

# City of Maple Grove



2019 Photo Contest Entry by A. Mondal



2019 Photo Contest Entry by K. Sorensen

## 2020 Annual Assessment Summary

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## 2020 Assessment Summary

The 2020 assessment for the City of Maple Grove was completed and delivered to Hennepin County on January 24, 2020 in accordance with state statute and Hennepin County procedures.

The staff of the assessing department reviewed 5,186 properties during our quintile review process for the 2020 assessment. The appraisal staff also reviewed 1,437 building permits for homes that had improvements or remodeling projects during the past year. The assessor's office inspected and valued 141 homes that were completed as new construction in 2019 and reviewed 82 homes that were partially complete as of January 2, 2020.

The sales volume of 1,764 homes, used within the residential real estate analysis within the City of Maple Grove was nearly identical to the previous year's sales volume. Residential sales data between October of 2018 and September of 2019 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 2020 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 within the real estate market.

The 2020 assessment for the City of Maple Grove is based on 25,969 parcels of property within the city. The city has a total estimated market value of 10.6 billion dollars for the 2020 assessment. The total estimated market value of the City of Maple Grove increased by 5.5 percent for the 2020 assessment, last year the total assessed value was slightly under 10.1 billion dollars. The assessed value of new construction within the city for 2020 was 207.5 million dollars; the amount of new construction within the city increased by 27 percent from the previous year's assessment. Excluding new construction from the 2020 assessment results in the overall value of the city increasing by 3.4 percent, a value increase over 342 million dollars. The graphic below details and compares the 2019 and the 2020 assessed values and new construction amounts for the City of Maple Grove.

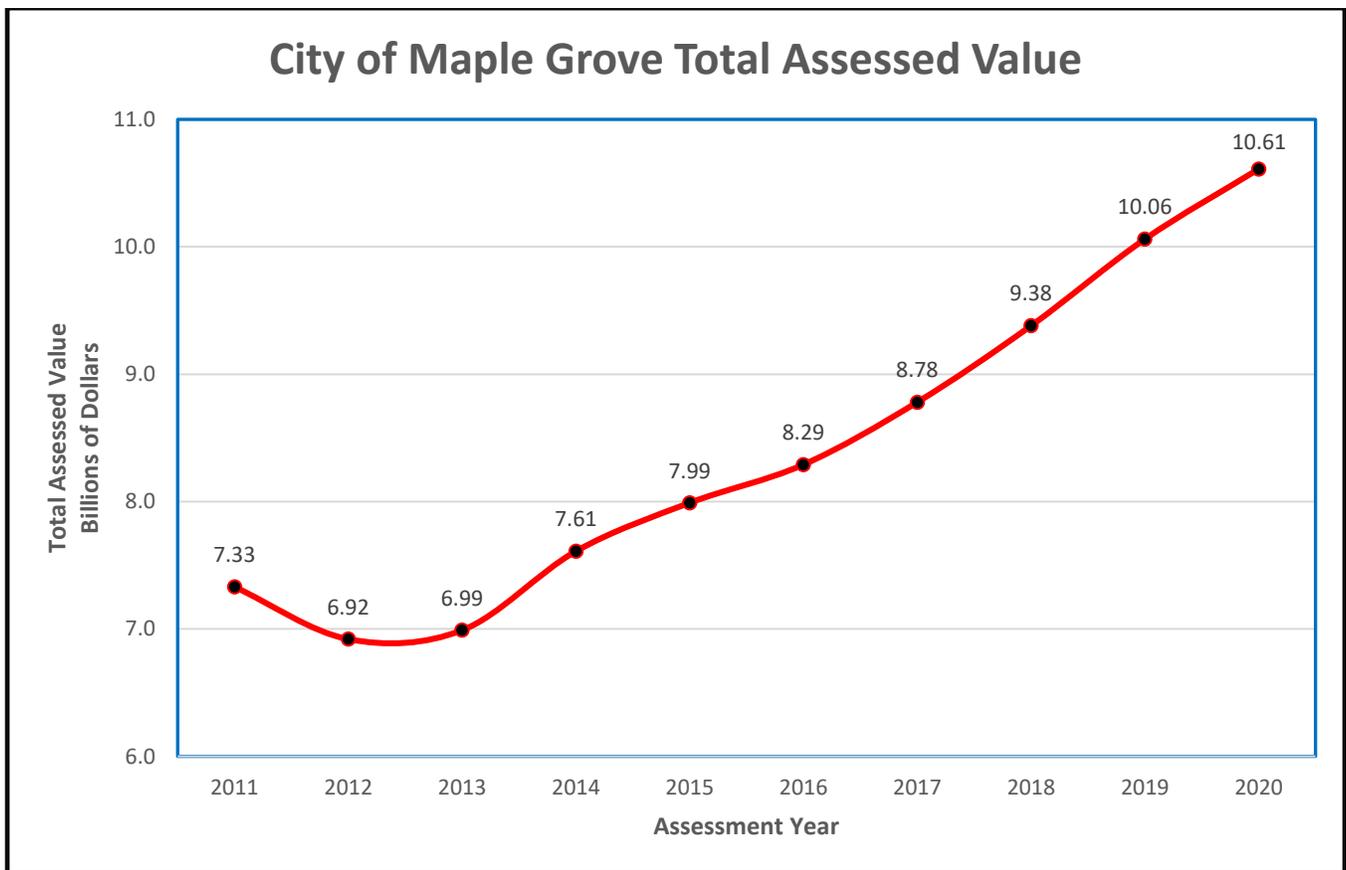
<b>City of Maple Grove Total Estimated Market Value</b>			
	<b>2019 Assessment</b>	<b>2020 Assessment</b>	<b>Percent Change</b>
<b>Total City Estimated Market Value</b>	<b>\$10,056,911,800</b>	<b>\$10,607,395,000</b>	<b>5.5%</b>
<b>Total Value of New Construction</b>	<b>\$163,398,600</b>	<b>\$207,495,200</b>	<b>27.0%</b>

Data does not include exempt property.

## 2020 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.

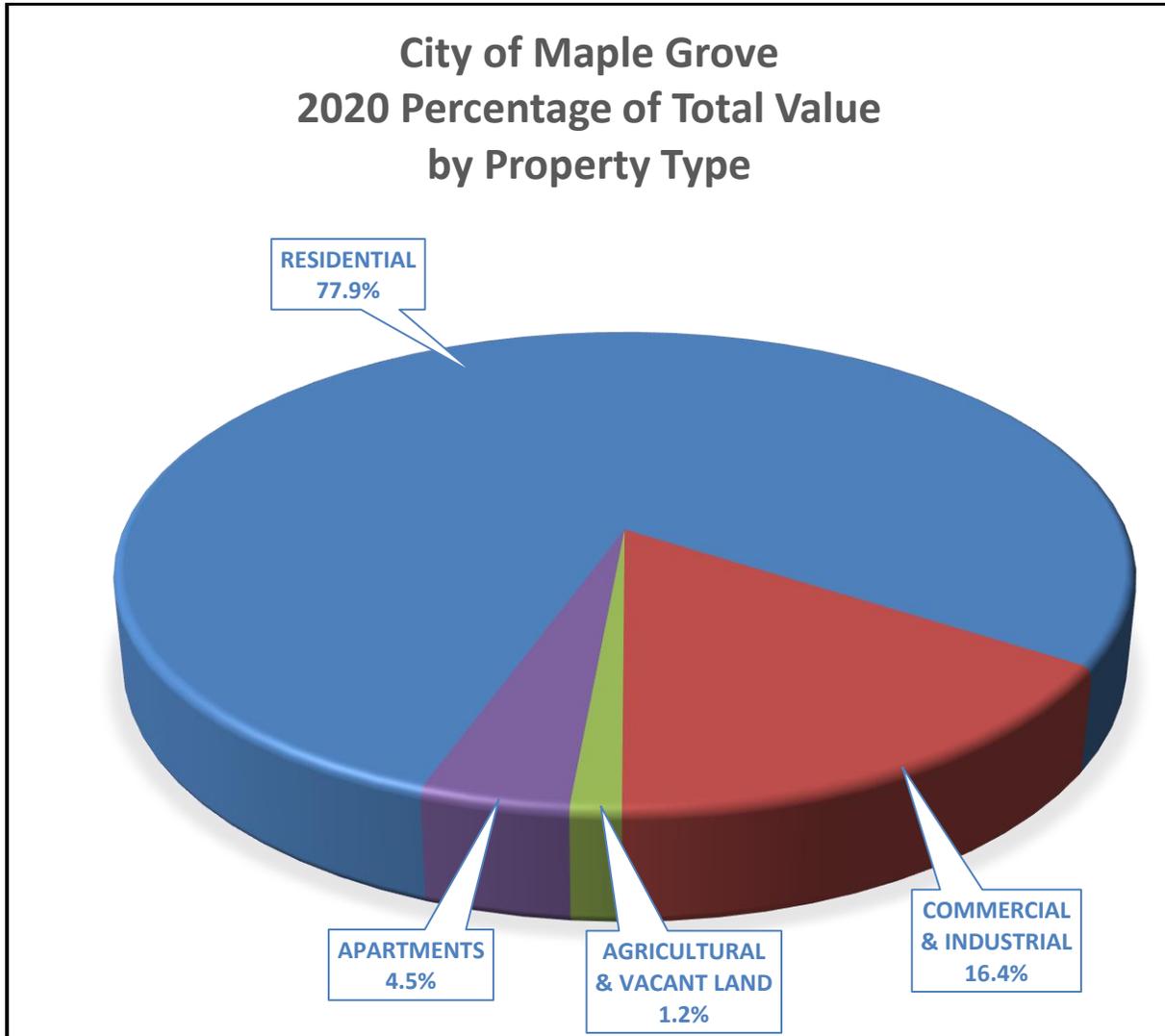
For the 2020 assessment, the city has experienced an increase in the total assessed value from 10.1 billion dollars in 2019 to 10.6 billion dollars in 2020. The chart below depicts the ten-year history of the total market value of the City of Maple Grove between the years of 2011 and 2020.



Data does not include exempt property.

## 2020 Assessment Summary

The City of Maple Grove has a total assessed value of 10.6 billion dollars; residential properties within the city make up 77.9 percent of the city's current assessed valuation. Commercial and industrial properties account for 16.4 percent of the total assessed value of the city. Apartment, properties account for 4.5 percent of the city's total value and agricultural properties and vacant land account for 1.2 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.



**2020 Total City Assessed Value: \$10,607,395,000**

## 2020 Assessment Summary

The market segment of traditional single family residences within the city experienced value growth of 2.7 percent for the 2020 assessment and lakeshore properties experienced a slight value decrease of 0.2 percent. Twin homes and Townhomes both experienced similar increased value growth of 4.6 percent. Condominiums had value growth of 6.5 percent. Assessed values of commercial, industrial and apartment properties all increased within the city for the 2020 assessment. Value growth of commercial properties within the city was 3.8 percent and industrial values grew by 6.7 percent. Apartment properties throughout the city experienced value growth of 4.5 percent for the 2020 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.

### 2020 Estimated Market Value Changes By Property Type

Property Type	Market Value Change Percentage
Single Family	2.7%
Lakeshore	-0.2%
Twin Homes	4.6%
Townhomes	4.6%
Condominiums	6.5%
Commercial	3.8%
Industrial	6.7%
Apartments	4.5%

Data does not include new construction amounts.

## **Residential Assessment Summary**

The following pages summarize the City of Maple Grove's 2020 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 3.25 percent excluding value associated with new construction.

### **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 2.7 percent. There still is a distinct difference between growth in the entry and upper level home market. Properties in the under \$300,000 category grew in value by 3.9 percent. Whereas, properties valued over \$500,000 (excluding lakeshore) continued to experience minimal value growth of .9 percent. Sales within a specific neighborhood continue to be the primary basis for assessed valuation changes for a specific property type.

### **Lakeshore**

All lakeshore sales are physically inspected unless we 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 decreased .2 percent, excluding value associated with new construction, for the 2020 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 valuation purposes, the lake must have a valid DNR lake code. For the most part, lakeshore properties received a modest value change for the 2020 assessment: changes ranged between a 1.5% decrease to a 1.4% increase for all lakes but Rice Lake. Rice Lake experienced a 5% increase in assessed value.

There were eleven lakeshore sales in the 2020 assessment sales study period. Sales were fairly well dispersed amongst the lakes with five out of the seven lakes having at least one sale. There were no sales on Cook Lake or Lake Edward.

Rice Lake had three sales with market condition adjusted sales ratios of 87.4%, 95.2%, and 107%. The sale with the highest ratio is located on the Rice Lake backwaters west of I-94. The original listing price was \$110,000 above the eventual sale price of the home, which may have contributed to the length of time it took to sell the property and may have ultimately influenced the final sale price.

Weaver Lake had three sales with market condition adjusted sales ratios of 88.9%, 95.2% and 123.2%. The sale with the highest ratio was marketed in "as is" condition, was dated, and the seller was eager to sell and relocate due to significant changes in personal circumstance. The property currently is in the midst of a major addition and remodel.

## Residential Assessment Summary

### Lakeshore Continued

Fish Lake had two sales with market condition adjusted sales ratios of 104.7% and 107.3%. Both properties are being significantly remodeled and were built in the early 1960's and 1970's. One sold for \$645,000 in December 2018 and the other sold for \$473,850 in April 2019. The first sale was pending most of the summer and the initial buyer backed out. The second sale is located on Maple Lane and has I-94 freeway influence and some functional issues, and the original listing was \$116,000 above the final sale price of the home.

The chart below summarizes the average assessed value change by lake within the city.

### 2020 Assessed Value Change by Lake

Lake	Value Change
Fish Lake	-1.5%
Eagle Lake	-1.2%
Weaver Lake	-1.5%
Rice Lake	6.2%
Cedar Island Lake	0.4%
Edward Lake	1.4%
Cook Lake	0.5%

### 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 2020 assessment.

Land surrounding the 610 corridor east of I-94 and west of Fernbrook Lane was increased significantly for the 2017 assessment based on the completion of Highway 610 and land sales in the area at that time. Values in this area remain unchanged due to a lack of sales. We anticipate this may change with approval of the proposed Minnesota Health Village development. For the 2018 assessment we increased land values east of Fernbrook and south of Territorial Road due to the Territorial Woods development land acquisitions. In addition, we increased the Elm Road area slightly due to sales in this neighborhood. Since then we have not had sufficient sales data to support land increases beyond the 2018 assessment levels.

## **Residential Assessment Summary**

### **Sites with Acreage Continued**

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. During the 2020 sales study period there was one five acre sale on Brockton Lane (County Road 101) and it did not support increasing land values in the Wayzata School District.

Over the past several years, Gonyea has acquired multiple properties for future development in the Elm Road area. Currently Gonyea is the only developer that owns land in this area. During the 2020 assessment sales study period, Gonyea acquired three more parcels in the Elm Road area for a total of eleven parcels and 67 centralized acres. The sale price per acre fell in line with previous year sales to Gonyea. Since we have not seen an increase in the sale price per acre, and the Elm Road PUD concept and development stage plans and preliminary plat weren't approved before January 1, 2020 we did not increase Elm Road area land values for the 2020 assessment.

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

Twin homes, condominiums, and townhomes continue to experience value growth in the real estate market. For the 2020 assessment twin home values increased 4.6%; down from last year's 7.8% increase. Condominium values increased 6.5% similar to last year's 6% increase, and townhomes increased 4.6 % compared to last year's 9% increase.

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 for multi-family properties within the city.

### **Triplexes and Duplexes**

Triplexes and duplexes also continue to experience value growth. Last year triplexes increased significantly more than duplexes. For the 2020 assessment, triplex and duplex values increased 4.2 percent and 7 percent respectively with duplexes taking the lead. There are only five triplexes in the City, and there were no triplex sales during the 2020 assessment sales study period. There were three duplex sales that took place within the city, in three separate neighborhoods.

## Residential Sales Summary

The City of Maple Grove had 1,674 residential property sales that took place during the 2020 sales ratio study period; these sales took place between October 1, 2018 and September 30, 2019. Approximately 79 percent of these sales were included in the city’s 2020 assessment sales ratio study. The charts below depict the average sale price by property type comparing the years of 2018 with 2019; 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	2018 Average Sale Price	2019 Average Sale Price	2018 - 2019 Average Sale Price Percent Change
Single Family	\$373,081	\$389,265	4.3%
Townhomes	\$222,613	\$233,462	4.9%
Condominiums	\$212,052	\$216,718	2.2%
Twin Homes	\$278,456	\$303,976	9.2%

Data based on annual sales contained in the sales ratio study from October 1, 2018 to September 30, 2019; 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
2019	1,315	\$327,453	6.1%
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%

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

Please note that the average sale prices listed above 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 27.4 percent. However, the average amount of property tax attributed to these three properties has increased by 22.6 percent; 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>2011</b>	<b>2020</b>	<b>10 Year Change Percentage</b>
<b>Home # 1</b>			
Estimated Market Value	\$240,300	\$291,300	21.2%
Property Tax	\$3,188	\$3,672	15.2%
<b>Home # 2</b>			
Estimated Market Value	\$238,100	\$310,700	30.5%
Property Tax	\$3,155	\$3,941	24.9%
<b>Home # 3</b>			
Estimated Market Value	\$271,300	\$354,300	30.6%
Property Tax	\$3,647	\$4,549	24.7%

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 2020 assessment the market conditions adjustment is based on a 21 month sales study period; sales that occurred between January of 2018 and September of 2019.

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 2020 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 2020 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, 2018 and September 30, 2019.

### 2020 Market Conditions Adjustment

Property Type	Annual Adjustment %
Single Family	3.6%
Lakeshore	3.9%
Condominiums	5.9%
Townhomes	5.7%
Twin Homes	6.4%

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 2020 assessment experienced overall value growth of 9.7 percent; this value growth includes the value of new construction within the city. The combined commercial and industrial assessed values increased 8.4 percent, while the apartment assessed values increased by 15 percent. The new construction associated with commercial, industrial and apartment properties throughout 2019 amounted to 100.3 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 2019 and the 2020 assessment.

<b>Annual Assessment Comparison</b>			
<b>Property Type</b>	<b>2019 Assessment</b>	<b>2020 Assessment</b>	<b>Percent Change</b>
<b>Commercial</b>	\$1,086,334,400	\$1,145,557,200	5.5%
<b>Industrial</b>	\$518,962,900	\$594,490,400	14.6%
<b>Apartments</b>	\$411,742,800	\$473,508,800	15.0%
<b>Totals</b>	<b>\$2,017,040,100</b>	<b>\$2,213,556,400</b>	<b>9.7%</b>

Data includes new construction amounts.

<b>Annual New Construction</b>			
<b>Property Type</b>	<b>2019 Assessment</b>	<b>2020 Assessment</b>	<b>Percent Change</b>
<b>Commercial</b>	\$14,592,500	\$27,700,100	89.8%
<b>Industrial</b>	\$25,201,800	\$28,181,600	11.8%
<b>Apartments</b>	\$26,153,500	\$44,422,500	69.9%
<b>Totals</b>	<b>\$65,947,800</b>	<b>\$100,304,200</b>	<b>52.1%</b>

## Commercial, Industrial and Apartment Assessment Summary

The City of Maple Grove had fifteen 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 2020 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.

### 2020 Estimated Market Value Changes By Property Type

Property Type	Value Change
Commercial	3.8%
Industrial	6.7%
Apartments	4.5%

Data does not include new construction amounts.

## Commercial Assessment by Market Segment

### Retail Properties

Retail properties experienced an overall value increase of 2.6 percent. The majority of the value increases were consistent in each type of shopping center with the exception of Regional Shopping Centers, which experienced a minimal value increase. Overall, retail values were adjusted based on comparable sales data, income valuations and discussions with the county and other cities.

Banks experienced overall growth of 0.6 percent. The banks were equalized after taking into consideration the overall value based on site area and bank sales data.

Stand-alone retail stores experienced an overall increase of 4.9 percent in value for the 2020 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**

Restaurant values had an overall increase of 5 percent for the 2020 assessment. The 2020 valuations are supported by historical sales data within Maple Grove with consideration given to the potential for redevelopment into other types of retail and also comparable sales data throughout the metro area.

### **Offices**

Office properties experienced an overall increase of 9.7 percent in market value. Medical offices within the city experienced an overall increase of 5.1 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 growth of 4.3 percent for the 2020 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 in 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 6.7 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 4.5 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 2020 assessment. The capitalization rates and expense ratios were estimated using sales data and apartment data related to the metro area from various market publications. Comparable sales of apartment buildings throughout the metro area were also reviewed when determining the 2020 assessed values.

### **Hotels**

Hotels experienced an overall increase of 5.8 percent in value for the 2020 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 and apartment projects that were completed in the past year. The development projects that were completed in 2019 included the following:

- Crossroads at Elm Creek Apartments
- Beehive Memory Care / Apartments
- Bottineau Ridge II Apartments
- Hy-Vee Supermarket
- Hy-Vee Convenience Store
- Caliber Collision
- Wings Financial
- Springhill Suites / Residence Inn - Hotels
- Illume Distribution Warehouse
- Duke - Building B Distribution Warehouse
- Amazon Distribution Warehouse
- Mills Creek Residential Rental Community Club House
- Public Storage Facility

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, 2020 included the following:

- The Reserve at Arbor Lake Apartments II
- Applewood Pointe at Arbor Lakes – Residential Cooperative
- Christian Brothers Auto
- Arbor Lakes Corporate Center Industrial Distribution Warehouse
- Extra Space Mini Storage Facility
- Wahlburgers Restaurant
- Caribou Coffee / The Grove Retail Development
- Caribou Coffee / Highland Bank
- Schuler Shoes

## **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 Thursday, March 19, 2020.
- 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 26, 2020. 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 19, 2020. The Local Board of Appeal and Equalization date was also listed on the city website on March 19, 2020.
- 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 2020 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 14, 2020 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 10, 2020. 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 15, 2020, 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 20, 2020 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, 2021 to file an appeal with the Small Claims Division or the Regular Division of Tax Court for your 2020 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/>.

## 2020 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 14, 2020  
@ 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 28, 2020  
@ 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 15, 2020

**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 20, 2020. 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 (Minn. Stat. § 273.111 and 273.112)

Applies to class 2a agricultural property that is facing increasing values due to development 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.

**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.

### **Plat Deferment (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 the lot is sold before expiration of the phase-in period, the lot will be assessed at full market value in the next assessment.

### **Exclusion for Veterans with Disabilities (Minn. Stat. § 273.13, Subd. 22b3)**

Veterans with qualifying disabilities may be eligible for a 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 phases 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.

### **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.

- **Homestead Credit Refund**
  - **The Regular Homestead Credit Refund / Requirements**
    - Owned and occupied your home on January 2, 2020
    - Your home is classified as homestead
    - Based on property tax amount and annual income
    - Complete form M1PR
  - **The Special Homestead Credit Refund / Requirements**
    - Owned and occupied your home on January 2, 2019 and January 2, 2020
    - Your home is classified as homestead
    - Based on a minimum property tax increase of 12 percent
    - A property tax increase of \$100 or more
    - Complete form M1PR
- **Property Tax Deferral for Senior Citizens / Requirements**
  - 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 2019 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  
600 North Robert Street  
St. Paul, MN 55146-1421

Telephone:                                      (651) 296-3781 or 1-800-652-9094

Website:                                         [www.revenue.state.mn.us](http://www.revenue.state.mn.us)

## **Staff of the Maple Grove Assessor's Office**

<b>City Assessor:</b>	Tim Mitchell
<b>Commercial Appraisers:</b>	Molly Johnson-Marion Duane Scheurer
<b>Senior Residential Appraiser:</b>	Julie Gustafson
<b>Residential Appraisers:</b>	Randy DeJong Markus Yager
<b>Assessing Technicians:</b>	Pam Olson Jodi Kohn Michelle Eason

### **Assessing Department Contact Information**

<b>Address:</b>	Maple Grove Government Center 12800 Arbor Lakes Parkway Maple Grove, MN 55369-7064
<b>Phone:</b>	(763) 494-6250
<b>Fax:</b>	(763) 494-6416
<b>E-mail:</b>	<a href="mailto:assessing@maplegrovemn.gov">assessing@maplegrovemn.gov</a>