**General Information about an Assessor**

Minnesota Assessors must be licensed by the MN State Board of Assessors. To be certified by the State Board, an assessor must first successfully pass three week-long courses on assessment procedures and appraisal practice, and serve one year as an apprentice under a licensed assessor. Assessor's continuing education is 40-50 hours plus Ethics in a four year period. If the Assessor has more than 25% of seasonal recreational properties, the Assessor must complete a Form Report, additional classes and become a Certified MN Assessor Specialist. To value income producing properties, the Assessor must complete two more week long courses and tests to become Income Qualified. This is the case for Greenwood Township. I am a Certified MN Assessor Specialist/Income Qualified.

**The Assessors Role in the Property Tax System**

Each year the assessor reviews the market valuation of you property to determine if changes in the real estate market require a change in the Estimated Market Value of your property. MN Law requires the assessor reappraise one-fifth of a jurisdiction in a 5 year cycle. In addition, the assessor reviews parcels that have had new construction, alterations, building removal or other issues.

**How are you Real Estate taxes determined**

Taxing jurisdictions are comprised of the township and/or city, county and schools. Those jurisdictions adopt their budgets which the County Auditor then determines the tax levy, which is used to calculate the rate of taxation required to raise the money needed for the jurisdictions to operate. The taxes you pay are proportionate to the value and classification of your property compared to other properties in your tax district.

The Assessor's responsibility is to **determine the Estimated Market Value and Classification**, NOT TAXES.

The Assessor does not:

•Calculate Taxes

•Collect Taxes

•Determine Tax Rate

•Establish Property Tax Laws (They are done by your legislature)

**What Is Market Value and How is it Estimated**

Market value is the price a willing, knowledgeable buyer would pay for your property if it were offered for sale on the open market. The assessor does not create this value, but Instead Interprets what is happening in the marketplace. Values change with economic conditions as well as changes to the property. The assessor visits your property and records the various buildings, size, use, age, quality and condition. If at all possible, an interior inspection of the home or cabin assists the assessor in determining the overall quality and amenities of the property. The size of your property, amount of shoreline and acreage is also considered. Local sales will impact local values. The assessor uses actual sales of similar properties in your neighborhood to estimate what buyers would pay for your property. (A single sale does not make a market)

**What Is Classification?**

Classification is a definition of the ownership of the property and how it is used. The most common classifications in this area are; Homestead, Seasonal Residential Recreational, MaPa Resort, Commercial and Rural Vacant Land. By state law, the varying classes are taxed at different rates which are defined by Minnesota State Legislature. New owners should contact their assessor to apply for homestead exemption.

**What is happening with current market values**

As we all know, the market values have declined nationally and even so in our area. There are many properties on the market, therefore, it is a high supply with limited demand. The asking prices are lower than they have been in the past. I am frequently called by recent buyers who ask me to adjust their value downward because they paid less than the market value. I remind them that MN Law requires we review all sales and adjust all properties upward or downward, depending on the trend. I am not able to reduce an individual property, based on the individual sale no more than I am allowed to increase the individual property based on the fact that they paid more than the market value placed on the property for taxation purposes. We need to review all the sales and all the data to determine the fair market value.

With that being said, I encourage those persons who are contemplating the purchase of a property to contact the assessor. That way they will know what to expect in regards to the valuation and classification of the property. Taxes will change, especially if the property is going from Homestead to Seasonal.

**MOST COMMON SPECIAL PROGRAMS THAT MAY LOWER YOUR TAXES**

1. Property Tax Refund (known as the M1PR) provides for 2 types of refunds: Homeowners and Renters. Applications are due by Aug. 15 to the MN Dept. of Revenue

2. Sr. Citizen Deferral. This program allows people 65 years or older, whose household incomes are $60,000 or less, to defer a portion of their homestead property taxes. The deferred taxes accrue as a lien on the property and are due within 90 days after the property is sold, transferred, or no longer qualifies as a homestead. Applications are due by Aug. 1 to the MN Dept. of Revenue

3. Disability Homestead. Homestead property owners who are legally blind, permanently or totally disabled, or paraplegic veteran's exclusion are eligible for a reduced tax rate on a portion of the value of their property. In some instances, there are income requirements that must be met to qualify. Contact your assessor for more information.

LINKS FOR INFORMATION

The Minnesota Department of Revenue website has all forms and instructions for the various programs:

Go to: <http://www.taxes.state.mn.us> "Property Tax Programs"