other credits  | \$0.00     | \$0.00     |
| <b>5. Property taxes after credits</b>  | \$2,129.83 | \$2,277.76 |
| <b>Property Tax by Jurisdiction</b>   |            |            |
| 6. County   |            |            |
| A. General county levy  | \$612.69   | \$638.18   |
| B. Regional rail authority  | \$12.50    | \$15.76    |
| 7. County/municipal public safety system  | \$5.30     | \$5.36     |
| 8. City or town   | \$673.20   | \$749.18   |
| 9. State general tax  | \$0.00     | \$0.00     |
| 10. School district #11   |            |            |
| A. Voter approved levies  | \$330.70   | \$319.01   |
| B. Other local levies   | \$408.02   | \$456.51   |
| 11. Special taxing districts  |            |            |
| A. Metropolitan special taxing districts  | \$45.87    | \$47.65    |
| B. Other special taxing districts   | \$41.55    | \$46.11    |
| 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   | \$2,129.83 | \$2,277.76 |
| <b>Special Assessments</b>  |            |            |
| 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     |
| <b>15. TOTAL PROPERTY TAX AND SPECIAL ASSESSMENTS</b>   | \$2,153.85 | \$2,301.78 |

**2nd HALF PAYMENT STUB - PAYABLE 2015**

Property I.D.: 22-31-24-44-0032 REAL

To avoid penalty, pay on or before October 15, 2015

Total Property Tax for 2015: \$2,301.78

Taxpayer(s):

Second-half payment due Oct 15: \$1,150.89

Please Include Property I.D. on Check  
 Make Check Payable To: Anoka County  
 2100 3rd Ave., ANOKA, MN 55303

Check to indicate address correction on back

Your canceled check is your receipt. Do not send cash.

22-31-24-44-0032 000001150.89

**1st HALF PAYMENT STUB - PAYABLE 2015**

Property I.D.: 22-31-24-44-0032 REAL

To avoid penalty, pay on or before May 15, 2015

Total Property Tax for 2015: \$2,301.78

If your tax is \$100.00 or less, pay the entire tax by May 15.

First-half payment due May 15: \$1,150.89

Taxpayer(s):

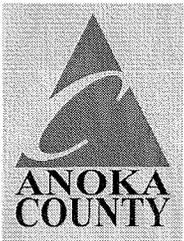
Please Include Property I.D. on Check  
 Make Check Payable To: Anoka County  
 2100 3rd Ave., ANOKA, MN 55303

Check to indicate address correction on back

Your canceled check is your receipt. Do not send cash.

22-31-24-44-0032 000001150.89

22-31-24-44-0032 000002301.78



**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](mailto:proptax@co.anoka.mn.us)  
[www.anokacounty.us](http://www.anokacounty.us)

**VALUATION NOTICE** **2016**  
 2015 Values for Taxes Payable in

Property tax notices are delivered on the following schedule:

**Step 1** Valuation and Classification Notice  
 Class: Res Hstd *See Details Below.*  
 Estimated Market Value: \$191,300  
 Homestead Exclusion: \$20,023  
 Taxable Market Value: \$171,277

**Step 2** Proposed Taxes Notice  
 2015 Tax:  
 2016 Proposed: *Coming November 2015*  
 Change:

**Step 3** Property Tax Statement  
 Taxes Due May 15:  
 Non-Ag Taxes Due October 15: *Coming March 2016*  
 Ag Taxes Due November 15:  
 Total Taxes Due in 2016:

**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 2015<br>(2014 Assessment) | Taxes Payable in 2016<br>(2015 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>   |  |  |
| <b>Estimated Market Value</b>   | \$187,700                                  | \$191,300                                  |
| <i>Several factors can reduce the amount that is subject to tax:</i>  |  |  |
| Homestead Market Value Exclusion  | \$20,347                                   | \$20,023                                   |
| <b>Taxable Market Value</b>   | <b>\$167,353</b>                           | <b>\$171,277</b>                           |
| <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](http://www.anokacounty.us).

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

**Local Board of Appeal and Equalization**

April 28, 2015 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 15, 2015 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 2015 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](http://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 Deferment** - 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.

$$\begin{aligned} \text{Credit} &= (0.4\% \times \$76,000) - (\$40,000 \times 0.09\%) & \text{Exclusion} &= (40\% \times \$76,000) - (\$40,000 \times 9\%) \\ &= \$304 - \$36 & &= \$30,400 - \$3,600 \\ &= \$268 & &= \$26,800 \end{aligned}$$

### WANT MORE DETAILS? CONSIDER THIS THEORETICAL ILLUSTRATION

Similarly computed amounts do not yield equal benefits:

| AVERAGE TAX RATE ILLUSTRATION |               |                  |
|-------------------------------|---------------|------------------|
|                               | Old Law:      | New Law:         |
|                               | <u>Credit</u> | <u>Exclusion</u> |
| Estimated Market Value        | \$116,000     | \$116,000        |
| Exclusion                     | \$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            |
| Credit                        | \$268         | \$0              |
| Net Tax                       | \$959         | \$989            |

| LOW TAX RATE ILLUSTRATION |               |                  |
|---------------------------|---------------|------------------|
|                           | Old Law:      | New Law:         |
|                           | <u>Credit</u> | <u>Exclusion</u> |
| Tax Rate                  | 63.486%       | 66.552%          |
| Gross Tax                 | \$736         | \$594            |
| Credit                    | \$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 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:

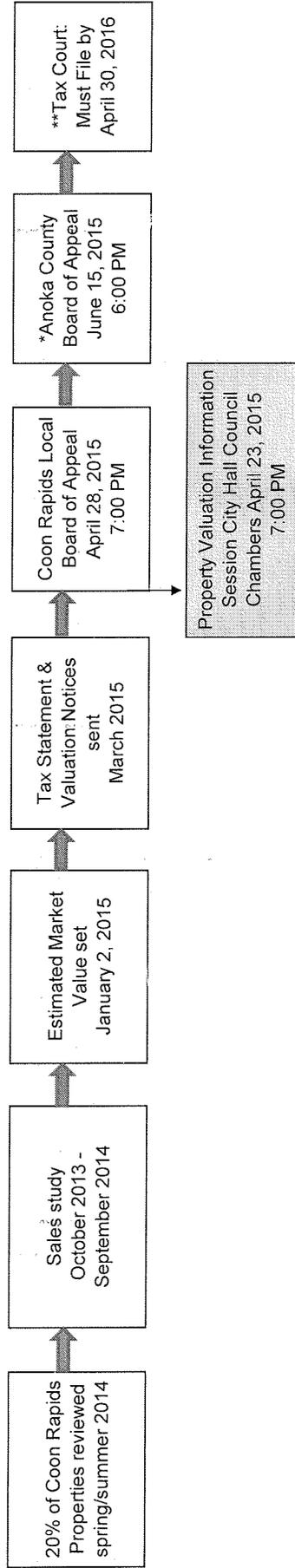
- the role of the local board in the assessment process;
- the legal and policy reasons for fair and impartial appeal and equalization hearings;
- local board meeting procedures that foster fair and impartial assessment reviews and other best practices recommendations;
- quorum requirements for local 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 2015 assessment for taxes payable in 2016.
- 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

2015 Market Value for Taxes Payable 2016



January 2, 2015 values were established per State law from "qualified" sales occurring between October 1, 2013 and September 30, 2014. 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, 2015 (for taxes payable in 2016).

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.

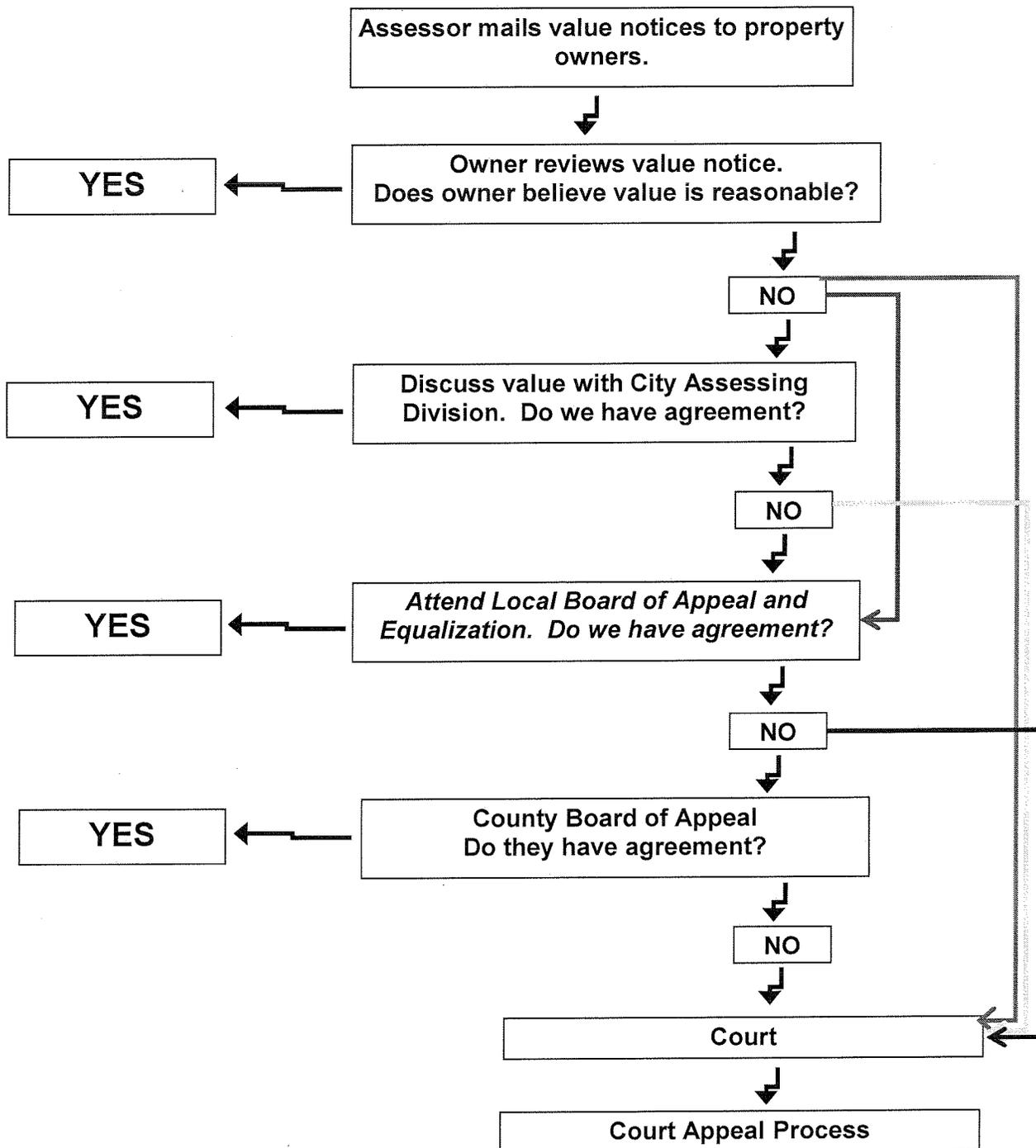
Maintaining the same valuation process every year ensures equalized assessments for all properties.

\*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 first be appealed at the local level.

\*\*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](http://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:

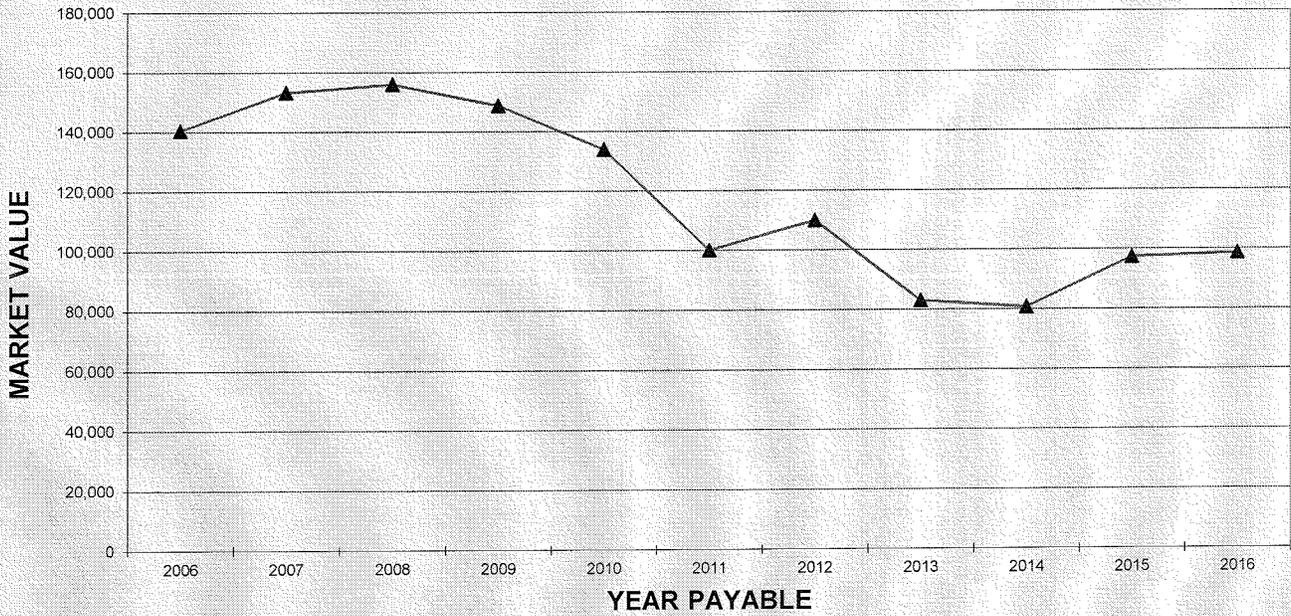
The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by any undue stimulus. Implicit in this definition is the consummation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

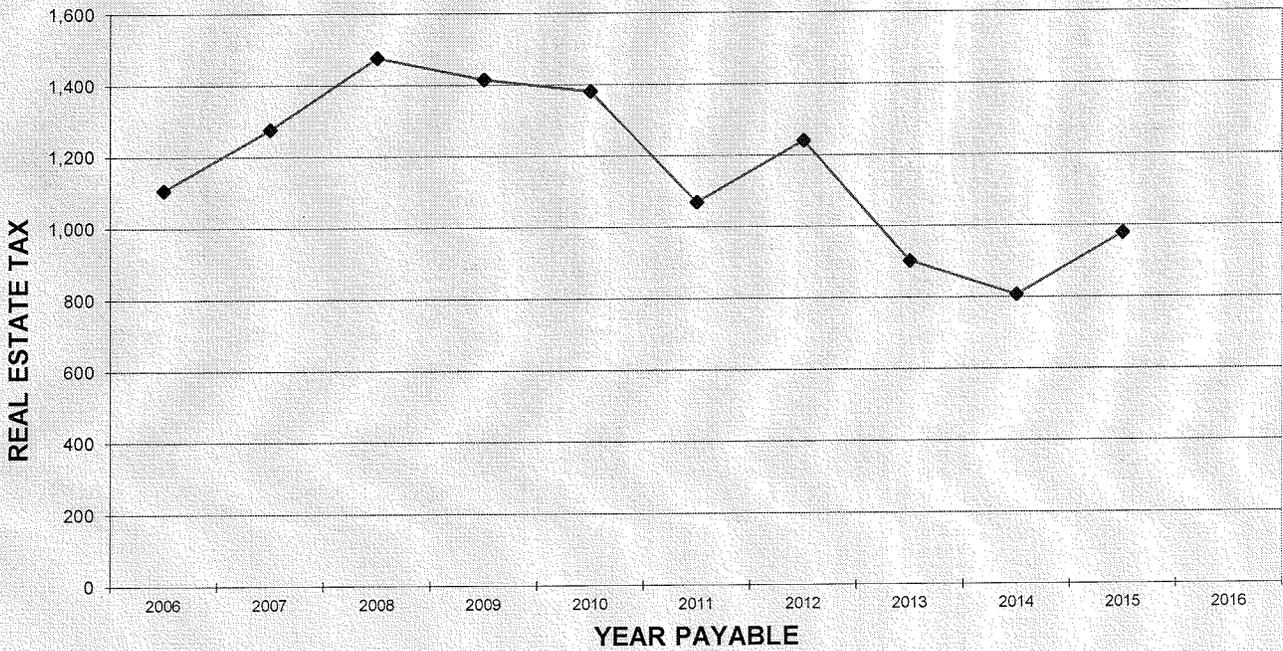
## **II. BENCHMARK PROPERTIES**

**BENCHMARK PROPERTIES  
(LOWER VALUED HOME)**

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

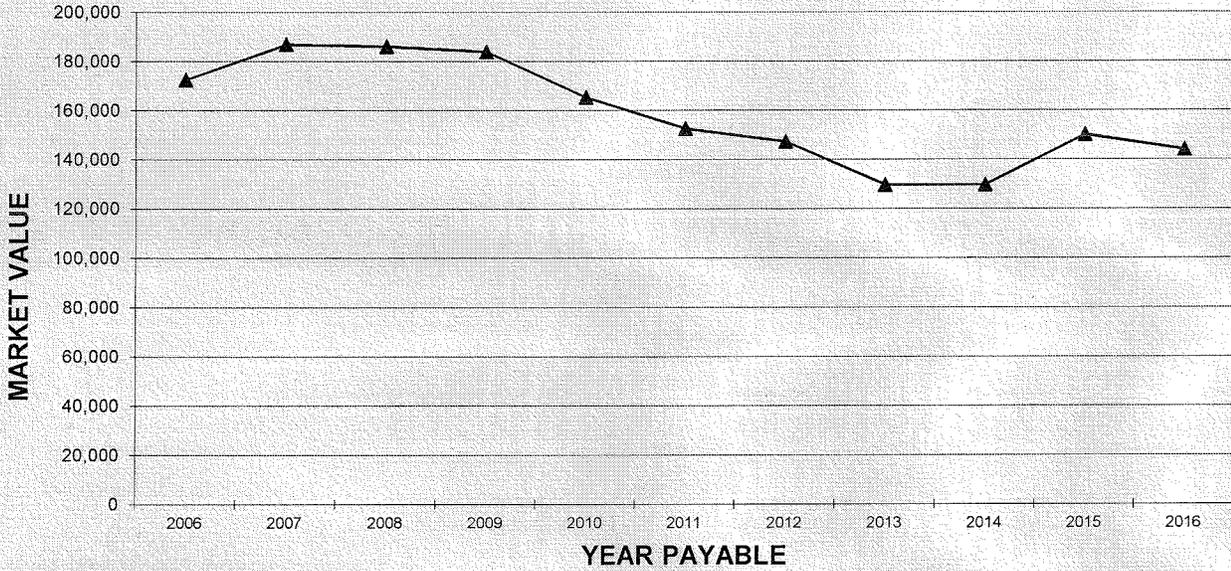


**REAL ESTATE TAX HISTORY  
LOT 4, BLOCK 4, WOODCREST**

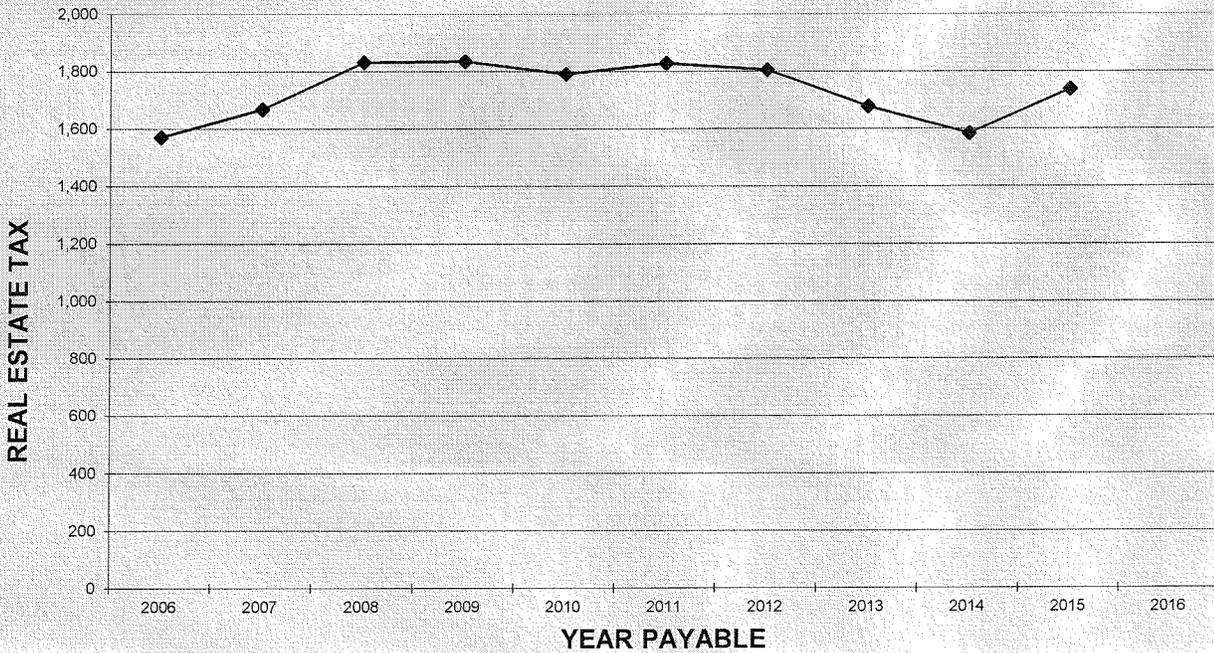


**BENCHMARK PROPERTIES  
(MIDDLE VALUED HOME)**

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

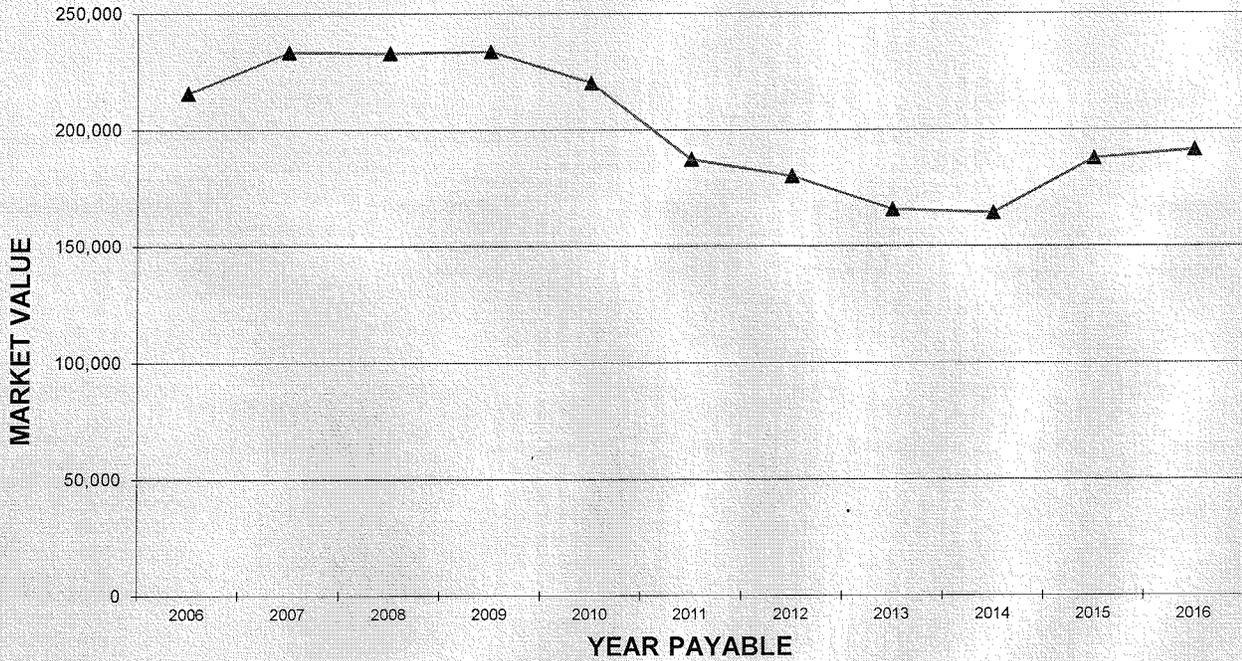


**REAL ESTATE TAX HISTORY  
LOT 6, BLOCK 6, THOMPSON HGTS, 5TH**

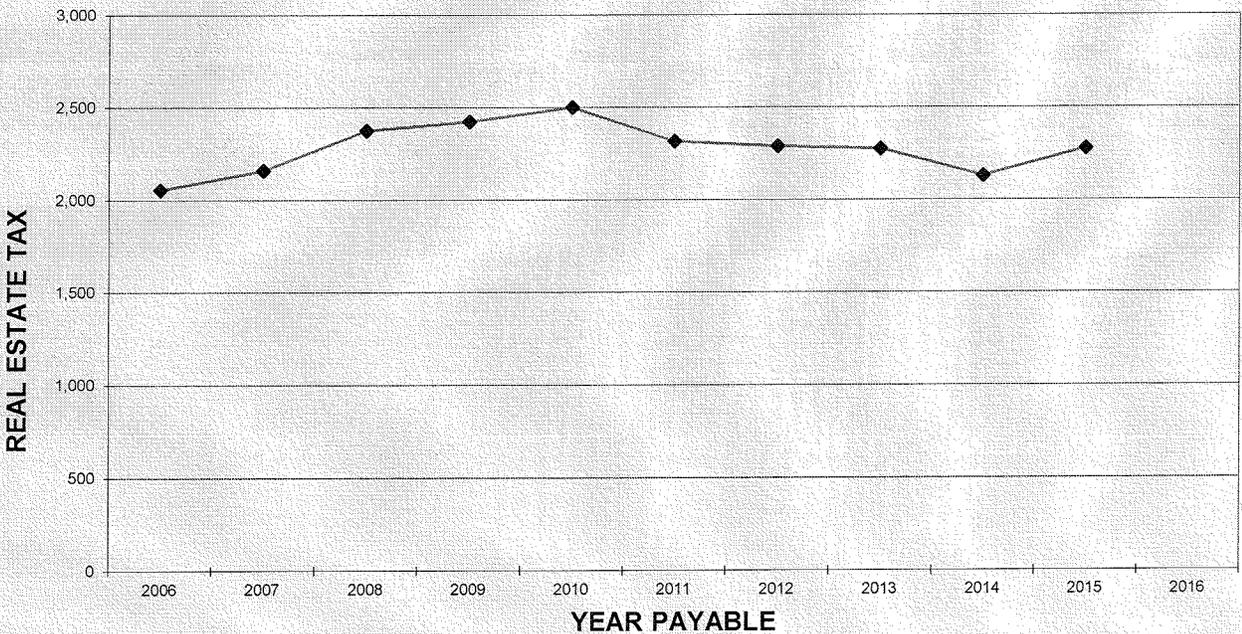


**BENCHMARK PROPERTIES  
(UPPER MIDDLE-1 VALUED HOME)**

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

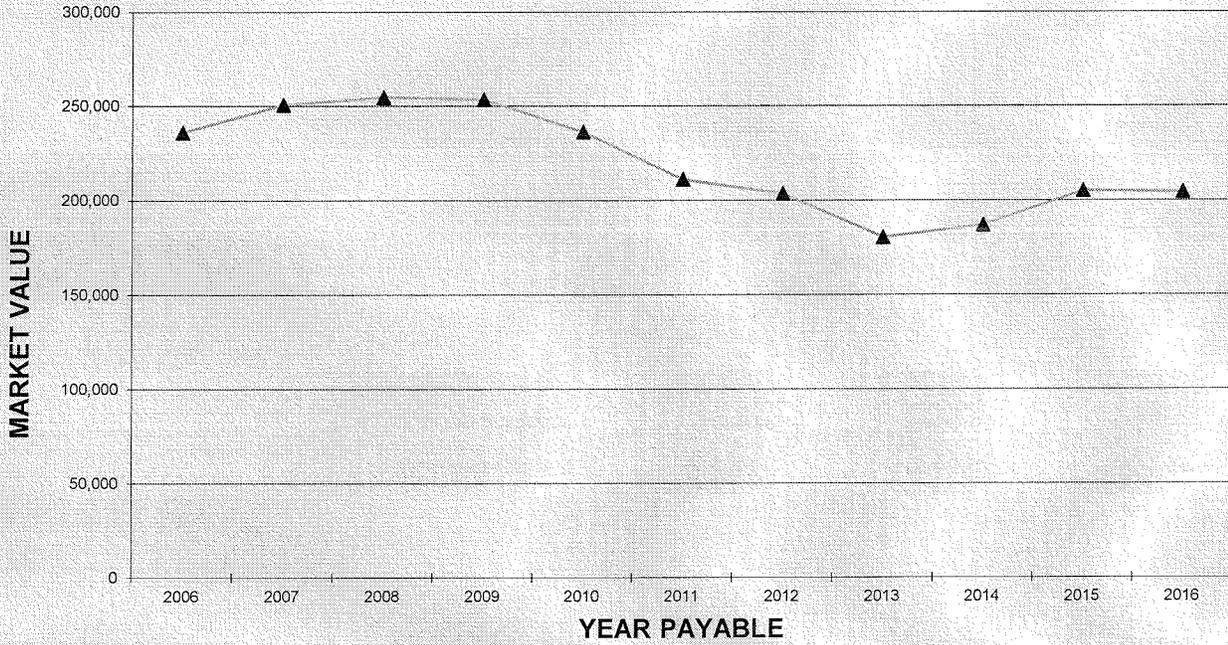


**REAL ESTATE TAX HISTORY  
LOT 12, BLOCK 1, DALYCE 4TH ADDITION**

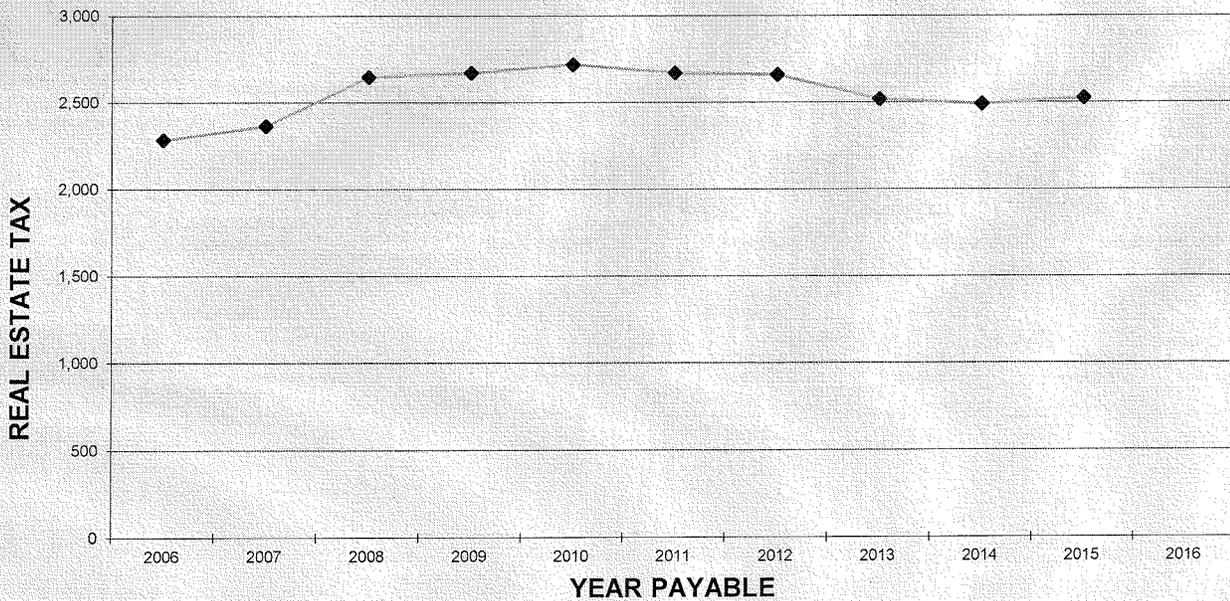


**BENCHMARK PROPERTIES  
(UPPER MIDDLE-2 VALUED HOME)**

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

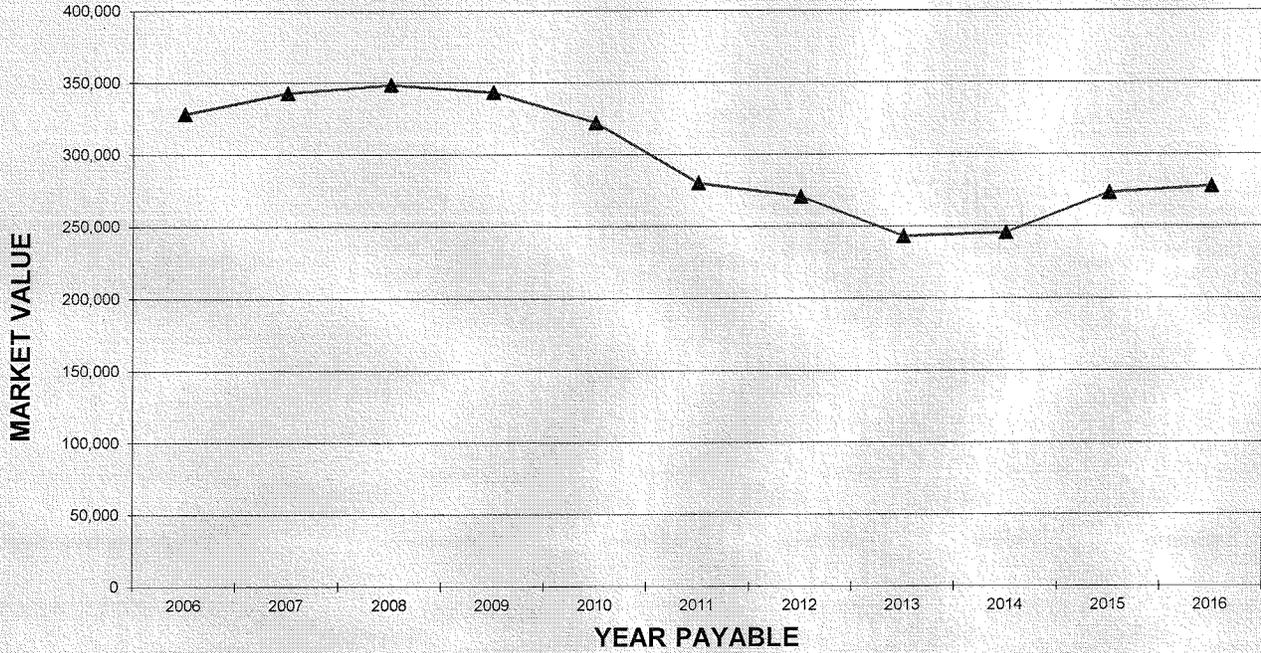


**REAL ESTATE TAX HISTORY  
LOT 8, BLOCK 3, CREEK VILLAS N. 2ND**

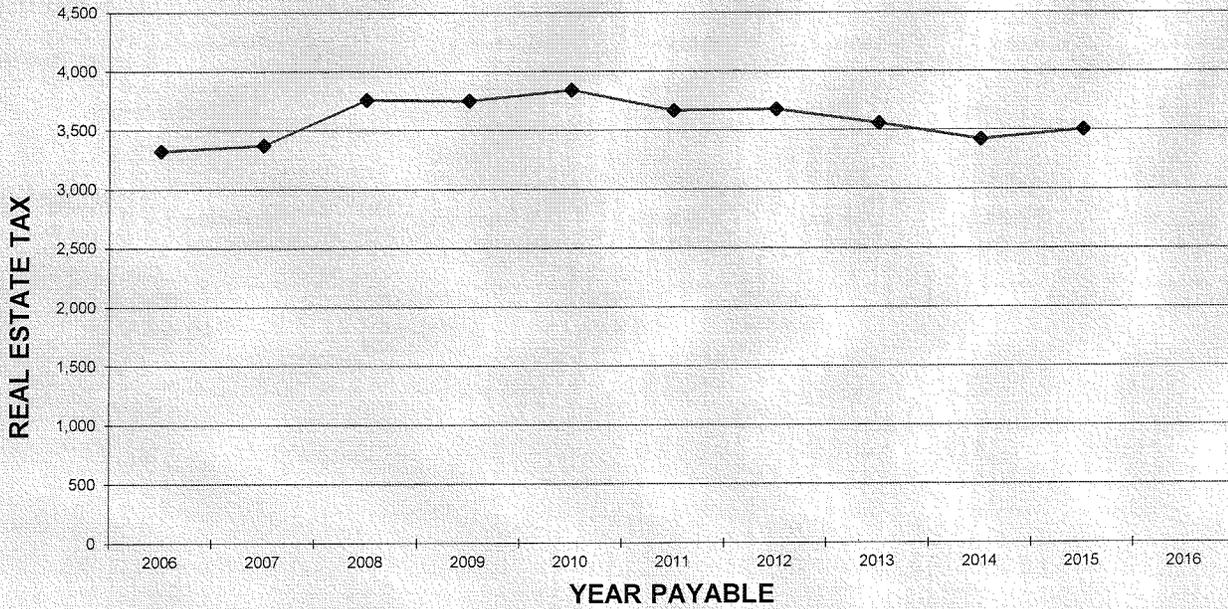


**BENCHMARK PROPERTIES  
(HIGHER VALUED HOME)**

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

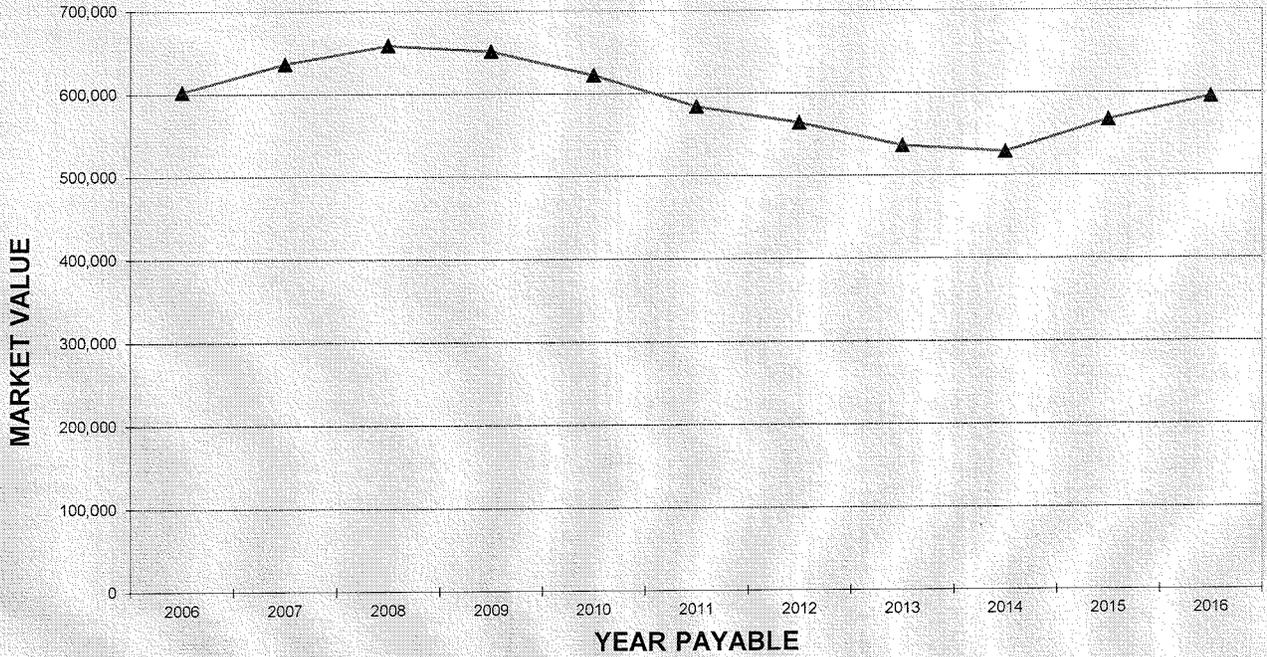


**REAL ESTATE TAX HISTORY  
LOT 4, BLOCK 1, SAND CREEK HEIGHTS**

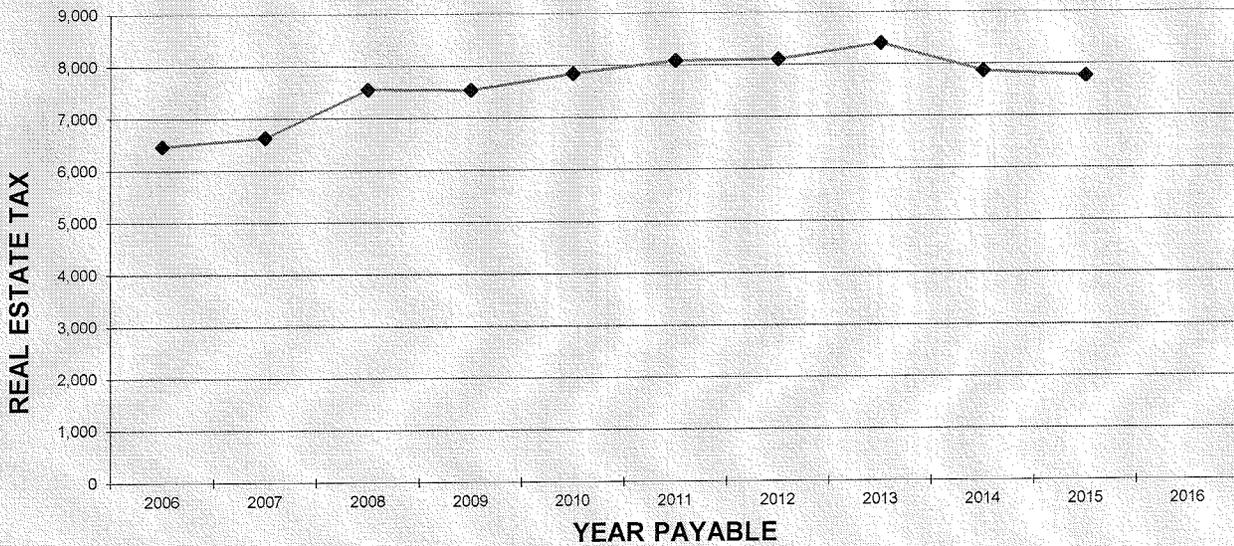


**BENCHMARK PROPERTIES  
(ESTATE VALUED HOME)**

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



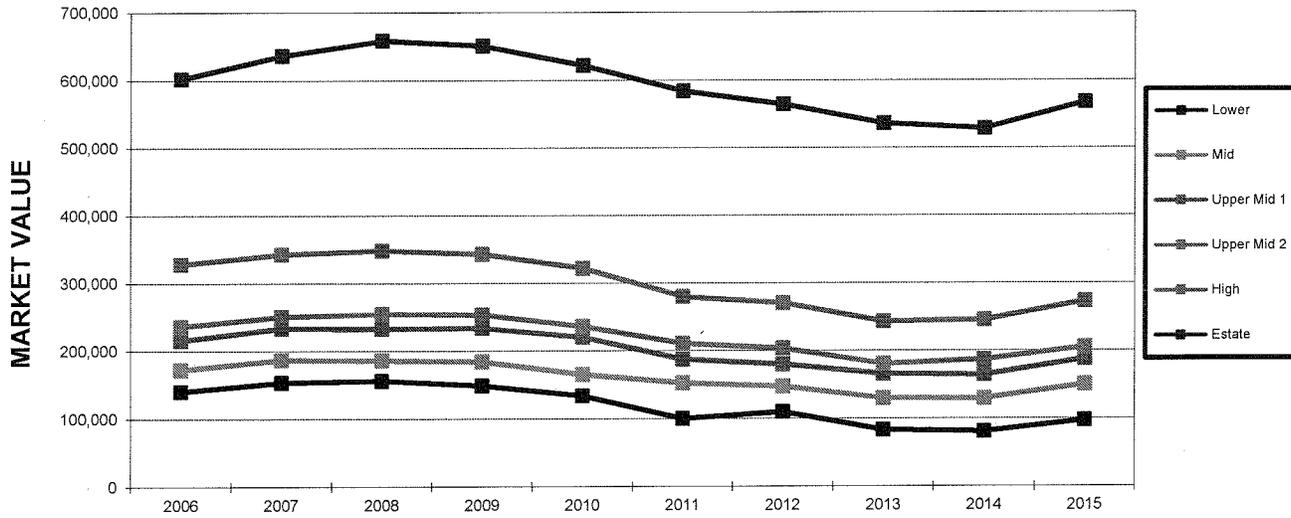
**REAL ESTATE TAX HISTORY  
PT. LOTS 10-12, MISSISSIPPI SHORES**



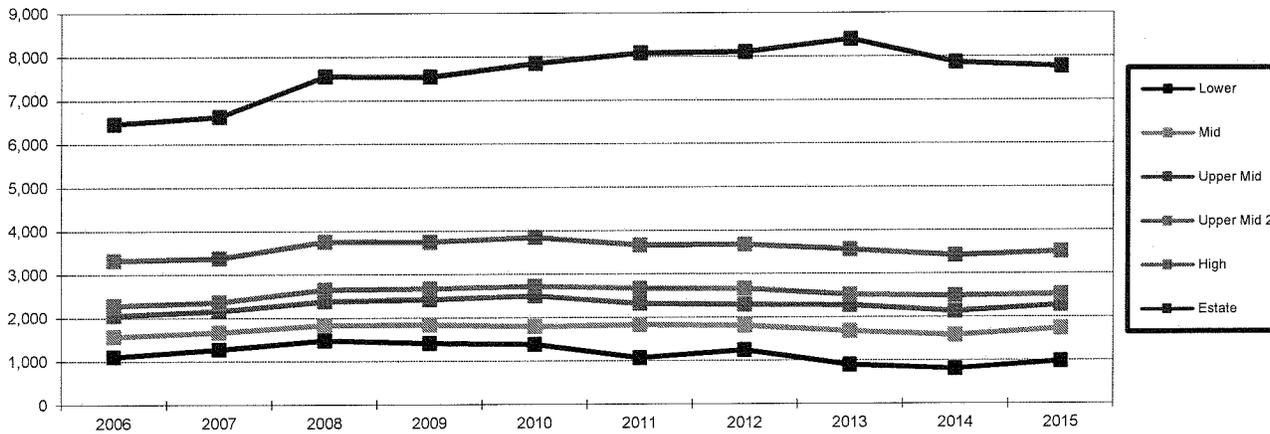
SUMMARY OF BENCHMARK PROPERTIES  
MARKET VALUE, TAXES AND SALE PRICES

| YEAR | Lower Valued Home<br>25-31-24-22-0014<br>Lot 4, Block 4,<br>Woodcrest |          | Middle Valued Home<br>09-31-24-43-0028<br>Lot 6, Block 6,<br>Thompson Hghts. 5th |          | Upper Middle Valued Home-1<br>22-31-24-44-0032<br>Lot 12, Block 1<br>Dalyce 4th Addition |          | Upper Middle Valued Home-2<br>12-31-24-32-0017<br>Lot 8, Block 3,<br>Creek Villas North 2nd |          | Higher Valued Home<br>12-31-24-43-0033<br>Lot 4, Block 1,<br>Sand Creek Heights |          | Estate Valued Home<br>21-31-24-22-0006<br>Pt. of Lots 10-12<br>Mississippi Shores |          |
|------|---|----------|--|----------|--|----------|---|----------|---|----------|---|----------|
|      | VALUE   | TAX      | VALUE  | TAX      | VALUE  | TAX      | VALUE   | TAX      | VALUE   | TAX      | VALUE   | TAX      |
| 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  | 979.01   | 150,100  | 1,737.69 | 187,700  | 2,277.76 | 205,000   | 2,525.52 | 273,100   | 3,503.03 | 567,600   | 7,765.10 |
| 2016 | 98,600  |          | 144,000  |          | 191,300  |          | 204,500   |          | 277,600   |          | 595,500   |          |

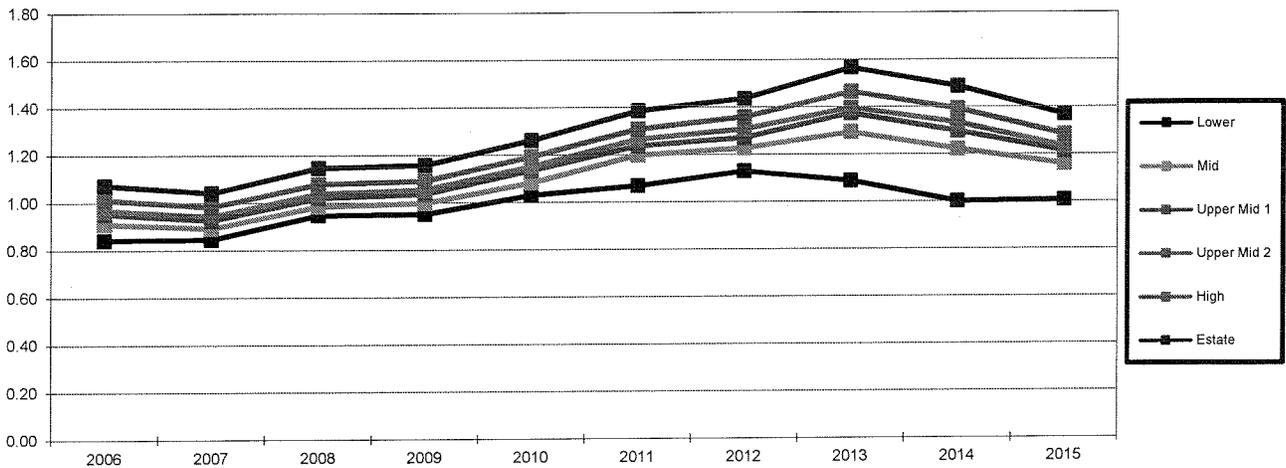
## MARKET VALUE TRENDS 2006-2015



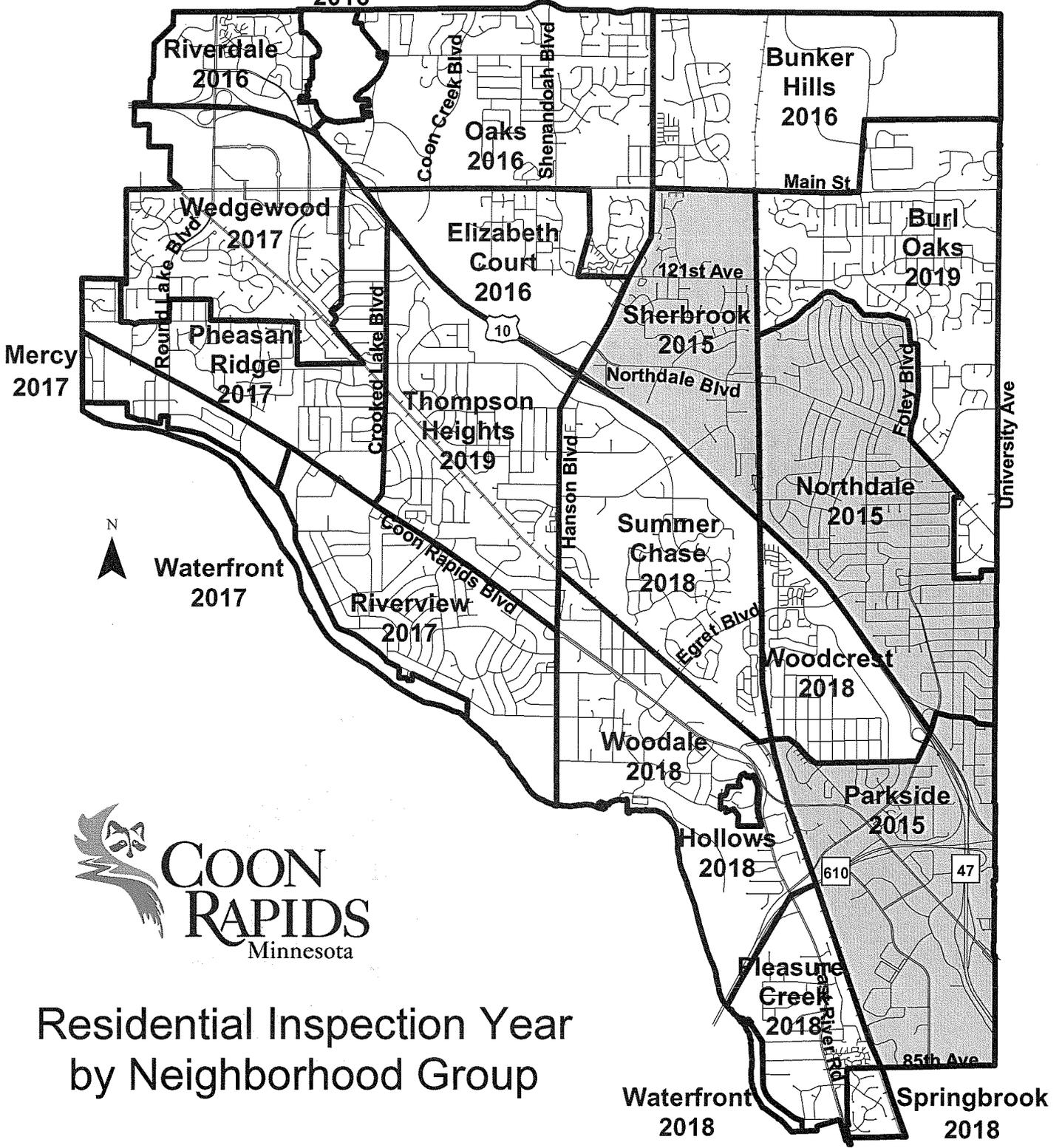
## TAX TRENDS 2006-2015



## EFFECTIVE TAX RATE 2006-2015



Waterfront CL  
2016



# Residential Inspection Year by Neighborhood Group

**SUMMARY**  
**TAX CAPACITY RATES AMONG THE VARIOUS TAXING DISTRICTS**  
**2006-2015**

| YEAR | CITY RATE | CITY SHARE | COUNTY RATE | COUNTY SHARE | SCHOOL RATE | SCHOOL SHARE | OTHER RATES * | OTHER SHARE | TOTAL RATE |
|------|-----------|------------|-------------|--------------|-------------|--------------|---------------|-------------|------------|
| 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    |
| 2015 | 44.754    | 39.88%     | 38.123      | 33.97%       | 22.482      | 20.03%       | 6.863         | 6.12%       | 112.222    |

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

**RESIDENTIAL TAX ESTIMATES**

**FINAL PAY 2015**

(Estimate excludes special assessments and other charges)

**AREA**                      **COON RAPIDS**

SD RMV Rate              0.21266%

Tax Rate                      112.222%  
Levy Code                    17011A  
CITY RMV Rate              0.00000%

**RESIDENTIAL HOMESTEAD  
(1A)**

MARKET VALUE PRIOR TO EXCLUSION  
(MVPT)                      \$187,700

Homestead Exclusion Amount

1ST 76,000 Of Mkt Value @ 40%              \$30,400

Phase-out Balance @ 9%                      (\$10,053)

Total Homestead Market Value Exclusion              \$20,347

TAXABLE MARKET VALUE (after exclusion)              \$167,353

1ST 500,000 Of Mkt Value @ 1%                      1,674

Balance @ 1.25%                                      0

Tax Capacity    1,674

Tax Capacity \* Tax Rate                              \$1,878.60

Refer Mkt Value \* SD RMV Rate                      \$399.16

Refer Mkt Value \* CITY RMV Rate                      \$0.00

Total Estimated Tax                              \$2,277.76

OA Tax rate    0.012

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

TAXABLE MARKET VALUE                      \$187,700

1ST 500,000 Of Mkt Value @ 1%                      1,877

Balance @ 1.25%                                      0

Tax Capacity    1,877

Tax Capacity \* Tax Rate                              \$2,106.41

Refer Mkt Value \* SD RMV Rate                      \$399.16

Refer Mkt Value \* CITY RMV Rate                      \$0.00

Total Estimated Tax                              \$2,505.57

OA Tax rate    0.013

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

MARKET VALUE PRIOR TO  
EXCLUSION (MVPT)                      \$187,700

Homestead Exclusion Amount

1ST 76,000 Of Mkt Value @ 40%              \$30,400

Phase-out Balance @ 9%                      (\$10,053)

Total Homestead Market Value Exclusion              \$20,347

TAXABLE MARKET VALUE (after exclusion)              \$167,353

1ST 50,000 Of Mkt Value @ .45%                      225

50,000 to 500,000 @ 1%                              1,174

Balance @ 1.25%                                      0

Tax Capacity    1,399

Tax Capacity \* Tax Rate                              \$1,569.99

Refer Mkt Value \* SD RMV Rate                      \$340.68

Refer Mkt Value \* CITY RMV Rate                      \$0.00

Total Estimated Tax                              \$1,910.67

OA Tax rate    0.010

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

TAXABLE MARKET VALUE                      \$187,700

All @ 1.25%    2,346

Tax Capacity    2,346

Tax Capacity \* Tax Rate                              \$2,632.73

Refer Mkt Value \* SD RMV Rate                      \$399.16

Refer Mkt Value \* CITY RMV Rate                      \$0.00

Total Estimated Tax                              \$3,031.89

OA Tax rate    0.016

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

**COMMERCIAL PROPERTY TAX CALCULATION PAY 2015  
(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                   | 0.355354            |            |
| F. | FD Tax Capacity              | 14,214              | (D x E)    |
| G. | Local Tax Capacity           | 25,786              | (D - F)    |
| H. | Local Tax Rate               | 112.222%            |            |
| I. | F.D. Tax Rate                | 161.625%            |            |
| J. | F.D. Tax                     | \$ 22,973.64        | (F x I)    |
| K. | Local Tax                    | <u>\$ 28,937.39</u> | (G x H)    |
| L. | Total Tax Capacity Based Tax | \$ 51,911.02        | (J + K)    |
| M. | Statewide Business tax       | 20,336              | D x 50.84% |
| N. | M.V. Referendum Rate         | 0.21266%            |            |
| O. | M.V. Tax                     | <u>\$ 4,253.20</u>  | (A x N)    |
| P. | Total Tax                    | \$ 76,500.22        | (L + M+O)  |

**COMMERCIAL PROPERTY TAX CALCULATION PAY 2015  
(NON-CONTIGUOUS)**

|    |                              |                     |            |
|----|------------------------------|---------------------|------------|
| A. | Market Value                 | 2,000,000           |            |
|    | Class Rate:                  |                     |            |
| B. | 1st \$150,000 MV @ 1.50%     | 2,250               |            |
| C. | Balance @ 2.0%               | 37,000              |            |
| D. | Tax Capacity                 | <u>39,250</u>       | (B+C)      |
| E. | F.D. Ratio                   | 0.355354            |            |
| F. | FD Tax Capacity              | 13,948              | (D x E)    |
| G. | Local Tax Capacity           | 25,302              | (D - F)    |
| H. | Local Tax Rate               | 112.222%            |            |
| I. | F.D. Tax Rate                | 161.625%            |            |
| J. | F.D. Tax                     | \$ 22,542.88        | (F x I)    |
| K. | Local Tax                    | <u>\$ 28,394.81</u> | (G x H)    |
| L. | Total Tax Capacity Based Tax | \$ 50,937.69        | (J + K)    |
| M. | Statewide Business tax       | 19,955              | D x 50.84% |
| N. | M.V. Referendum Rate         | 0.21266%            |            |
| O. | M.V. Tax                     | <u>\$ 4,253.20</u>  | (A x N)    |
| P. | Total Tax                    | \$ 75,145.59        | (L + M+O)  |

**APARTMENT PROPERTY TAX CALCULATION  
PAY 2015**

|    |                      |                     |         |
|----|----------------------|---------------------|---------|
| A. | Market Value         | 8,400,000           |         |
|    | Class Rate:          |                     |         |
| B. | Market value @ 1.25% | 105,000             |         |
| C. | Local Tax Rate       | 112.222%            |         |
| D. | Local Tax            | \$ 117,833.10       | (B x C) |
| E. | M.V. Referendum Rate | 0.21266%            |         |
| F. | M.V. Tax             | <u>\$ 17,863.44</u> | (A x E) |
| G. | Total Tax            | \$ 135,696.54       | (D + G) |

**2015 REAL ESTATE TAX INFORMATION &  
HOW IT AFFECTS THE BENCHMARK PROPERTIES**

The 2015 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<br>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 2014 and 2015, for most properties in Coon Rapids was 126.438 and 112.222 respectively, or a decrease of 11.2%.

**Homestead Market Value Exclusion** – The exclusion is 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 is: 40% of the first \$76,000, less 9% of the value over \$76,000. The maximum is 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 2014 and 2015 tax capacity rates for those districts making up the typical tax rate within the City of Coon Rapids.

| <u>JURISDICTION</u>                    | <u>2014<br/>RATE</u> | <u>2015<br/>RATE</u> | <u>CHANGE</u> | <u>%<br/>CHANGE</u> |
|--|----------------------|----------------------|---------------|---------------------|
| School District 11                     | 28.265               | 22.482               | (5.783)       | -20.46%             |
| County of Anoka                        | 43.239               | 38.123               | (5.116)       | -11.83%             |
| City of Coon Rapids                    | 47.509               | 44.754               | (2.755)       | -5.80%              |
| Metro Council/Transit/Mosquito Control | 3.237                | 2.847                | (0.390)       | -12.05%             |
| Coon Creek Watershed                   | 1.482                | 1.425                | (0.057)       | -3.85%              |
| Coon Rapid HRA                         | 1.450                | 1.330                | (0.120)       | -8.28%              |
| County Reg Rail                        | 0.882                | 0.941                | 0.059         | 6.69%               |
| County/City Public Safety              | 0.374                | 0.320                | (0.054)       | -14.44%             |
| <b>TOTAL</b>                           | 126.438              | 112.222              | (14.216)      | -11.24%             |

The tax capacity rate of 112.222 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>2014</u>           | <u>2015</u> |
| 16011-                | Rum River Watershed           | 124.956               |             |
| 16011D                | Coon Creek Watershed          | 126.438               | 112.222     |
| 16011F                | Coon Creek Watershed          | 126.438               | 112.222     |
| 16011H                | Coon Creek Watershed          | 126.438               | 112.222     |
| 16011M                | Coon Creek Watershed          | 126.438               | 112.222     |
| 17011A                | Coon Creek Watershed          | 126.438               | 112.222     |
| 18011H                | Coon Creek Watershed          | 126.438               | 112.222     |
| 72011A                | Coon Creek Watershed Ditch 39 | 126.438               | 112.222     |
| 73011A                | Coon Creek Watershed Ditch 57 | 126.438               | 112.222     |
| 74011A                | Coon Creek Watershed Ditch 60 | 126.438               | 112.222     |

## 2015 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 2015 tax capacity rates affect the 2015 taxes in comparison to the 2014 taxes.

### 2014 and 2015 Tax Comparisons – All Units of Government

| <u>Lower Valued Home</u>           | <u>2014</u> | <u>2015</u> | <u>\$ CHANGE</u> | <u>% CHANGE</u> |
|------------------------------------|-------------|-------------|------------------|-----------------|
| Estimated Market Value             | 80,700.00   | 97,300.00   | 16,600.00        | 20.57           |
| Market Exclusion                   | 29,977.00   | 28,483.00   |                  |                 |
| Taxable Market Value               | 50,723.00   | 68,817.00   |                  |                 |
| Tax Capacity                       | 507         | 688         | 181.00           | 35.70           |
| City Tax                           | 240.87      | 307.91      | 67.04            | 27.83           |
| County Tax                         | 219.22      | 262.29      | 43.06            | 19.64           |
| School Tax                         | 309.52      | 361.59      | 52.07            | 16.82           |
| All Other                          | 37.64       | 47.22       | 9.57             | 25.43           |
| Total Tax                          | 807.26      | 979.01      | 171.75           | 21.28           |
| % of Tax to Market Value           | 1.00%       | 1.01%       |                  |                 |
| <br>                               |             |             |                  |                 |
| <u>Middle Valued Home</u>          | <u>2014</u> | <u>2015</u> | <u>\$ CHANGE</u> | <u>% CHANGE</u> |
| Estimated Market Value             | 129,700.00  | 150,100.00  | 20,400.00        | 15.73           |
| Market Exclusion                   | 25,567.00   | 23,731.00   |                  |                 |
| Taxable Market Value               | 104,133.00  | 126,369.00  |                  |                 |
| Tax Capacity                       | 1,041       | 1,264       | 223.00           | 21.42           |
| City Tax                           | 508.37      | 565.69      | 57.32            | 11.27           |
| County Tax                         | 462.32      | 481.87      | 19.56            | 4.23            |
| School Tax                         | 631.16      | 603.38      | -27.78           | -4.40           |
| All Other                          | 75.66       | 86.75       | 11.09            | 14.66           |
| Total Tax                          | 1,677.51    | 1,737.69    | 60.18            | 3.59            |
| % of Tax to Market Value           | 1.29%       | 1.16%       |                  |                 |
| <br>                               |             |             |                  |                 |
| <u>Upper Middle Valued Home -1</u> | <u>2014</u> | <u>2015</u> | <u>\$ CHANGE</u> | <u>% CHANGE</u> |
| Estimated Market Value             | 164,200.00  | 187,700.00  | 23,500.00        | 14.31           |
| Market Exclusion                   | 22,462.00   | 20,347.00   |                  |                 |
| Taxable Market Value               | 141,738.00  | 167,353.00  |                  |                 |
| Tax Capacity                       | 1,417       | 1,674       | 257.00           | 18.14           |
| City Tax                           | 673.20      | 749.18      | 75.98            | 11.29           |
| County Tax                         | 612.70      | 638.18      | 25.48            | 4.16            |
| School Tax                         | 738.72      | 775.51      | 36.79            | 4.98            |
| All Other                          | 105.21      | 114.89      | 9.67             | 9.20            |
| Total Tax                          | 2,129.83    | 2,277.76    | 147.93           | 6.95            |
| % of Tax to Market Value           | 1.30%       | 1.21%       |                  |                 |

| <u>Upper Middle Valued Home -2</u> | <u>2014</u> | <u>2015</u> | <u>\$ CHANGE</u> | <u>% CHANGE</u> |
|------------------------------------|-------------|-------------|------------------|-----------------|
| Estimated Market Value             | 187,000.00  | 205,000.00  | 18,000.00        | 9.63            |
| Market Exclusion                   | 20,410.00   | 18,790.00   |                  |                 |
| Taxable Market Value               | 166,590.00  | 186,210.00  |                  |                 |
| Tax Capacity                       | 1,666       | 1,862       | 196.00           | 11.76           |
| City Tax                           | 791.50      | 833.32      | 41.82            | 5.28            |
| County Tax                         | 720.36      | 709.85      | -10.51           | -1.46           |
| School Tax                         | 856.06      | 854.57      | -1.49            | -0.17           |
| All Other                          | 123.70      | 127.79      | 4.09             | 3.31            |
| Total Tax                          | 2,491.62    | 2,525.52    | 33.90            | 1.36            |
| % of Tax to Market Value           | 1.33%       | 1.23%       |                  |                 |

| <u>Higher Valued Home</u> | <u>2014</u> | <u>2015</u> | <u>\$ CHANGE</u> | <u>% CHANGE</u> |
|---------------------------|-------------|-------------|------------------|-----------------|
| Estimated Market Value    | 245,600.00  | 273,100.00  | 27,500.00        | 11.20           |
| Market Exclusion          | 15,136.00   | 12,661.00   |                  |                 |
| Taxable Market Value      | 230,464.00  | 260,439.00  |                  |                 |
| Tax Capacity              | 2,305       | 2,604       | 299.00           | 12.97           |
| City Tax                  | 1,095.08    | 1,165.39    | 70.31            | 6.42            |
| County Tax                | 996.66      | 992.72      | -3.94            | -0.39           |
| School Tax                | 1,157.37    | 1,166.21    | 8.84             | 0.76            |
| All Other                 | 171.15      | 178.71      | 7.57             | 4.42            |
| Total Tax                 | 3,420.26    | 3,503.03    | 82.77            | 2.42            |
| % of Tax to Market Value  | 1.39%       | 1.28%       |                  |                 |

| <u>Estate Valued Home</u> | <u>2014</u> | <u>2015</u> | <u>\$ CHANGE</u> | <u>% CHANGE</u> |
|---------------------------|-------------|-------------|------------------|-----------------|
| Estimated Market Value    | 528,700.00  | 567,500.00  | 38,800.00        | 7.34            |
| Market Exclusion          | 0.00        | 0.00        |                  |                 |
| Taxable Market Value      | 528,700.00  | 567,500.00  |                  |                 |
| Tax Capacity              | 5,359       | 5,844       | 485.00           | 9.05            |
| City Tax                  | 2,546.01    | 2,615.42    | 69.42            | 2.73            |
| County Tax                | 2,317.18    | 2,227.91    | -89.27           | -3.85           |
| School Tax                | 2,603.68    | 2,520.69    | -82.99           | -3.19           |
| All Other                 | 397.91      | 401.07      | 3.17             | 0.80            |
| Total Tax                 | 7,864.77    | 7,765.10    | -99.67           | -1.27           |
| % of Tax to Market Value  | 1.49%       | 1.37%       |                  |                 |

## WASTE MANAGEMENT CHARGE

Included on the 2015 tax statement for all improved properties is a dollar amount for the 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<br>Effective January 1, 2012 |
| <b>Residential Fee</b>  |            |  |
| Single Family   | \$36.09    | \$24.02                                  |
| Mobile Home Pads  | \$28.87    | \$19.22                                  |
| Apartments  | \$23.46    | \$15.61                                  |
| <b>Non-Residential Fee</b>                                      |            |  |
| Micro-Generator   | \$41.95    | \$27.92                                  |
| Category I – Improved value of<br>\$25,000 --- \$200,000        | \$79.97    | \$53.23                                  |
| Category II – Improved value of<br>\$200,001 --- \$500,000      | \$259.72   | \$172.86                                 |
| Category III --- Improved value of<br>\$500,001 --- \$1,000,000 | \$584.21   | \$388.83                                 |
| Category IV --- Improved value of<br>\$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 comparing the 2006 information to 2015.

| <b><u>Lower Valued Home</u></b>            | <b><u>2006</u></b> | <b><u>2015</u></b> | <b><u>% CHANGE</u></b> |
|--|--------------------|--------------------|------------------------|
| Estimated market value                     | 140,500            | 97,300             | -30.75                 |
| Net tax                                    | 1,106.20           | 979.01             | -11.50                 |
| % of tax to market value                   | 0.79               | 1.01               |                        |
| <br>                                       |                    |                    |                        |
| <b><u>Middle Valued Home</u></b>           | <b><u>2006</u></b> | <b><u>2015</u></b> | <b><u>% CHANGE</u></b> |
| Estimated market value                     | 172,500            | 150,100            | -12.99                 |
| Net tax                                    | 1,570.01           | 1,737.69           | 10.68                  |
| % of tax to market value                   | 0.91               | 1.16               |                        |
| <br>                                       |                    |                    |                        |
| <b><u>Upper Middle Valued Home - 1</u></b> | <b><u>2006</u></b> | <b><u>2015</u></b> | <b><u>% CHANGE</u></b> |
| Estimated market value                     | 215,600            | 187,700            | -12.94                 |
| Net tax                                    | 2,055.51           | 2,277.76           | 10.81                  |
| % of tax to market value                   | 0.95               | 1.21               |                        |
| <br>                                       |                    |                    |                        |
| <b><u>Upper Middle Valued Home - 2</u></b> | <b><u>2006</u></b> | <b><u>2015</u></b> | <b><u>% CHANGE</u></b> |
| Estimated market value                     | 235,900            | 205,000            | -13.10                 |
| Net tax                                    | 2,283.81           | 2,525.52           | 10.58                  |
| % of tax to market value                   | 0.97               | 1.23               |                        |
| <br>                                       |                    |                    |                        |
| <b><u>Higher Valued Home</u></b>           | <b><u>2006</u></b> | <b><u>2015</u></b> | <b><u>% CHANGE</u></b> |
| Estimated market value                     | 328,200            | 273,100            | -16.79                 |
| Net tax                                    | 3,322.99           | 3,503.03           | 5.42                   |
| % of tax to market value                   | 1.01               | 1.28               |                        |
| <br>                                       |                    |                    |                        |
| <b><u>Estate Valued Home</u></b>           | <b><u>2006</u></b> | <b><u>2015</u></b> | <b><u>% CHANGE</u></b> |
| Estimated market value                     | 602,200            | 567,500            | -5.76                  |
| Net tax                                    | 6,466.31           | 7,765.10           | 20.09                  |
| % of tax to market value                   | 1.07               | 1.37               |                        |

**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    | 1,570.01            | 2006        | 1,834.93             | 2009        |
| Upper middle - 1 | 2,055.51            | 2006        | 2,499.76             | 2010        |
| Upper middle - 2 | 2,283.81            | 2006        | 2,719.28             | 2010        |
| Higher valued    | 3,322.99            | 2006        | 3,841.86             | 2010        |
| Estate valued    | 6,466.31            | 2006        | 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     | 0.84                | 2006        | 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  
ON SELECTED RESIDENTIAL PROPERTIES  
2014 TO 2015 ASSESSMENT YEAR

| DIST          | ADDITION                  | PIN               | 2014 EMV       | 2015 EMV       | PERCENT<br>CHANGE<br>IN EMV |
|---------------|---------------------------|-------------------|----------------|----------------|-----------------------------|
| 17011A        | Golf View Estates         | 01-31-0016        | 205,000        | 202,300        | -1.32%                      |
| 17011A        | Golf View Estates         | 01-31-0017        | 254,500        | 263,200        | 3.42%                       |
| 17011A        | Oaks of Shen              | 03-42-0026        | 277,500        | 282,800        | 1.91%                       |
| <b>17011A</b> | <b>Thom Hgts 5th</b>      | <b>09-43-0028</b> | <b>150,100</b> | <b>144,000</b> | <b>-4.06%</b>               |
| 17011A        | Golf Terr 3rd             | 12-31-0069        | 187,100        | 186,800        | -0.16%                      |
| <b>17011A</b> | <b>Creek Villas N 2nd</b> | <b>12-32-0017</b> | <b>205,000</b> | <b>204,500</b> | <b>-0.24%</b>               |
| 17011A        | Creek Villas N 2nd        | 12-32-0025        | 236,600        | 248,400        | 4.99%                       |
| 17011A        | Northdale 3rd             | 12-33-0142        | 136,900        | 142,400        | 4.02%                       |
| <b>17011A</b> | <b>Sand Creek Hts</b>     | <b>12-43-0033</b> | <b>273,100</b> | <b>277,600</b> | <b>1.65%</b>                |
| 17011A        | Sand Creek Hts            | 12-43-0037        | 204,500        | 206,000        | 0.73%                       |
| 17011A        | Sand Creek Hts            | 12-43-0038        | 197,400        | 209,000        | 5.88%                       |
| 17011A        | Gorham's Oak Ridge        | 13-44-0087        | 224,100        | 230,900        | 3.03%                       |
| 17011A        | Northdale 4th             | 14-14-0028        | 141,300        | 147,100        | 4.10%                       |
| 16011D        | O.T.R.T. 6TH              | 21-11-0053        | 161,400        | 165,600        | 2.60%                       |
| 16011D        | O.T.R.T. 3RD              | 21-12-0057        | 141,100        | 144,600        | 2.48%                       |
| <b>16011D</b> | <b>Miss. Shores</b>       | <b>21-22-0006</b> | <b>567,500</b> | <b>595,500</b> | <b>4.93%</b>                |
| 16011D        | O.T.R.T. 8TH              | 21-22-0052        | 153,900        | 157,800        | 2.53%                       |
| 16011D        | Dalyce 4th                | 22-44-0029        | 180,700        | 185,000        | 2.38%                       |
| <b>16011D</b> | <b>Dalyce 4th</b>         | <b>22-44-0032</b> | <b>187,700</b> | <b>191,300</b> | <b>1.92%</b>                |
| 17011A        | Creekwood Estates         | 23-22-0011        | 162,000        | 173,400        | 7.04%                       |
| 17011A        | Creekwood Estates         | 23-22-0025        | 163,100        | 174,400        | 6.93%                       |
| 17011A        | Creekwood Estates         | 23-22-0027        | 150,200        | 160,000        | 6.52%                       |
| 17011A        | Park Place                | 23-41-0015        | 153,700        | 155,900        | 1.43%                       |
| 17011A        | Wood Crest Plat 2         | 23-44-0083        | 198,400        | 203,800        | 2.72%                       |
| 17011A        | Carlson's An Oaks         | 24-24-0032        | 92,300         | 97,200         | 5.31%                       |
| 17011A        | Woodcrest                 | 25-22-0008        | 96,800         | 98,900         | 2.17%                       |
| <b>17011A</b> | <b>Woodcrest</b>          | <b>25-22-0014</b> | <b>97,300</b>  | <b>98,600</b>  | <b>1.34%</b>                |
| TOTALS        |                           |                   | 5,199,200      | 5,347,000      |                             |
| AGGREGATE     |                           |                   |                |                | 2.8%                        |

This random sampling of PIN's show an increase of approximately 2.8 % 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.