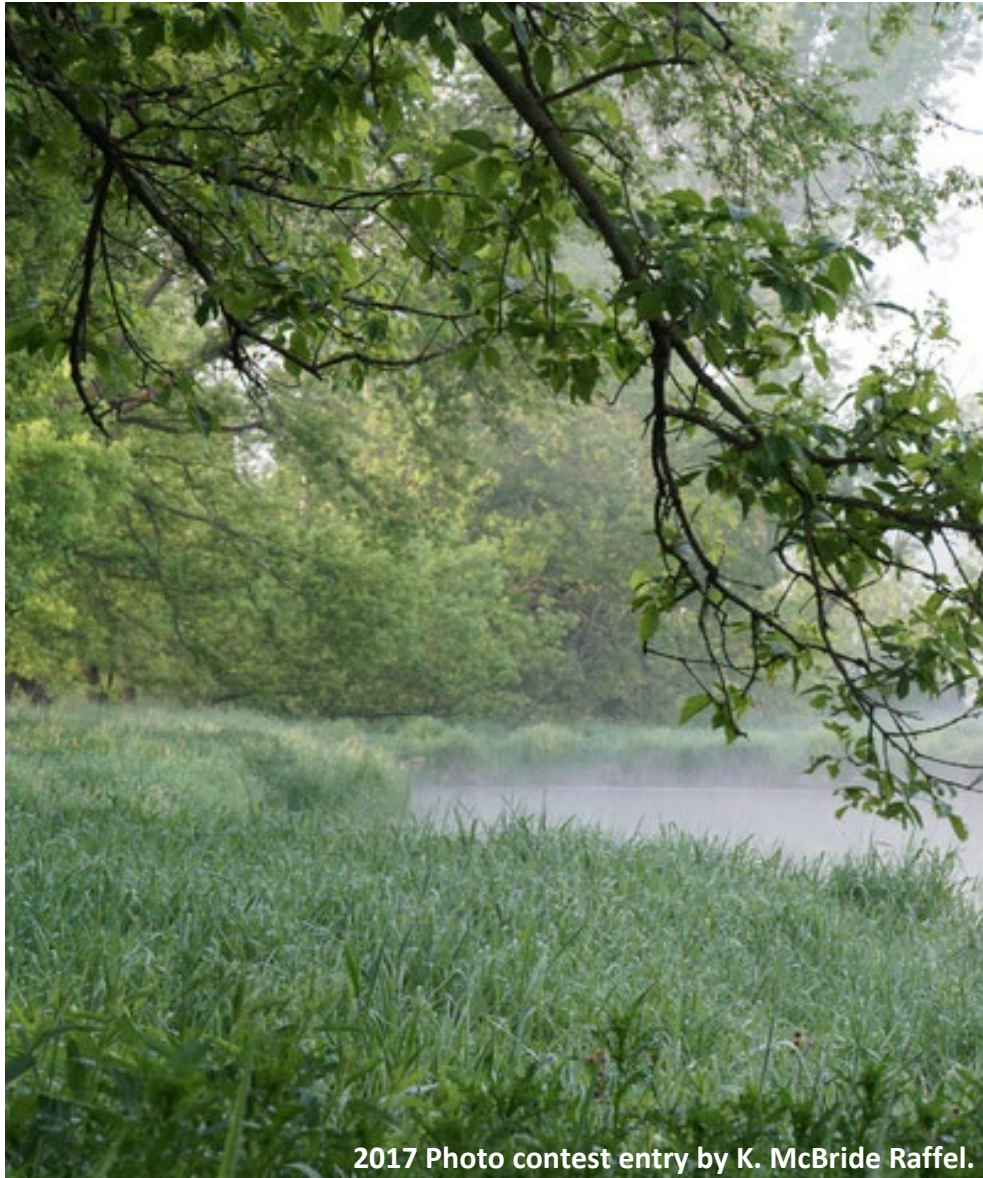


# City of Maple Grove



2017 Photo contest entry by K. McBride Raffel.

## 2019 Annual Assessment Summary

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## 2019 Assessment Summary

The 2019 assessment for the City of Maple Grove was completed and delivered to Hennepin County on January 25, 2019 in accordance with state statute and Hennepin County procedures.

The staff of the assessing department reviewed 5,413 properties during our quintile review process for the 2019 assessment. The appraisal staff also reviewed 1,202 building permits for homes that had improvements or remodeling projects during the past year. The assessor’s office inspected and valued 153 homes that were completed as new construction in 2018 and reviewed 128 homes that were partially complete as of January 2, 2019.

The volume of sales used within the residential real estate analysis within the City of Maple Grove decreased by 6.2 percent when compared to the previous year’s sales volume. Residential sales data between October of 2017 and September of 2018 indicated that market values were generally increasing throughout the city. We continue to experience varying valuation trends for the each property type at the neighborhood level. The majority of neighborhoods within the city experienced a value increase and some neighborhoods demonstrated little or no value change. Generally, the assessed values of homes in the upper bracket of residential properties experienced modest value increases for the 2019 assessment. The overall increase of assessed values within the residential market in the city was typical among communities in the metro area and can be associated with overall value growth of the real estate market.

The 2019 assessment for the City of Maple Grove is based on 25,850 parcels of property within the city. The city has a total estimated market value of 10.06 billion dollars for the 2019 assessment. The total estimated market value of the City of Maple Grove increased by 7.2 percent for the 2019 assessment, last year the total assessed value was slightly above 9.37 billion dollars. The assessed value of new construction within the city for 2019 was 163.4 million dollars; the amount of new construction within the city increased by 31.9 percent from the previous year’s assessment. Excluding new construction from the 2018 assessment results in the overall value of the city increasing by 5.5 percent, a value increase over 515 million dollars. The graphic below details and compares the 2018 and the 2019 assessed values and new construction amounts for the City of Maple Grove.

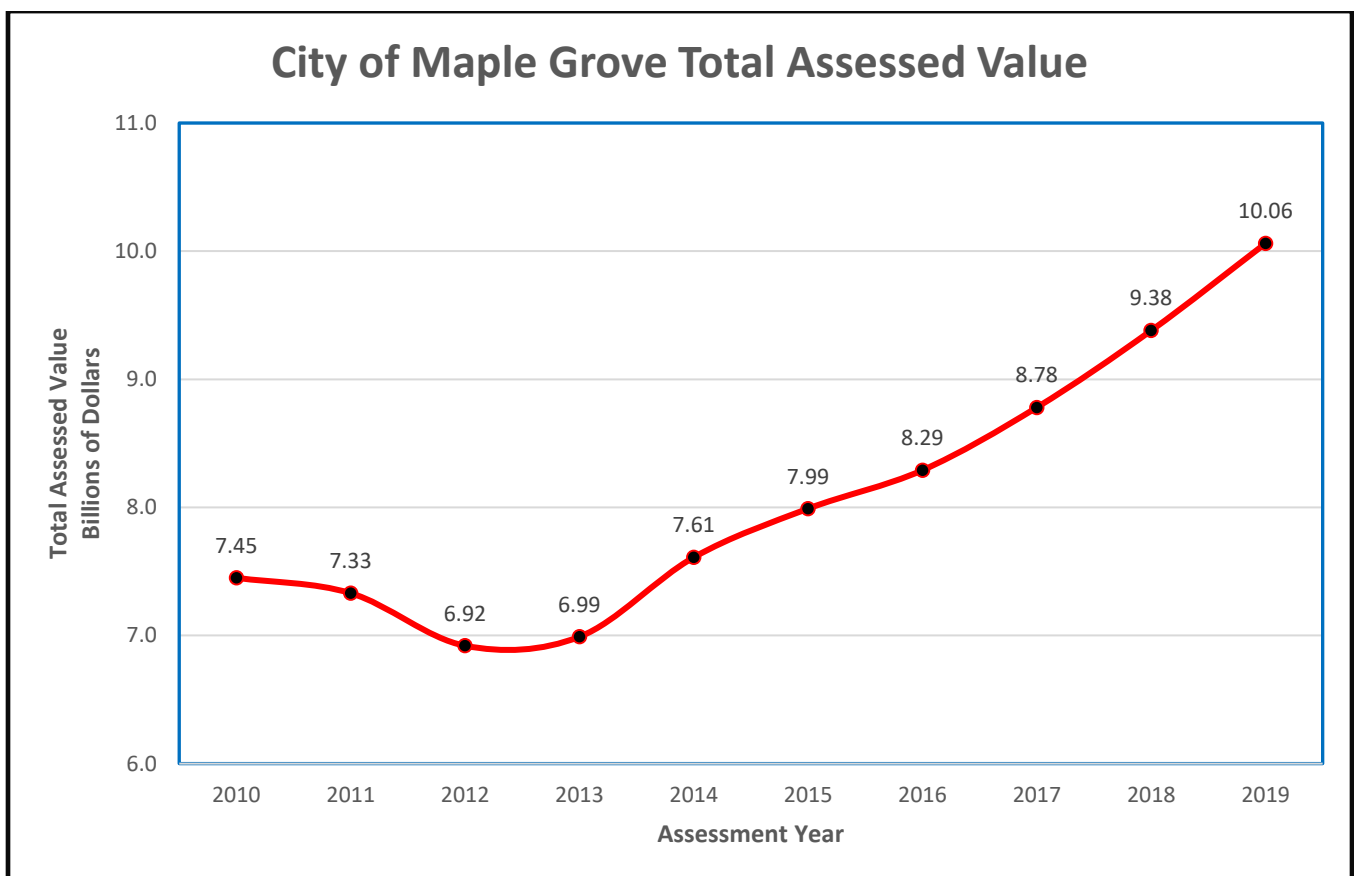
<b>City of Maple Grove Total Estimated Market Value</b>			
	<b>2018 Assessment</b>	<b>2019 Assessment</b>	<b>Percent Change</b>
<b>Total City Estimated Market Value</b>	<b>\$9,377,946,000</b>	<b>\$10,056,911,800</b>	<b>7.2%</b>
<b>Total Value of New Construction</b>	<b>\$123,845,800</b>	<b>\$163,398,600</b>	<b>31.9%</b>

Data does not include exempt property.

## 2019 Assessment Summary

The total assessed value for the City of Maple Grove previously peaked in 2008, at that time the total city value was slightly above eight billion dollars. The total assessed value of the city experienced significant value decreases between the years of 2008 and 2012. Throughout those four years of recession and the resulting real estate market contraction, the City of Maple Grove lost nearly 14 percent of its total assessed value. The city lost a total assessed value of 1.1 billion dollars between the assessment years of 2008 and 2012.

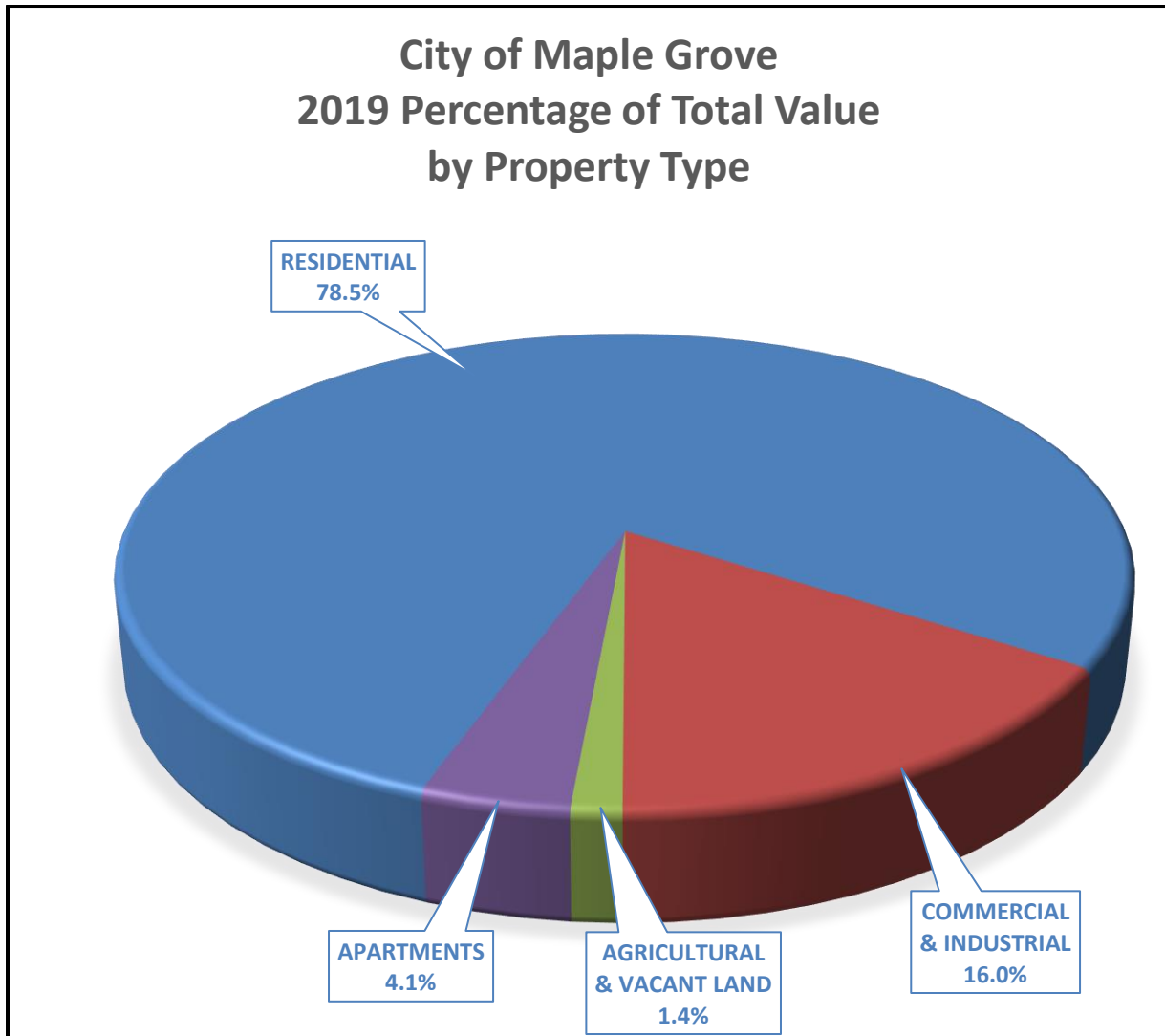
For the 2019 assessment, the city has experienced an increase in the total assessed value from 9.38 billion dollars in 2018 to 10.06 billion dollars in 2019. The chart below depicts the ten-year history of the total market value of the City of Maple Grove between the years of 2010 and 2019.



Data does not include exempt property.

## 2019 Assessment Summary

The City of Maple Grove has a total assessed value of 10.06 billion dollars; residential properties within the city make up 78.5 percent of the city's current assessed valuation. Commercial and industrial properties account for 16 percent of the total assessed value of the city. Apartment, properties account for 4.1 percent of the city's total value and agricultural properties and vacant land account for 1.4 percent of the assessed value for the City of Maple Grove. The chart below depicts the percentage of total value associated with each property type within the city.



**2019 Total City Assessed Value: \$10,056,911,800**

## 2019 Assessment Summary

The market segment of traditional single family residences within the city experienced value growth of 4.5 percent for the 2019 assessment and lakeshore properties experienced value growth of 11.7 percent. Twin homes had increased value growth of 7.8 percent and townhomes within the city experienced value growth of 9 percent. Condominiums had value growth of 6 percent. Assessed values of commercial, industrial and apartment properties all increased within the city for the 2019 assessment. Value growth of commercial values within the city was 5.3 percent and industrial values grew by 7.9 percent. Apartment properties throughout the city experienced value growth of 8.6 percent for the 2019 assessment.

Please note that the chart below depicts the total value change in estimated market value as a percentage for that specific property type throughout the city. Specific properties may have experienced increases or decreases in estimated market value that are not necessarily representative of the aggregate value change for that property type as a whole. Each property within the city is valued based on its specific features and location; value changes are not identical throughout the city for similar types of property.

### 2019 Estimated Market Value Changes By Property Type

Property Type	Market Value Change Percentage
Single Family	4.5%
Lakeshore	11.7%
Twin Homes	7.8%
Townhomes	9.0%
Condominiums	6.0%
Commercial	5.3%
Industrial	7.9%
Apartments	8.6%

Data does not include new construction amounts.

## **Residential Assessment Summary**

The following pages summarize the City of Maple Grove's 2019 residential assessment. For assessment purposes, the city is broken down into residential neighborhoods, and sales are analyzed at both the city and neighborhood level. Residential sales are also analyzed by property type and style of home. The total combined assessed value of all residential property types within the city increased in value by 5.2 percent excluding new construction improvements.

### **Single Family**

All sales of single-family homes within the city are thoroughly reviewed in order to estimate values based on sales that represent an arm's length transaction. Single family residences within the city increased in value overall by 4.5 percent. There still is a distinct difference between growth in the entry and upper level single family market. Properties in the under \$300,000 category of assessed value grew in value by 6.5 percent. Whereas, properties assessed over \$500,000 (excluding lakeshore) continued to experience moderate value growth of 2.1 percent. Sales within specific neighborhoods continue to be the primary basis for assessed valuation changes for a specific property.

### **Lakeshore**

All lakeshore sales are physically inspected unless the staff of the Assessor's Office previously inspected them within the past year. We review and analyze lakeshore sales on a citywide and lake-by-lake basis. Land value changes for lakeshore parcels varied by lake and, in some cases, by location on that specific lake. Total lakeshore property values within the city increased 11.7 percent excluding new construction improvements for the 2019 assessment.

We currently have seven lakes that meet the Department of Revenue's definition of a lake: Cook, Cedar Island, Eagle, Edward, Fish, Rice, and Weaver lakes. To be classified as a lake for assessment purposes, the lake must have a valid DNR lake code. All lakes within the city received a value increase for the 2019 assessment. With the exception of Cook Lake, value increases ranged between 5.9 and 15.8 percent. Cook Lake resembles more of a large wetland, and has three residences with acreage surrounding the lake. Values on Cook Lake increased 1% for the 2019 assessment.

Eagle Lake had the most lakeshore sales within the city for the 2019 assessment. Eight out of the seventeen lakeshore sales within the city occurred on Eagle Lake. The remaining sales occurred on Fish Lake, Rice Lake, and Weaver Lake. There were two sales on Weaver Lake: one sale located on the south channel, and the other located on the north shore. Weaver Lake properties experienced value growth of 11.6 percent; this value growth was slightly below the overall lakeshore value growth within the city for the 2019 assessment.

The chart on the following page summarizes the assessed value change by lake within the city.



## Residential Assessment Summary

### 2019 Assessed Value Change by Lake

Lake	Value Change
Fish Lake	13.7%
Eagle Lake	15.8%
Weaver Lake	11.6%
Rice Lake	11.3%
Cedar Lake	6.7%
Edward Lake	5.9%
Cook Lake	1.0%

### Sites with Acreage

Land values for improved residential sites with acreage, land to be developed in the Osseo and Wayzata School districts, and acreage located in the northwest corner of the city remained unchanged for the 2019 assessment. Land values surrounding the 610 corridor east of I-94 and west of Fernbrook Lane were increased significantly for the 2017 assessment based on completion of Highway 610 and land sales in the surrounding area. This area remained unchanged for the 2018 and 2019 assessments. For the 2018 assessment, land values were increased east of Fernbrook Lane and south of Territorial Road due to the land acquisitions associated with the Territorial Woods development. In addition, we increased the Elm Road area slightly due to sales in this neighborhood. For the 2019 assessment, we did not have sufficient sales data to support land increases beyond 2018 levels.

Development within the Wayzata School District in surrounding communities such as Corcoran and Plymouth continues to be strong. There is little developable acreage remaining in the Wayzata School District within the City of Maple Grove outside of the Elm Road area. In the past, several factors limited development in the Elm Road area: dirt roads, lack of available water and sewer, the city's concerns regarding piecemeal development in this area, and the lack of some property owner's desire to sell. Gonyea acquired two more parcels in the Elm Road area last fall; they now own a total of eight parcels consisting of 53 centralized acres. Currently, Gonyea is the only developer that owns land in the Elm Road area, and recent sale transactions with them have involved little if any negotiation or market exposure. Gonyea recently submitted preliminary development plans for the Elm Road area to the city for review. If development plans and/or zoning changes are approved in 2019, we anticipate increasing land values in the Elm Road area in 2020.



## **Residential Assessment Summary**

### **Twin Homes, Condominiums and Townhomes**

Twin homes, condominiums, and townhomes continue to experience strong value growth in the real estate market. For the 2019 assessment, townhome values increased 9 percent, one percent more than the previous year. Twinhome values increased 7.8 percent, slightly down from the previous year, and condominiums increased 6 percent, slightly up from the previous year.

Assessed values in the multi-family markets are updated at the neighborhood level based on sales. Building style, price range, and the property location continue to contribute to these valuation and assessment differences within the city.

### **Triplexes and Duplexes**

Triplexes and duplexes also continue to experience strong value growth, triplexes in particular. For the 2019 assessment, triplex and duplex values increased 28.3 percent and 8 percent respectively. There are only five triplexes in the city, one of which was exposed to the market and sold in September 2018. Even with a significant value increase, this recent triplex sale price is greater than the 2019 assessed value of the property.

## Residential Sales Summary

The City of Maple Grove had 1,678 residential property sales that took place during the 2019 sales ratio study period; these sales took place between October 1, 2017 and September 30, 2018. Approximately 77 percent of these sales were included in the city's 2019 assessment sales ratio study. The charts below depict the average sale price by property type comparing the years of 2017 with 2018; the second chart details the average sale price of all residential property within the city over the past five years.

### Summary of Residential Sales

Average Sale Price by Property Type			
Property Type	2017 Average Sale Price	2018 Average Sale Price	2017 - 2018 Average Sale Price Percent Change
Single Family	\$359,886	\$373,081	3.7%
Townhomes	\$204,532	\$222,613	8.8%
Condominiums	\$199,120	\$212,052	6.5%
Twin Homes	\$255,376	\$278,456	9.0%

Data based on annual sales contained in the sales ratio study from October 1, 2017 to September 30, 2018; the average sales data does not include lakeshore properties.

Residential Average Sale Price			
Year	Number of Sales	Average Sale Price	Average Sale Price Percent Change
2018	1,294	\$308,487	4.2%
2017	1,379	\$296,010	3.0%
2016	1,307	\$287,299	7.0%
2015	1,106	\$268,464	0.0%
2014	928	\$268,579	1.1%

Sale data includes all residential property types in the sales ratio study.

## Residential Sales Summary

Please note that the average sale prices listed on the previous page are based on sales of residential properties using dates that correspond to the sales ratio study dates of October 1<sup>st</sup> thru September 30<sup>th</sup> of the applicable assessment year. The average sale price is not necessarily an indicator that accurately reflects value trends used within the assessment process. The annual average sale price of a residential property fluctuates from year to year based on many variables including property type, specific property characteristics and the property location.

## Historical Property Tax Comparison

The information below compares the ten-year history of three residential properties in the city and their estimated market values and the amount of property taxes associated with each specific property. The comparison is intended to demonstrate that market value changes do not inevitably lead to similar changes for property taxes payable. The three examples below are actual residential properties located within the City of Maple Grove. Property tax amounts are based on many factors, including the assessor’s estimated market value of the property, the taxable market value of the property, the property classification and the budgets of the city, county, and school district. The actions of the Minnesota State Legislature often have a significant impact on the assessment process and the property tax system.

Over the past ten years, the average market value of the three properties below has increased by 14 percent. However, the average amount of property tax attributed to these three properties has increased by 24 percent; clearly demonstrating that taxable market value changes do not directly lead to similar changes for property taxes.

<b>Historical Ten Year Comparison Estimated Market Value and Property Tax</b>			
<b>Residence</b>	<b>2010</b>	<b>2019</b>	<b>10 Year Change Percentage</b>
<b>Home # 1</b>			
Estimated Market Value	\$251,300	\$276,300	9.9%
Property Tax	\$3,078	\$3,668	19.2%
<b>Home # 2</b>			
Estimated Market Value	\$259,500	\$309,400	19.2%
Property Tax	\$3,190	\$4,157	30.3%
<b>Home # 3</b>			
Estimated Market Value	\$296,200	\$334,300	12.9%
Property Tax	\$3,694	\$4,524	22.5%

Property tax amounts do not include special assessments.

## Annual Market Condition Adjustments

In 2011, the Minnesota Department of Revenue instituted a market conditions adjustment and modified the statewide assessment process. The market condition adjustment is an annual adjustment that is applied to properties that have sold during the assessment sales study period in order to reflect market differences that occurred between the sale date and the assessment date of January 2<sup>nd</sup>. The use of a market condition adjustment results in assessed market values that more accurately reflect current market values by reducing the market lag time that previously existed within the assessment process. Market condition adjustments are generally accepted appraisal practice and are commonly used in the private appraisal sector and this practice is also being utilized within the assessment process. For the 2019 assessment the market conditions adjustment is based on a 21 month sales study period; sales that occurred between January of 2017 and September of 2018.

A market condition adjustment was applied to specific property types within the city if the following two criteria were met;

- 1) The city contains a minimum of 30 sales within the 21-month study period.
- 2) The sales within the 21-month study period indicate statistical significance.

For the 2019 assessment, residential properties within the city met the requirements for an annual market condition adjustment. A market condition adjustment was applied to the sales of single family homes, lakeshore properties, condominiums, townhomes and twin homes within the city. The chart below details the annual market condition adjustment percentage that was applied to the sales of each specific property type within the city for the 2019 assessment. If a specific segment of the real estate market met the requirements for a market condition adjustment, the adjustment was applied to the sale price of properties that sold between the dates of October 1, 2017 and September 30, 2018.

### 2019 Market Conditions Adjustment

Property Type	Annual Adjustment %
Single Family	3.9%
Lakeshore	13.8%
Condominiums	6.3%
Townhomes	7.6%
Twin Homes	9.6%

The annual market condition adjustment from the above table was used to determine a monthly adjustment that was applied to the sale prices of that specific property type within the city, in order to account for market differences at the date of sale and the assessment date of January 2<sup>nd</sup>.

## Commercial, Industrial and Apartment Assessment Summary

The commercial, industrial and apartment properties for the 2019 assessment experienced overall value growth of 10.2 percent; this value growth includes the value of new construction within the city. The combined commercial and industrial assessed values increased 8.9 percent, while the apartment assessed values increased by 15.5 percent. The new construction associated with commercial, industrial and apartment properties throughout 2018 amounted to 65.9 million dollars.

The charts below compare the overall assessed values and the new construction amounts for commercial, industrial and apartment properties within the city for the 2018 and the 2019 assessment.

<b>Annual Assessment Comparison</b>			
<b>Property Type</b>	<b>2018 Assessment</b>	<b>2019 Assessment</b>	<b>Percent Change</b>
<b>Commercial</b>	\$1,013,064,700	\$1,086,334,400	7.2%
<b>Industrial</b>	\$461,096,600	\$518,962,900	12.5%
<b>Apartments</b>	\$356,583,000	\$411,742,800	15.5%
<b>Totals</b>	<b>\$1,830,744,300</b>	<b>\$2,017,040,100</b>	<b>10.2%</b>

Data includes new construction amounts.

<b>Annual New Construction</b>			
<b>Property Type</b>	<b>2018 Assessment</b>	<b>2019 Assessment</b>	<b>Percent Change</b>
<b>Commercial</b>	\$13,142,100	\$14,592,500	11.0%
<b>Industrial</b>	\$172,800	\$25,201,800	14,484.4%
<b>Apartments</b>	\$26,558,000	\$26,153,500	-1.5%
<b>Totals</b>	<b>\$39,872,900</b>	<b>\$65,947,800</b>	<b>65.4%</b>

## Commercial, Industrial and Apartment Assessment Summary

The City of Maple Grove had twenty sales that were included in our commercial, industrial and apartment sales ratio analysis. Commercial, industrial and apartment sales in Maple Grove, Hennepin County and the metro area were used to establish the commercial, industrial and apartment values for the 2019 assessment. The goal of the assessment was to establish commercial, industrial and apartment values that reflect current market trends based on sales and other data related to specific commercial and industrial market segments.

The following table demonstrates the overall assessed value changes for the various commercial property segments within the City of Maple Grove. The value percentages detailed below do not include new construction amounts.

### 2019 Estimated Market Value Changes By Property Type

Property Type	Value Change
Commercial	5.3%
Industrial	7.9%
Apartments	8.6%

Data does not include new construction amounts.

## Commercial Assessment by Market Segment

### Retail Properties

Retail properties experienced an overall value increase of 4.2 percent. The majority of the value increases were reflected in older, community and neighborhood shopping centers. Overall, retail values were adjusted based on comparable sales data, income valuations and discussions with the county and other cities.

Banks within the city experienced overall value growth of 6.6 percent. The growth in the bank segment was primarily focused on properties located in strong retail areas that could have a potential for redevelopment into other types of retail use. The remainder of the banks were equalized after taking into consideration the overall value based on land area and bank property sales data.

Stand-alone retail stores experienced an overall increase of 2 percent in value growth for the 2019 assessment. This increase was the result of analyzing comparable sales data with additional adjustments for equalization among similar properties within the City of Maple Grove.

## **Commercial Assessment by Market Segment**

### **Restaurants**

Restaurants values experienced an overall increase of 7.1 percent in market value for the 2019 assessment. This value increase was the result of analyzing comparable sales data with additional adjustments for equalization among similar properties within the City of Maple Grove.

### **Offices**

Office properties experienced an overall increase of 6.3 percent in market value. Medical offices within the city experienced an overall increase of 6.7 percent. Overall office and medical office values were adjusted primarily based on comparable sales data, estimated income valuations and on equalization throughout the city.

### **Office Condominiums**

Office condominiums experienced overall value growth of 8.6 percent for the 2019 assessment. All value adjustments were based on market data associated with each specific development. If there were, no sales data available within a specific development, assessed values were adjusted within the development based on similar properties within the city. Comparable sales of office condominiums throughout the metro area were considered as part of the valuation process.

### **Industrial**

Industrial properties experienced an overall increase of 7.9 percent in assessed value. While all sectors of the industrial properties within the city had value growth, the industrial flex properties experienced the greatest increases in assessed values. Industrial values were based on sales data throughout the metro area and income value estimates.

### **Apartments**

Apartments within the City of Maple Grove experienced overall growth of 8.6 percent when excluding exempt properties and new construction. Maple Grove requests actual rental and vacancy data from apartment owners on an annual basis. Based on this actual rental and vacancy data, adjustments were made to the 2019 assessment. The capitalization rates and expense ratios were estimated using sales data and apartment data related to the metro area from various market publications. Sales of comparable apartment properties throughout the metro area were also considered in our analysis to determine apartment valuations.

### **Hotels**

Hotels experienced an overall increase of 4.3 percent in value for the 2019 assessment. Hotel values were based on actual revenue data and recent sales. Market trends and equalization within the metro area were taken into consideration when determining the final assessed values.



## **Commercial, Industrial and Apartment New Construction**

The City of Maple Grove had several commercial, industrial and apartment projects that were completed in the past year. The development projects that were completed in 2018 included the following:

- Crave Restaurant
- Bank of America
- Maple Grove Medical Office
- Lifetime Swim School
- Youngstedt's Car Wash
- Raising Cane's - Restaurant
- Dunkin Donuts / Gateway Retail
- Bobby and Steve's Auto Center
- The Reserve at Arbor Lakes Apartments – Building I

The City of Maple Grove had several development projects that were not completed on the January 2<sup>nd</sup> assessment date. The development projects that were under construction and partially complete as of January 2, 2019 included the following:

- The Reserve at Arbor Lake Apartments – Building II
- Crossroads at Elm Creek Apartments
- Duke Industrial - Buildings I and II
- Wings Financial Credit Union
- Sleep Number - Retail Store
- SpringHill Suites Hotel
- Hy-Vee South – Grocery Store
- Abra Auto Body
- Bottineau Ridge Apartments - Building II

## **Local Board of Appeal and Equalization**

### **Duties and Responsibilities**

The majority of the duties and responsibilities of the Local Board of Appeal and Equalization are statutory in nature and primarily described within Minnesota Statutes 274.01.

- The Local Board of Appeal and Equalization is an official public meeting similar to a City Council meeting and cannot convene without a quorum. In addition, the City Assessor and the County Assessor or one of the County Assessor's representatives is required to attend.
- At least one member of the Local Board of Appeal and Equalization must have attended an appeals and equalization course developed and approved by the Minnesota Commissioner of Revenue. Maple Grove City Council Members Karen Jaeger, Phil Leith, Judy Hanson and Kristy Barnett have completed this mandatory appeals and equalization compliance course.
- The valuation notices shall be in writing and be sent by ordinary mail at least ten calendar days before the meeting of the board. The valuation notice will include the dates, places and times set for the meetings of the Local Board of Appeal and Equalization as well as the Hennepin County Board of Appeal and Equalization. The valuation notices for the City of Maple Grove were mailed to property owners on Friday, March 22, 2019.
- The Local Board meeting must be held between April 1<sup>st</sup> and May 31<sup>st</sup> of each year, including the reconvene meeting. The County Assessor shall fix a day and time when the Local Board of Appeal and Equalization shall meet. The board must complete its work and adjourn within 20 days from the time of convening stated in the notice of the clerk.
- The clerk shall give published and posted notice of the meeting at least ten days before the date of the meeting. The City of Maple Grove published the date and time for the Local Board of Appeal and Equalization in the Osseo Press on March 21, 2019. Notice of the Local Board meeting was also posted in the Maple Grove Government Center, the Maple Grove Community Center, the Hennepin County Library and the Maple Grove Public Works Facility on March 22, 2019. The Local Board of Appeal and Equalization date was also listed on the city website on March 22, 2019.
- Local Boards of Appeal and Equalization must ensure that all taxable property is properly valued and classified for the current assessment year only. The board may consider both real and personal property and estimated market value. Personal property is limited to mobile homes and their storage sheds, decks and other improvements located in a manufactured home park, structures on leased public lands and railroad operating right of way, and leased buildings located on land owned by the occupant and used as their homestead.
- If any property has been omitted, the board must correct the assessment by adding it to the list of assessments along with its market value.

## **Local Board of Appeal and Equalization**

### **Duties and Responsibilities Continued**

- The board may not increase or decrease by percentage all assessments in a district of a given class of property. Changes in the aggregate to assessments are made by property class and are made by the County Board or State Board of Equalization.
- The board may not make an individual market value adjustment or classification change that would benefit the property in cases where the owner or other person having control over the property will not permit the assessor to inspect the property and the interior of any buildings or structures.
- Although the Local Board of Appeal and Equalization has the authority to increase or decrease individual assessments, the total of such adjustments must not reduce the aggregate assessment by more than one percent. If the total reductions would lower the aggregate assessment by more than one percent, none of the adjustments may be made. The assessor shall correct any clerical errors discovered by the board without regard to the one percent limitation.
- The Local Board of Appeal and Equalization does not have the authority to reopen former assessments on which taxes are due and payable.
- If an assessment was made after the local board meeting or if a taxpayer can establish not having received the notice of market value at least five days before the meeting, they may appeal to the County Board of Appeal and Equalization.
- The board may find instances of undervalued properties. The board must notify the owner of the property that the value is going to be raised. The property owner must have the opportunity to appear before the board if they so wish.
- The local boards do not have the authority to address exemption issues. Only the County Assessor and the Minnesota Tax Court have the authority to exempt property. They also have no jurisdiction over special programs for which an application process is required (Veterans Market Value Homestead Exclusion, Green Acres, etc.).
- A taxpayer may appear in person, by representative, or written communication to present his or her objection to the board. The focus of the appeal must center on the factors influencing the estimated market value or classification placed on the property.
- All changes will be entered into the assessment record by the County Assessor's office.
- The complaints and objections of taxpayers who feel aggrieved with any assessments for the current year should be considered very carefully by the board. Such assessments must be reviewed in detail and the board has the authority to make corrections it deems to be just. The board may adjourn from day to day until all cases have been heard.

## **Local Board of Appeal and Equalization**

### **Duties and Responsibilities Continued**

- A non-resident may file written objections to the assessment with the City Assessor prior to the meeting of the Local Board of Appeal and Equalization. Such objections must be presented to the board for consideration while it is in session.
- If a person fails to appear in person, by counsel, or by written communication at the Local Board of Appeal and Equalization for a review of the assessment or classification, the person may not appear before the County Board of Appeal and Equalization for a review of the assessment or classification.
- Before adjourning, the local board should prepare an official list of the changes. The law requires that the changes be listed on a separate form. All assessments that have been increased or decreased should be shown as prescribed on the form along with their market values. The record must be signed and dated by the members of the Local Board of Appeal and Equalization.

# Appealing the Valuation or Classification of Your Property

## **Informal Appeal Option**

If you believe the 2019 estimated market value and/or classification of your property has been determined incorrectly, you have the right to make an appeal. Inquiries concerning valuation or property classification should first be directed to the Maple Grove Assessor's Office. This is an important first step of the appeals process. Many times questions and concerns can be addressed informally; prior to the Local Board of Appeal and Equalization meeting. To contact the Maple Grove Assessor's Office call (763) 494-6265. Property information can be viewed at the Maple Grove Assessor's Office between the hours of 8:00 A.M. and 4:30 P.M., Monday through Friday.

## **Formal Appeal Options**

### **Option 1 - Boards of Appeal and Equalization**

#### **Step # 1 - City of Maple Grove 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. You may appear in person, by letter, or be represented by an authorized agent. The Local Board of Appeal and Equalization convenes at 7:00 PM on Tuesday, April 16, 2019 in the Council Chambers, Maple Grove Government Center, 12800 Arbor Lakes Pkwy, Maple Grove, MN 55369-7064. If you wish to make an appeal before the Local Board of Appeal and Equalization, an application is requested no later than Friday, April 12, 2019. Walk in appointments are available.

*If the Local Board of Appeal and Equalization did not resolve your concerns, you may bring your case to the Hennepin County Board of Appeal and Equalization (Step # 2 below).*

#### **Step # 2 – Hennepin County Board of Appeal and Equalization**

The County Board of Appeal and Equalization begins on Monday, June 17, 2019, at the Hennepin County Government Center, 300 South 6th Street, Minneapolis, MN 55487. **To appear before the County Board of Appeal and Equalization, you must have appeared before the Local Board of Appeal and Equalization.** You may contact Hennepin County at (612) 348-7050 by May 22, 2019 to request an appointment. Walk in appointments are available.

### **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, 2020 to file an appeal with the Small Claims Division or the Regular Division of Tax Court for your 2019 valuation and classification.

For information on the Tax Court, contact the Minnesota Tax Court at (651) 539-3260 or visit their web site at: <http://mn.gov/tax-court/>.

## 2019 Board of Appeal and Equalization Dates

### City of Maple Grove - Local Board of Appeal and Equalization

Maple Grove Government Center  
Council Chambers  
12800 Arbor Lakes Parkway  
Maple Grove, MN 55369-7064  
Tuesday, April 16, 2019  
@ 7:00 P.M.

### City of Maple Grove - Local Board of Appeal and Equalization Reconvene

Maple Grove Government Center  
Council Chambers  
12800 Arbor Lakes Parkway  
Maple Grove, MN 55369-7064  
Tuesday, April 30, 2019  
@ 7:00 P.M.

### Hennepin County Board of Appeal and Equalization

Hennepin County Government Center  
300 South 6<sup>th</sup> Street  
Minneapolis, MN 55487  
Monday, June 17, 2019

**Please Note:** *To appear at the County Board of Appeal and Equalization you must have first appeared before the Local Board of Appeal and Equalization. All appointments for the County Board of Appeal and Equalization are requested to be scheduled by Wednesday, May 22, 2019. Contact Hennepin County for an appointment at (612) 348-7050. Walk in appointments are available.*

## **Assessment Definitions and Information**

### **Market Value (Minn. Stat. § 272.03, Subd. 8)**

The statutory definition of market value is “the usual selling price at the place where the property to which the term is applied shall be at the time of assessment; being the price which could be obtained at a private sale or an auction sale, if it is determined by the assessor that the price from the auction sale represents an arm’s length transaction. The price obtained at a forced sale shall not be considered.

In the appraisal and assessment field, “market value” is often defined based on the following criteria and conditions:

- Sale as of a specific date;
- The buyer and seller are typically motivated;
- Both parties are well informed or well advised and each is acting in their own best interest;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in cash or its equivalent;
- Financing, if any, is on terms generally available in the community at the specified date and typical for the property type in its locale;
- The price represents a normal consideration for the property sold unaffected by special financing amounts and/or terms, services, fees, costs or credits incurred in the transaction.

### **Property Classification (Minn. Stat. § 273.13)**

The statutory classification that has been assigned to your property based upon the actual use of the property. A change in classification of your property can have a significant impact on the real estate tax payable.

### **Estimated Market Value (Minn. Stat. § 273.11, Subd. 1)**

This value is what the assessor estimates your property would likely sell for on the open market. State Statute requires assessors to value property at one hundred percent of market value.

### **New Improvement Value**

This is the assessor’s estimate of the value of new or previously unassessed improvements made to your property.

### **Green Acres/Open Space - Market Value Deferred (Minn. Stat. § 273.111 and 273.112)**

Applies to class 2a agricultural and open space property that is facing increasing values due to development pressures not related to the agricultural or open space value of the land. This value is determined by looking at what comparable agricultural or open space land is selling for in areas where there is no development pressure. In most cases, the agricultural or open space value is determined by the Department of Revenue. The taxes on the higher value are deferred until the property is sold, transferred, withdrawn or no longer qualifies for the program. **The Local Board of Appeal and Equalization does not have the authority to grant the Green Acres status.** An application must be made to the City Assessor.



## **Assessment Definitions and Information Continued**

### **Rural Preserve Value Deferral (Minn. Stat. § 273.13, Subd. 23c)**

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.

### **Platted Vacant Land Deferral - (Minn. Stat. § 273.11, Subd. 14a)**

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 a lot is sold before expiration of the phase-in period, the lot will be assessed at full market value in the next assessment.

### **Disabled Veteran's Exclusion (Minn. Stat. § 273.13, Subd. 22b3)**

Qualifying disabled veterans may be eligible for valuation exclusion on their homestead property. An initial application is required, an annual review and recertification is completed by Hennepin County for partially disabled veterans. **The Local Board of Appeal and Equalization does not have the authority to grant this market value exclusion.**

### **Homestead Market Value Exclusion (Minn. Stat. § 273.13, Subd. 35)**

Applies to residential homesteads and to the house, garage and one acre of land on agricultural homesteads. The value 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 is phased out for properties valued at \$413,800 or more.

### **Taxable Market Value (Minn. Stat. § 273.032)**

This is the value that your property taxes are actually based on, after all reductions, exclusions, exemptions and deferrals. Your 2019 value, along with the class rate and the budgets of your local government, will determine how much you will pay in property taxes in 2020.

### **Commercial/Industrial Property (Minn. Stat. § 273.13, Subd. 24)**

Each parcel of commercial and industrial property has a reduced, "preferred" class rate on the first tier of market value, up to \$150,000 in value, and a "non-preferred" rate on the remaining market value, except in the case of contiguous parcels owned by the same person or entity. Contiguous properties are classed at the "non-preferred" rate. Please call your assessor for details and exceptions.

## Property Tax Assistance

The Minnesota Department of Revenue has several programs that may offer some property tax assistance to property owners throughout the state. The property tax assistance programs that are administered by the state, including some of their general guidelines and related information are listed below.

- **2018 Homestead Credit Refund**
  - **The Regular Homestead Credit Refund**
    - Requires the property to be homestead
    - Based on property tax amount and annual income
    - Complete form M1PR
  - **The Special Homestead Credit Refund**
    - Requires the property to be homestead
    - Based on a minimum property tax increase of 12 percent
    - The property tax increase may not be attributed to new improvements
    - A property tax increase of \$100 or more
    - Complete form M1PR
- **Property Tax Deferral for Senior Citizens**
  - Limits property tax paid based on annual income the year prior to entering the program
  - Persons 65 or older
  - Voluntary Participation
  - Occupied and homesteaded the property for at least 15 years
  - Household income may not exceed \$60,000
  - This program is a low interest loan from the state
  - A lien will be attached to the property
  - Total debts secured against the property cannot exceed 75 percent of market value
  - Complete form CR-SCD

Additional information related to the 2018 Homestead Credit Refund programs or the Property Tax Deferral for Senior Citizens can be obtained by contacting the Minnesota Department of Revenue using the following contact information:

Requesting Tax Forms by Mail:	Minnesota Tax Forms Mail Station 1421 St. Paul, MN 55146-1421
Telephone:	(651) 296-3781 or 1-800-652-9094
Website:	<a href="http://www.revenue.state.mn.us">www.revenue.state.mn.us</a>

## Staff of the Maple Grove Assessor's Office

**City Assessor:** Tim Mitchell

**Commercial Appraisers:** Molly Johnson-Marion  
Duane Scheurer

**Senior Residential Appraiser:** Julie Gustafson

**Appraisers:** Janelle Disrud  
Randy DeJong  
Markus Yager

**Assessing Technicians:** Pam Olson  
Jodi Kohn  
Stephanie Aronson

**Commercial Appraiser Aide:** JoAnn Lowrie

### Assessing Department Contact Information

**Address:** Maple Grove Government Center  
12800 Arbor Lakes Parkway  
Maple Grove, MN 55369-7064

**Phone:** (763) 494-6250

**Fax:** (763) 494-6416

**E-mail:** [assessing@maplegrovern.gov](mailto:assessing@maplegrovern.gov)