



TO: Washington County Commissioners, County Administrator, City Council Members,
Town Board Members, Washington County Residents and Local Government Staff

FROM: Bruce L. Munneke, Washington County Assessor

DATE: March 27, 2007

RE: 2007 Assessment Report

Introduction

The Washington County Assessor Division has prepared the 2007 Assessment Report for use by the County Board, City Councils, Town Boards, residents, and staff. The Assessment Report includes general information about both the appeals and assessment process, as well as specific information regarding the 2007 assessment.

Minnesota Statutes establish specific requirements for the assessment of property. The law requires that all real property be valued at market value, which is defined as the usual or most likely selling price as of the January 2nd assessment date.

The estimated market values established through the 2007 assessment are based upon actual real estate market trends of Washington County properties taking place from October 2005 through September 2006. From these trends our mass appraisal system is used to determine individual property values. Detailed discussion of the sales analysis can be found in the “Sales Analysis” section of this report.

The summaries breaking down the adjustments made in each community, by property use, can be found in the “Growth by Municipality” section of this report.

Property owners who have questions or concerns regarding the market value set for their property are encouraged to contact the property appraiser responsible for their area. In most cases an interior inspection of the property will be necessary. For detailed discussion regarding the appeals period please refer to the section of this report titled “Appeals Process”.

2007
Assessment
Report

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Assessment

Assessment Calendar

2007	
January 2	2007 Market Values for Property Established
February 1	Last Day to Deliver Assessment Records to County Assessor
March 31	2007 Valuation Notices and Tax Statements mailed
April 1	Spring Mini Abstract/Class Shift Report and Ag Report to Department of Revenue
April 9 – May 7	Local Boards of Appeal and Equalization
April 30	Last Day to File a payable 2007 Tax Court Petition
May 1	Begin the 2008 Assessment Review
May 15	First Half payable 2007 Taxes Due
May 11	Deadline for property owners to notify County Assessor of intent to appeal at County Board of Appeal and Equalization
May 29 – June 8	Region IX State Board of Equalization
June 12	Washington County Board of Appeal and Equalization
July 1	2007 Assessment Finalized
August 15	Last Day to File for 2007 Property Tax Refund
August 31	First Half payable 2007 Taxes Due for Manufactured Homes
September 1	2007 Abstracts, Duplicate Social Security File, and Market Value Sales Ratio File due to the Department of Revenue
October 15	Second Half payable 2007 Taxes Due
November 15	Second Half payable 2007 Taxes Due for Manufactured Homes
November 24	Last Day to Mail Payable 2008 Proposed Tax Notices
December 15	Last Day to File Homestead Application for Payable 2008
2008	
January 2	2008 Market Values for Property Established
April 7 – May 5	Tentative Dates for the 2008 Local Board of Appeal

The 2007 Assessment

The 2007 assessment is a reflection of the 2006 market conditions. Sales of property are constantly analyzed to chart the activity of the market place. The Assessment staff does not create value; they only measure its movement.

Assessing property values equitably is part science, part judgment and part communication skill. Training as an assessor cannot tell us how to find the "perfect" value of a property, but it does help us consistently produce the same estimate of value for identical properties. That after all, is the working definition of equalization.

As of January 2, 2007 there were 94,852 (**count does not include exempt, railroad, personal property, and utilities**) parcels in the county. This is an increase of 2,354 or 2.54 % over the 2006 parcel count.

This total includes:

- 3,228 agricultural parcels (improved & vacant)
- 366 apartment parcels (improved & vacant)
- 3,778 commercial and industrial parcels (improved & vacant)
- 87,480 residential parcels (improved & vacant)

Current state law mandates that all property must be re-assessed each year and physically reviewed once every five years. Staff also inspects all properties that have taken out a construction permit during the course of the year.

During 2006 (for the 2007 assessment) the Assessor Division appraisers, and local appraisers, reviewed 23,662 properties. The breakdown of the properties that were reviewed is as follows:

- 15,352 residential type quintile reviews of which 37.1% were interior inspections
- 2,665 residential, agricultural and exempt vacant land reviews
- 832 apartment and commercial/industrial quintile reviews
- 1,662 new residential start reviews
- 65 new commercial/industrial start reviews
- 1 new apartment start review
- 6 new exempt reviews
- 3,079 miscellaneous permit reviews of all property classifications

Total Market Values

The 2007 estimated market value is established after thorough studies of the sales that took place in the county between October 2005 and September 2006. During this study period, there were 6,826 (-12.1% from previous period) sales recorded, of which 3,636 (-14.1% from previous period) were considered "arms-length" sales. The sales not considered market indicators included new construction sales, vacant land sales, sales not exposed to the open market, and other sales such as relocation, bank, government or inter-family.

In accordance with the results of these sales studies, certain areas of the county and certain styles and grades of homes may have been adjusted in value, either lower or higher than the previous year's value. This will more properly reflect current market trends.

The 2007 assessment that is up for your review has a total unaudited assessed value of \$29,190,239,500. This is the estimated market value of agricultural related, apartment, commercial/industrial, seasonal and residential classed properties. It reflects a valuation increase of 11.7% over the 2006 estimated market value.

With new construction included, the pattern of growth in the county's total value can be seen in the following list of assessment years:

Assessment Year	Total Value **	% Change
2001	\$16,040,157,200	
2002	\$17,419,257,000	+8.6%
2003	\$19,877,139,400	+14.1%
2004	\$22,728,398,000	+14.3%
2005	\$25,049,195,000	+10.2%
2006	\$27,916,646,300	+11.4%
2007	\$29,190,239,500	+4.6%

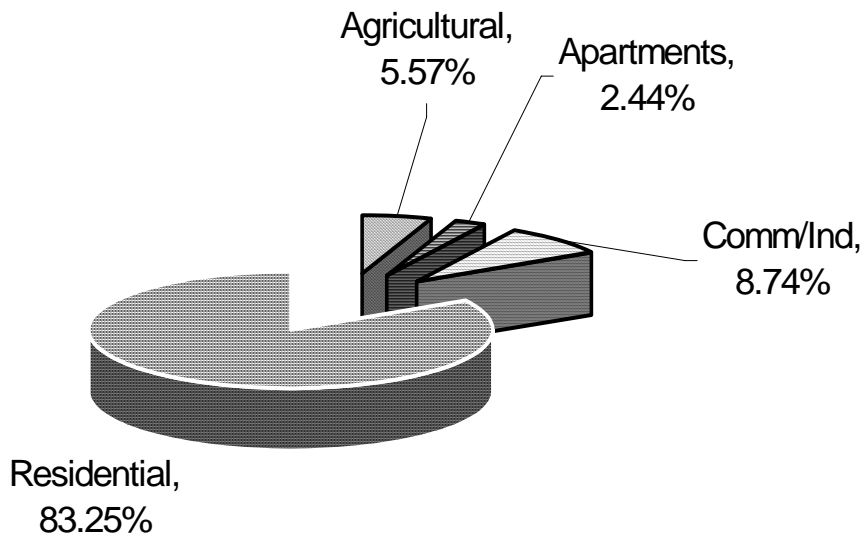
** Total value do not include exempt, railroad, personal property, and utilities.

Source: Assessment Administration Division reports – SS (USE EVERY YEAR report)

2007 Market Value by Property Class

	2006 Market Value	2007 Net Value	New Construction	2007 Total Value	% Change
Agricultural	\$1,514,224,300	\$1,533,597,200	\$2,669,000	\$1,536,266,200	1.5%
Apartments	\$623,548,600	\$646,389,800	\$19,538,400	\$665,928,200	6.8%
Commercial/Industrial	\$2,651,325,200	\$2,784,701,300	\$169,887,500	\$2,954,588,800	11.4%
Residential/Seasonal	\$23,127,558,100	\$23,461,080,300	\$572,376,000	\$24,033,456,300	3.9%
TOTALS	\$27,916,656,200	\$28,425,768,600	\$764,470,900	\$29,190,239,500	1.8%

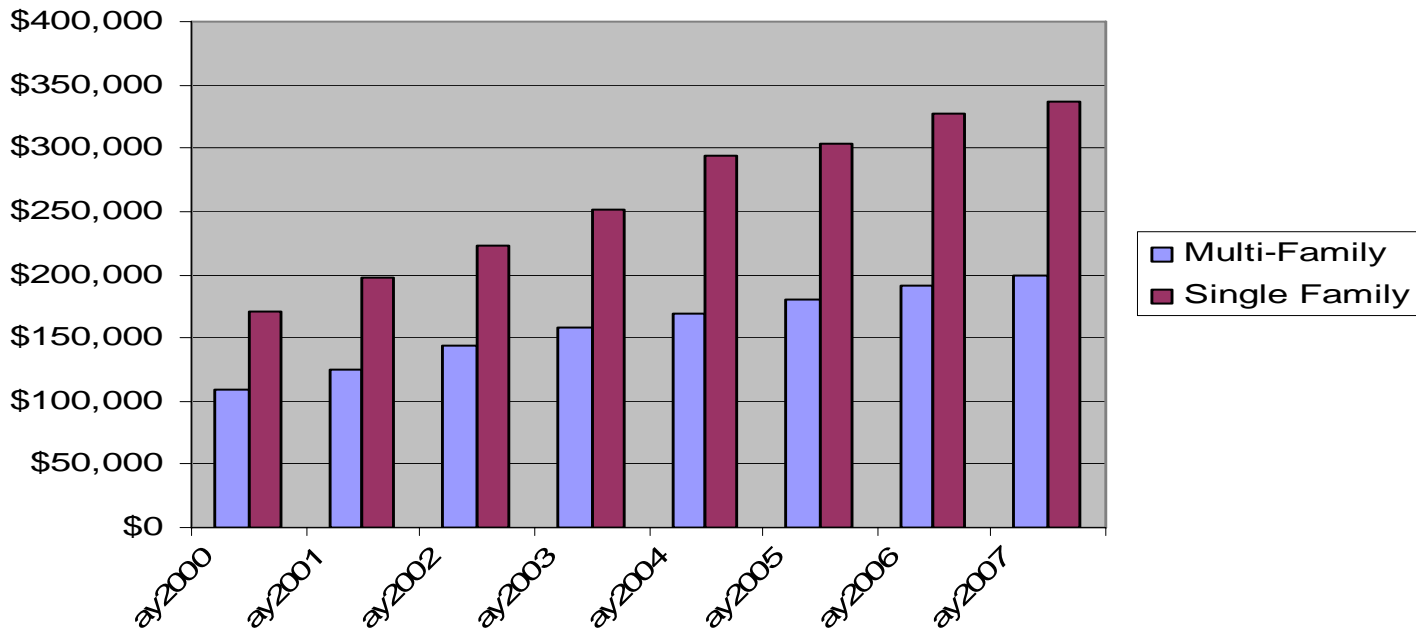
Dispersion of Market Value by Class

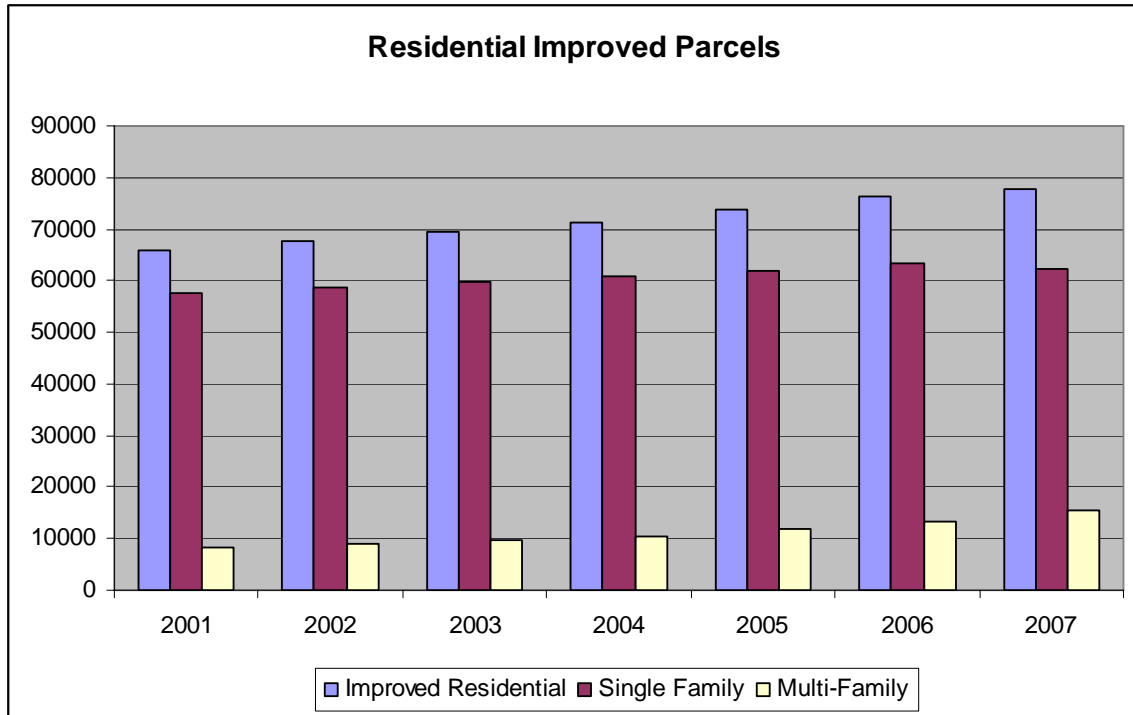


Washington County Average Residential Value (SFR and Multi-Family)

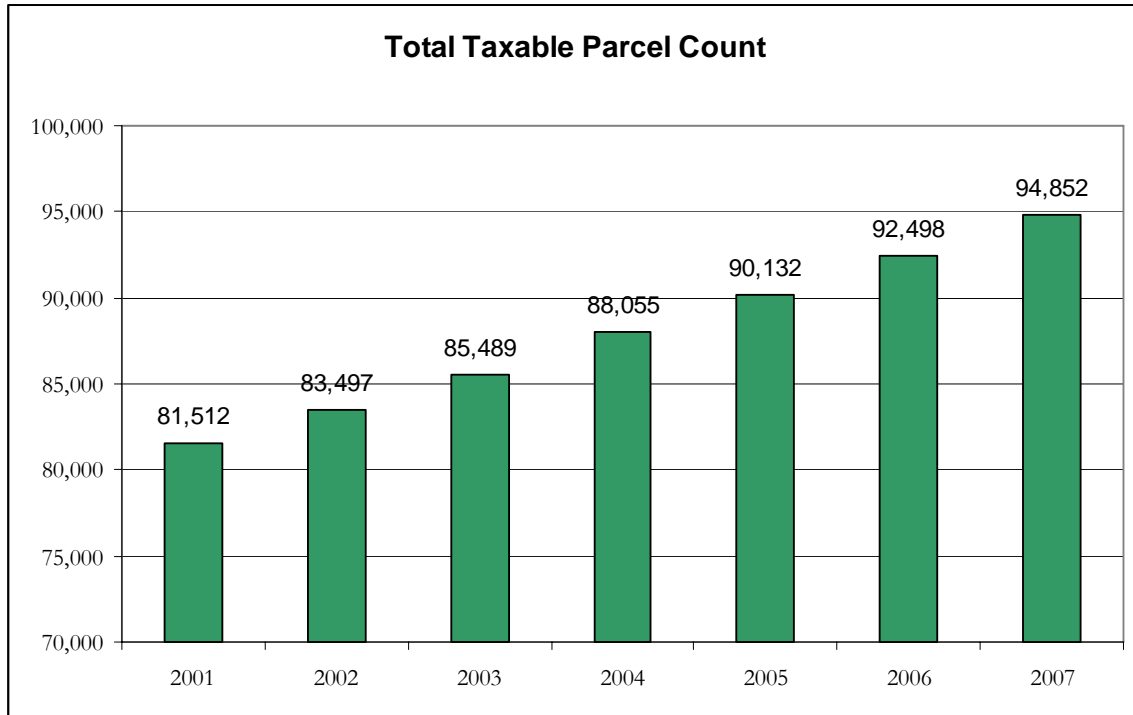
	CAMA 2000	CAMA 2001	CAMA 2002	CAMA 2003	CAMA 2004	CAMA 2005	CAMA 2006	CAMA 2007	%	% Change
<u>Municipality</u>	<u>Market Value</u>	<u>Market Value</u>	<u>Market Value</u>	<u>Market Value</u>	<u>Market Value</u>	<u>Market Value</u>	<u>Market Value</u>	<u>Market Value</u>	<u>Change</u>	<u>since 2000</u>
Afton	\$229,400	\$264,900	\$287,800	\$338,800	\$379,600	\$463,800	\$493,000	\$495,200	0.4%	115.9%
Bayport	\$141,300	\$156,000	\$173,700	\$207,300	\$247,100	\$243,300	\$266,900	\$273,400	2.4%	93.5%
Baytown	\$295,300	\$323,900	\$359,900	\$404,100	\$441,000	\$484,400	\$524,500	\$550,500	5.0%	86.4%
Birchwood	\$197,500	\$224,700	\$265,300	\$325,600	\$358,300	\$382,100	\$429,000	\$489,000	14.0%	147.6%
Cottage Grove	\$128,300	\$145,900	\$171,600	\$187,700	\$211,800	\$222,000	\$239,900	\$244,300	1.8%	90.4%
Dellwood	\$405,400	\$464,000	\$514,300	\$572,100	\$651,800	\$711,800	\$746,100	\$775,000	3.9%	91.2%
Denmark	\$214,300	\$257,700	\$295,300	\$309,900	\$397,400	\$448,300	\$497,100	\$500,600	0.7%	133.6%
Forest Lake	\$151,600	\$182,200	\$205,500	\$226,600	\$257,400	\$260,200	\$299,900	\$313,600	4.6%	106.9%
Grant	\$265,400	\$313,200	\$335,600	\$405,400	\$432,000	\$499,600	\$518,600	\$545,700	5.2%	105.6%
Grey Cloud	\$166,200	\$188,400	\$219,700	\$244,900	\$273,700	\$300,100	\$321,100	\$324,100	0.9%	95.0%
Hastings	\$112,100				\$112,100	\$123,100	\$136,800	\$136,800	0.0%	22.0%
Hugo	\$166,900	\$188,800	\$208,900	\$232,600	\$283,300	\$277,200	\$301,700	\$296,600	-1.7%	77.7%
Lake Elmo	\$224,500	\$258,300	\$292,700	\$323,700	\$364,700	\$355,000	\$382,300	\$409,200	7.0%	82.3%
Lake St Croix	\$117,500	\$127,500	\$148,600	\$170,100	\$193,500	\$208,700	\$221,500	\$223,400	0.9%	90.1%
Lakeland	\$155,400	\$173,900	\$200,700	\$220,600	\$289,200	\$282,900	\$293,400	\$317,500	8.2%	104.3%
Lakeland Shrs	\$233,800	\$255,700	\$293,700	\$319,700	\$439,100	\$470,700	\$536,000	\$534,300	-0.3%	128.5%
Landfall	\$12,100					\$12,100	\$12,100	\$32,300	166.9%	166.9%
Mahtomedi	\$186,300	\$211,300	\$241,500	\$267,700	\$304,600	\$328,000	\$363,300	\$363,100	-0.1%	94.9%
Marine	\$224,000	\$255,100	\$282,600	\$309,200	\$380,200	\$412,400	\$455,700	\$448,600	-1.6%	100.3%
May	\$228,900	\$265,700	\$284,500	\$327,300	\$398,000	\$459,600	\$506,800	\$540,300	6.6%	136.0%
Newport	\$116,600	\$135,900	\$150,000	\$167,400	\$185,200	\$197,400	\$214,600	\$218,700	1.9%	87.6%
Oak Park Hts	\$130,200	\$144,600	\$165,900	\$179,600	\$212,600	\$215,000	\$212,100	\$215,000	1.4%	65.1%
Oakdale	\$126,500	\$142,900	\$165,000	\$182,800	\$214,900	\$212,800	\$221,100	\$222,900	0.8%	76.2%
Pine Springs	\$227,900	\$256,000	\$289,200	\$304,100	\$356,200	\$356,800	\$420,600	\$415,200	-1.3%	82.2%
St Mary's Pt	\$193,500	\$236,700	\$270,900	\$316,500	\$388,700	\$423,400	\$473,200	\$474,000	0.2%	145.0%
St Paul Park	\$104,500	\$117,600	\$136,700	\$150,800	\$168,400	\$168,600	\$184,200	\$190,200	3.3%	82.0%
Scandia	\$179,400	\$208,700	\$234,000	\$247,400	\$320,900	\$353,000	\$387,000	\$391,700	1.2%	118.3%
Stillwater City	\$148,800	\$169,000	\$196,100	\$219,700	\$248,100	\$263,200	\$275,700	\$286,600	4.0%	92.6%
Stillwater Twp	\$244,500	\$281,400	\$317,400	\$351,700	\$398,000	\$445,700	\$502,500	\$502,700	0.0%	105.6%
West Lakeland	\$259,700	\$290,900	\$317,400	\$353,500	\$398,300	\$437,900	\$480,200	\$479,800	-0.1%	84.8%
White Bear Lk	\$128,900	\$145,800	\$177,000	\$187,800	\$198,500	\$212,600	\$232,500	\$234,500	0.9%	81.9%
Willernie	\$87,600	\$99,300	\$120,300	\$137,300	\$151,300	\$155,000	\$162,600	\$168,000	3.3%	91.8%
Woodbury	\$171,400	\$195,111	\$217,600	\$237,600	\$267,700	\$288,500	\$304,000	\$302,700	-0.4%	76.6%
Average	\$164,100	\$187,400	\$211,800	\$234,800	\$271,800	\$284,200	\$304,200	\$309,600	1.8%	88.7%

Residential Value Breakdown by Dwelling Type

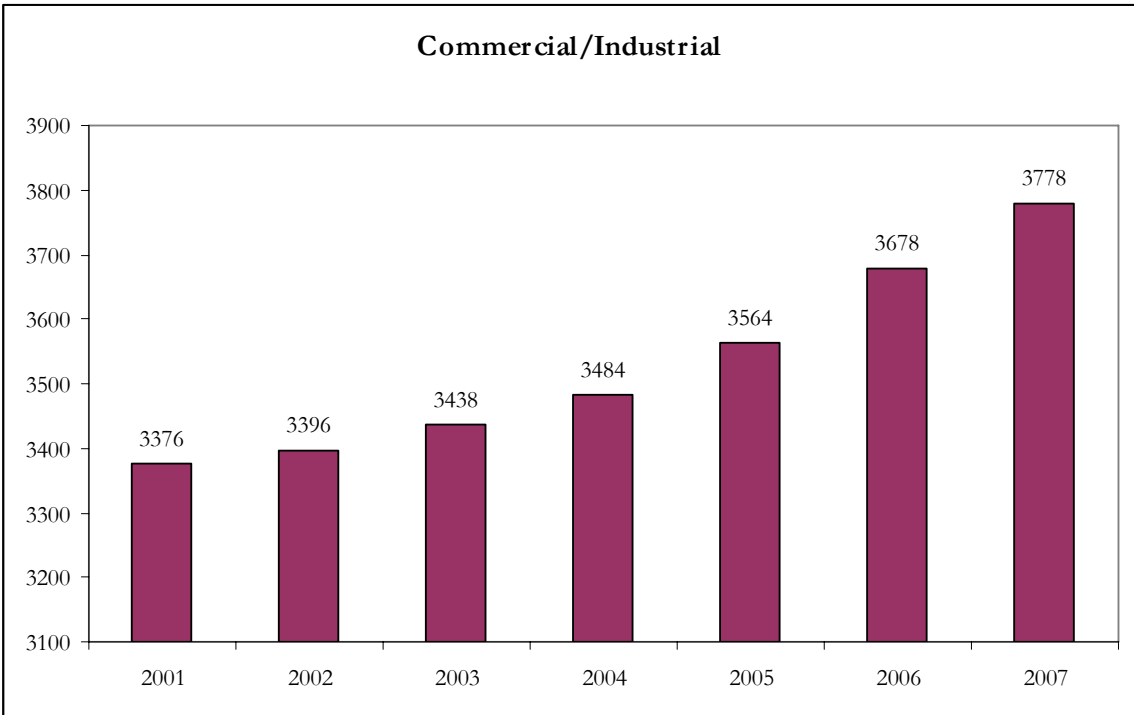
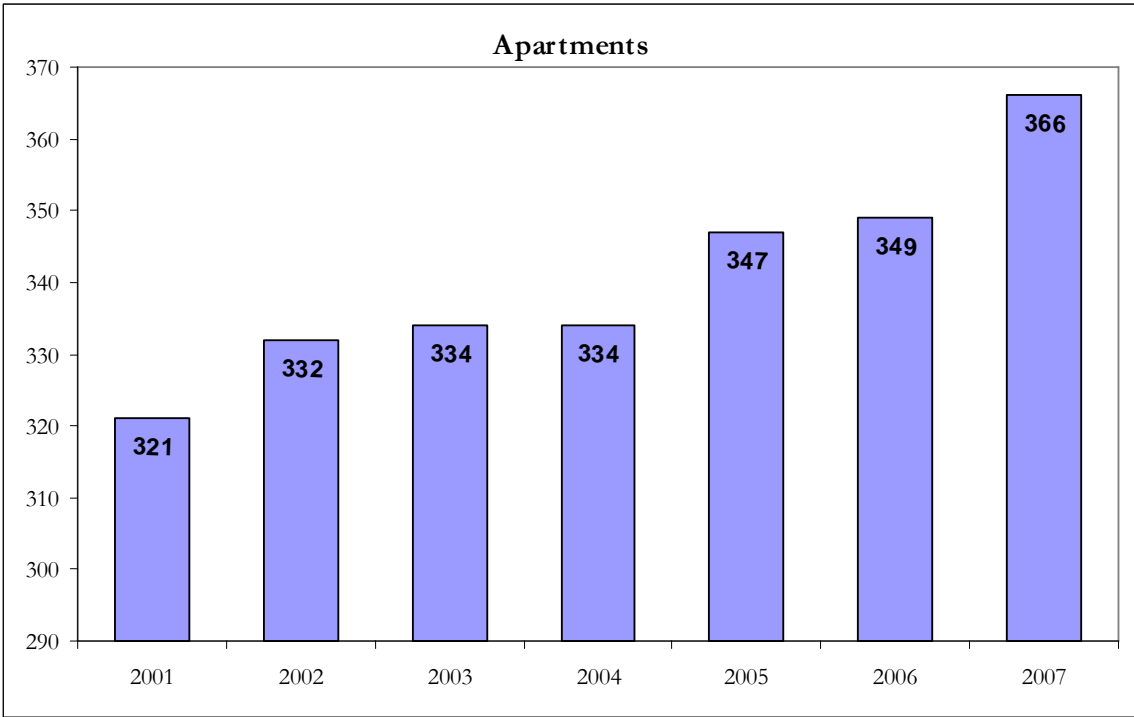


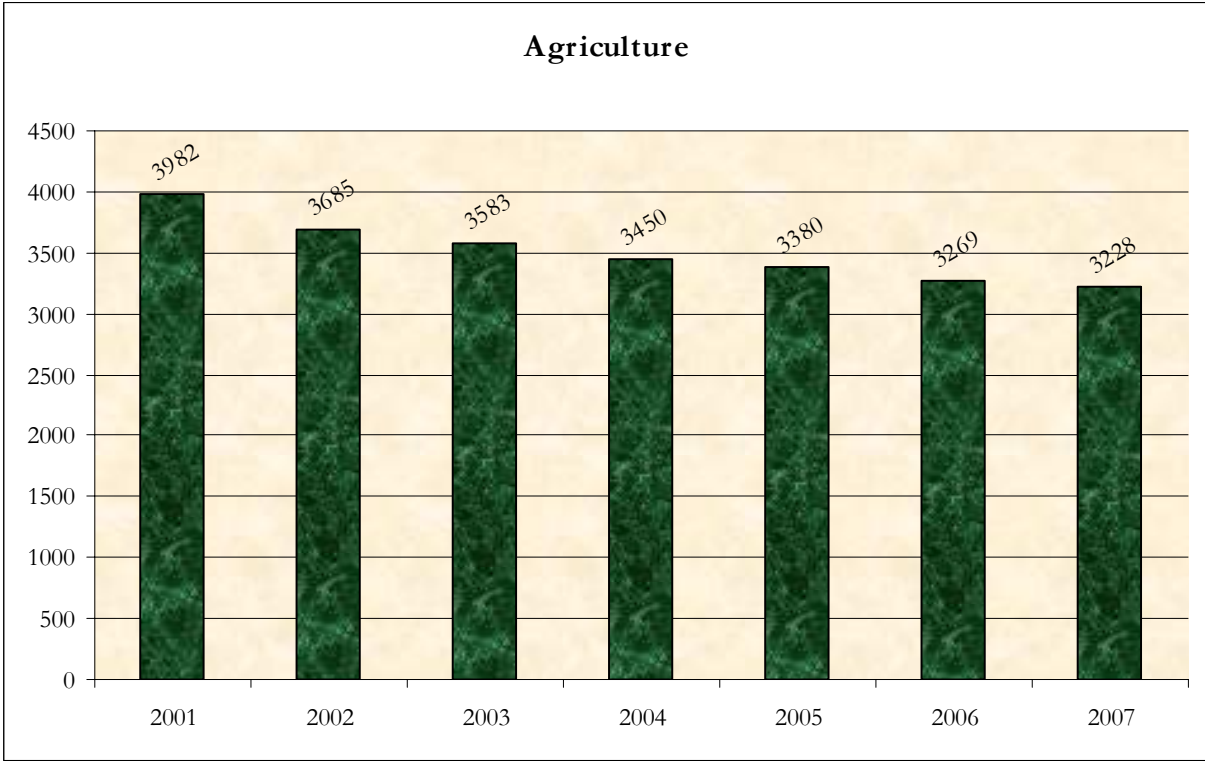


	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Improved Residential	65991	67796	69366	71362	73930	76405	77672
Single Family	57652	58701	59593	60801	62048	63251	62172
Multi-Family	8339	9095	9773	10561	11882	13154	15500



<u>Parcel Type</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Agriculture	3,982	3,685	3,583	3,450	3,380	3,269	3,228
Apartment	321	332	334	334	347	349	366
Commercial/Industrial	3,376	3,396	3,438	3,484	3,564	3,678	3,778
Residential/Seasonal	73,833	76,084	78,134	80,787	82,841	85,202	87,480
TOTAL	81,512	83,497	85,489	88,055	90,132	92,498	94,852





Appraisal Process

What is market value?

Minnesota statute 273.03 defines market value as "... the usual selling price at the time of assessment."

The Assessor's Office works through out the year to estimate market values of each property for the following January 2 assessment date.

How is market value determined?

1. **View Property** - Approximately every fifth year, an appraiser working under the supervision of the County Assessor will view the property. Any property that had a building permit issued in a given year is viewed and the new value calculated as of January 2nd following the construction.
2. **Gather Information** - The appraiser gathers information on all characteristics of the property that affect market value, such as size, age, quality, basement finish, and extra features, such as fireplaces, walk-out basements, etc.
3. **Compute Value** - The characteristics are entered into a computerized system. Information on actual market sales are used to establish the building and component rates used to calculate the property's value. The market value estimated by the appraiser in this way should be very close to the amount the property would sell for, if placed on the open market.

Why market values may change from year to year?

Property values change continuously depending on the economic conditions affecting the local housing market. In addition to market changes, physical changes made to your property can also affect your market value. All factors are considered in estimating the value of property.

The following section includes detailed summaries of the market value adjustments that were needed in order for the 2007 assessment to meet the requirements set by the County Assessor and the Department of Revenue.

**Growth
By
Municipality**

Residential Growth Summary (SFR and Multi-Family)

<u>Municipality</u>	<u>2002 Growth</u>	<u>2003 Growth</u>	<u>2004 Growth</u>	<u>2005 Growth</u>	<u>2006 Growth</u>	<u>2007 Growth</u>
Afton	7.0%	18.6%	11.7%	16.6%	4.9%	2.6%
Bayport	9.9%	18.5%	18.3%	1.2%	20.0%	1.6%
Baytown	11.1%	10.7%	10.3%	11.1%	9.8%	7.9%
Birchwood	17.7%	21.2%	10.6%	6.2%	10.6%	14.7%
Cottage Grove	17.6%	10.4%	11.0%	6.6%	5.8%	1.7%
Dellwood	9.6%	12.0%	16.9%	7.7%	3.4%	2.6%
Denmark	16.0%	8.3%	33.6%	3.4%	12.2%	1.0%
Forest Lake	15.2%	8.3%	9.4%	6.9%	17.3%	4.5%
Grant	6.5%	21.8%	4.6%	12.8%	3.0%	5.9%
Grey Cloud	16.9%	13.9%	15.6%	6.6%	1.6%	0.3%
Hastings	3.7%	333.4%	40.0%	7.8%	13.4%	0.0%
Hugo	13.6%	13.8%	16.9%	10.3%	14.6%	1.5%
Lake Elmo	11.0%	8.9%	12.2%	8.8%	8.2%	-1.5%
Lake St Croix	18.3%	12.6%	13.1%	6.0%	5.8%	0.2%
Lakeland	14.7%	8.6%	30.3%	0.0%	4.4%	6.4%
Lakeland Shrs	14.1%	8.2%	38.7%	6.1%	10.9%	-0.2%
Landfall	7.6%	0.0%	5.6%	0.0%	0.0%	0.0%
Mahtomedi	12.8%	9.8%	10.8%	9.0%	10.4%	-0.2%
Marine	8.8%	7.1%	21.7%	9.9%	10.3%	0.5%
May	5.8%	11.8%	25.9%	8.9%	7.9%	7.8%
Newport	17.0%	10.5%	13.3%	5.4%	8.8%	0.2%
Oak Park Hts	14.8%	8.1%	9.3%	7.4%	-0.9%	1.7%
Oakdale	12.7%	10.9%	8.5%	6.8%	5.4%	-0.2%
Pine Springs	10.7%	4.8%	16.6%	0.0%	17.9%	-1.1%
St Mary's Pt	12.2%	12.8%	20.7%	4.2%	13.5%	-0.2%
St Paul Park	16.3%	9.9%	14.8%	4.7%	8.8%	1.0%
Scandia	9.4%	5.6%	34.7%	6.3%	10.5%	0.0%
Stillwater City	14.5%	11.1%	9.1%	10.4%	5.3%	2.8%
Stillwater Twp	13.1%	11.0%	13.6%	6.4%	13.6%	-0.2%
West Lakeland	8.6%	10.2%	13.6%	9.3%	9.5%	-0.7%
White Bear Lk	21.2%	6.1%	5.3%	7.0%	9.3%	0.5%
Willernie	22.3%	12.8%	9.8%	2.3%	4.2%	3.1%
Woodbury	9.6%	14.2%	12.0%	8.7%	5.1%	-0.1%
County Total	12.4%	11.9%	12.5%	8.2%	7.6%	1.4%

Total Market Value Summary (Ag/Apt/C&I/Res/Seasonal)

<u>Municipality</u>	<u>ay2007 New Construction</u>	<u># Parcels</u>	<u>ay2007 Total Value</u>	<u>ay2006 Total Value</u>	<u>% Growth</u>
Afton	\$3,483,600	1,499	\$645,674,700	\$615,124,300	4.4%
Bayport	\$5,152,800	1,021	\$262,381,100	\$251,359,400	2.3%
Baytown	\$4,961,800	818	\$346,336,700	\$318,904,800	7.0%
Birchwood	\$407,300	427	\$178,501,800	\$155,314,700	14.7%
Cottage Grove	\$67,196,800	11,941	\$3,058,851,500	\$2,918,573,800	2.5%
Dellwood	\$1,742,300	559	\$333,575,400	\$322,270,700	3.0%
Denmark	\$7,911,700	1,161	\$420,478,400	\$405,396,000	1.8%
Forest Lake	\$28,276,300	7,863	\$2,353,707,200	\$2,248,727,300	3.4%
Grant	\$3,701,500	1,981	\$885,894,200	\$824,187,200	7.0%
Grey Cloud	\$584,000	184	\$41,505,700	\$40,707,600	0.5%
Hastings	\$0	7	\$1,758,800	\$1,758,800	0.0%
Hugo	\$106,311,000	5,817	\$1,564,679,600	\$1,453,919,600	0.3%
Lake Elmo	\$33,154,000	3,184	\$1,193,507,800	\$1,172,147,800	-1.0%
Lake St Croix Beach	\$1,425,400	759	\$111,786,700	\$109,962,000	0.4%
Lakeland	\$1,143,900	825	\$239,740,600	\$224,847,300	6.1%
Lakeland Shores	\$68,900	154	\$65,982,600	\$65,999,300	-0.1%
Landfall	\$0	7	\$5,930,400	\$5,879,600	0.9%
Mahtomedi	\$19,755,300	3,130	\$1,009,002,300	\$990,424,800	-0.1%
Marine	\$1,749,900	590	\$168,260,800	\$165,538,100	0.6%
May	\$7,403,600	1,847	\$757,420,600	\$696,343,100	7.7%
Newport	\$1,129,400	1,561	\$324,964,000	\$316,318,200	2.4%
Oak Park Heights	\$16,623,400	1,814	\$518,127,100	\$490,376,500	2.3%
Oakdale	\$37,815,900	9,880	\$2,565,807,000	\$2,527,199,400	0.0%
Pine Springs	\$0	177	\$59,384,500	\$60,016,600	-1.1%
St Mary's Point	\$585,300	324	\$82,853,600	\$82,458,800	-0.2%
St Paul Park	\$6,551,200	2,354	\$410,560,800	\$399,652,800	1.1%
Scandia	\$10,277,900	2,687	\$718,081,600	\$708,524,800	-0.1%
Stillwater City	\$41,326,700	7,421	\$2,143,325,700	\$2,039,571,100	3.1%
Stillwater Twp	\$3,230,000	1,098	\$483,027,700	\$481,802,400	-0.4%
West Lakeland	\$7,540,400	1,497	\$653,914,100	\$650,633,400	-0.7%
White Bear Lake	\$1,047,200	106	\$35,648,100	\$33,926,200	2.0%
Willernie	\$1,283,200	375	\$43,881,100	\$40,299,600	5.7%
Woodbury	\$342,630,200	21,784	\$7,505,687,300	\$7,098,480,300	0.9%
TOTALS	\$764,470,900	94,852	\$29,190,239,500	\$27,916,646,300	1.8%

Agricultural Summary

<u>Municipality</u>	<u>ay2007 New Construction</u>	<u># Parcels</u>	<u>ay2007 Ag Value</u>	<u>ay2006 Ag Value</u>
Afton	\$15,000	205	\$112,625,900	\$103,497,100
Bayport	\$0	0	\$0	\$0
Baytown	\$0	58	\$24,225,600	\$25,034,000
Birchwood	\$0	0	\$0	\$0
Cottage Grove	\$734,200	255	\$143,250,500	\$130,515,300
Dellwood	\$0	12	\$4,875,600	\$3,181,400
Denmark	\$365,900	376	\$131,754,400	\$130,783,500
Forest Lake	\$153,600	187	\$115,150,800	\$124,636,000
Grant	\$157,700	227	\$117,974,000	\$105,284,500
Grey Cloud	\$0	11	\$1,409,600	\$1,541,400
Hastings	\$0	1	\$46,500	\$46,500
Hugo	\$582,000	354	\$185,639,400	\$199,920,800
Lake Elmo	\$0	171	\$72,022,700	\$73,535,900
Lk St Croix Beach	\$0	0	\$0	\$0
Lakeland	\$0	6	\$1,311,000	\$1,306,000
Lakeland Shores	\$0	0	\$0	\$0
Landfall	\$0	0	\$0	\$0
Mahtomedi	\$0	2	\$599,000	\$742,000
Marine	\$0	16	\$5,731,300	\$5,585,200
May	\$606,900	427	\$195,037,400	\$181,211,700
Newport	\$0	5	\$6,194,900	\$6,193,400
Oak Park Heights	\$0	0	\$0	\$1,000
Oakdale	\$0	12	\$8,510,300	\$9,237,400
Pine Springs	\$0	0	\$0	\$0
St Mary's Point	\$0	0	\$0	\$0
St Paul Park	\$13,000	62	\$8,296,800	\$8,405,900
Scandia	\$29,700	443	\$132,562,900	\$133,602,600
Stillwater City	\$0	1	\$306,300	\$306,300
Stillwater Twp	\$2,700	159	\$74,552,000	\$75,639,800
West Lakeland	\$8,300	57	\$23,132,200	\$23,263,500
White Bear Lake	\$0	0	\$0	\$0
Willernie	\$0	0	\$0	\$0
Woodbury	\$0	181	\$171,057,100	\$170,753,100
TOTALS	\$2,669,000	3,228	\$1,536,266,200	\$1,514,224,300

Apartment Summary

<u>Municipality</u>	ay2007 New <u>Construction</u>	# <u>Parcels</u>	ay2007 Apartment <u>Value</u>	ay2006 Apartment <u>Value</u>	ay2007 % <u>Growth</u>
Afton	\$0	1	\$817,900	\$817,900	0.0%
Bayport	\$0	24	\$14,268,500	\$14,268,500	0.0%
Baytown	\$0	0	\$0	\$0	NA
Birchwood	\$0	0	\$0	\$0	NA
Cottage Grove	\$0	11	\$28,667,000	\$25,842,300	10.9%
Dellwood	\$0	0	\$0	\$0	NA
Denmark	\$0	1	\$274,400	\$259,400	5.8%
Forest Lake	\$6,500	51	\$59,526,800	\$58,291,900	2.1%
Grant	\$0	1	\$949,800	\$806,500	17.8%
Grey Cloud	\$0	0	\$0	\$0	NA
Hastings	\$0	0	\$0	\$0	NA
Hugo	\$0	4	\$2,678,300	\$2,678,300	0.0%
Lake Elmo	\$0	4	\$1,491,700	\$1,450,100	2.9%
Lake St Croix Beach	\$0	1	\$339,400	\$329,200	3.1%
Lakeland	\$0	3	\$503,000	\$219,500	129.2%
Lakeland Shores	\$0	0	\$0	\$0	NA
Landfall	\$0	0	\$0	\$0	NA
Mahtomedi	\$0	13	\$29,108,100	\$28,910,900	0.7%
Marine	\$0	2	\$415,000	\$415,000	0.0%
May	\$0	0	\$0	\$0	NA
Newport	\$0	41	\$19,874,000	\$19,789,800	0.4%
Oak Park Heights	\$0	20	\$53,709,500	\$53,709,500	0.0%
Oakdale	\$1,906,700	45	\$116,002,300	\$112,421,600	1.5%
Pine Springs	\$0	0	\$0	\$0	NA
St Mary's Point	\$0	0	\$0	\$0	NA
St Paul Park	\$0	31	\$6,076,700	\$6,950,400	-12.6%
Scandia	\$0	1	\$505,600	\$379,700	33.2%
Stillwater City	\$0	68	\$63,319,700	\$61,590,800	2.8%
Stillwater Twp	\$0	0	\$0	\$0	NA
West Lakeland	\$0	0	\$0	\$0	NA
White Bear Lake	\$0	1	\$6,814,800	\$6,814,800	0.0%
Willernie	\$0	1	\$775,600	\$775,600	0.0%
Woodbury	\$17,625,200	42	\$259,810,100	\$226,826,900	6.8%
TOTALS	\$19,538,400	366	\$665,928,200	\$623,548,600	3.7%

Commercial/Industrial Summary

<u>Municipality</u>	<u>ay2007 New Construction</u>	<u># Parcels</u>	<u>ay2007 Comm/Ind Value</u>	<u>ay2006 Comm/Ind Value</u>	<u>ay2007 % Growth</u>
Afton	\$0	35	\$25,494,900	\$20,498,800	24.4%
Bayport	\$0	103	\$41,769,000	\$39,030,200	7.0%
Baytown	\$0	9	\$1,289,500	\$1,185,000	8.8%
Birchwood	\$0	0	\$0	\$0	NA
Cottage Grove	\$6,034,900	359	\$237,981,800	\$216,107,900	7.3%
Dellwood	\$26,800	27	\$10,718,700	\$10,704,400	-0.1%
Denmark	\$1,227,800	61	\$19,934,400	\$14,696,900	27.3%
Forest Lake	\$2,424,500	573	\$265,398,200	\$258,499,100	1.7%
Grant	\$0	92	\$16,249,900	\$12,574,100	29.2%
Grey Cloud	\$0	21	\$2,012,000	\$1,788,300	12.5%
Hastings	\$0	2	\$1,461,500	\$1,461,500	0.0%
Hugo	\$6,876,200	180	\$90,998,100	\$82,651,500	1.8%
Lake Elmo	\$3,257,100	194	\$131,931,200	\$124,147,500	3.6%
Lk St Croix Beach	\$40,000	11	\$2,322,300	\$2,146,600	6.3%
Lakeland	\$0	31	\$11,803,000	\$11,805,900	0.0%
Lakeland Shores	\$0	8	\$1,868,000	\$1,808,900	3.3%
Landfall	\$0	6	\$5,631,000	\$5,580,200	0.9%
Mahtomedi	\$4,507,700	73	\$42,889,600	\$37,699,400	1.8%
Marine	\$0	11	\$3,893,500	\$3,832,600	1.6%
May	\$0	9	\$2,199,800	\$1,995,500	10.2%
Newport	\$11,400	221	\$60,294,400	\$53,411,900	12.9%
Oak Park Heights	\$10,783,700	203	\$187,504,100	\$170,119,200	3.9%
Oakdale	\$26,899,500	342	\$416,283,500	\$385,220,400	1.1%
Pine Springs	\$0	1	\$5,500	\$5,500	0.0%
St Mary's Point	\$0	0	\$0	\$0	NA
St Paul Park	\$155,900	196	\$44,146,400	\$41,970,700	4.8%
New Scandia	\$339,400	59	\$13,217,900	\$12,535,800	2.7%
Stillwater City	\$3,501,600	403	\$300,232,300	\$282,671,200	5.0%
Stillwater Twp	\$0	12	\$2,677,500	\$2,702,600	-0.9%
West Lakeland	\$0	25	\$10,005,600	\$9,701,900	3.1%
White Bear Lake	\$968,000	9	\$6,559,000	\$5,025,000	11.3%
Willernie	\$17,600	34	\$5,117,300	\$3,911,400	30.4%
Woodbury	\$102,815,400	468	\$992,698,900	\$835,835,300	6.5%
TOTALS	\$169,887,500	3,778	\$2,954,588,800	\$2,651,325,200	5.0%

Residential Summary

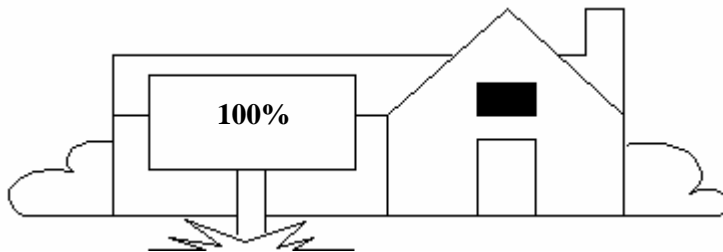
<u>Municipality</u>	ay2007 New <u>Construction</u>	# <u>Parcels</u>	ay2007 Res/SRR <u>Value</u>	ay2006 Res/SRR <u>Value</u>	ay2007 % <u>Growth</u>
Afton	\$3,468,600	1,258	\$506,736,000	\$490,310,500	2.6%
Bayport	\$5,152,800	894	\$206,343,600	\$198,060,700	1.6%
Baytown	\$4,961,800	751	\$320,821,600	\$292,685,800	7.9%
Birchwood	\$407,300	427	\$178,501,800	\$155,314,700	14.7%
Cottage Grove	\$60,427,700	11,316	\$2,648,952,200	\$2,546,108,300	1.7%
Dellwood	\$1,715,500	520	\$317,981,100	\$308,384,900	2.6%
Denmark	\$6,318,000	723	\$268,515,200	\$259,656,200	1.0%
Forest Lake	\$25,691,700	7,052	\$1,913,631,400	\$1,807,300,300	4.5%
Grant	\$3,543,800	1,661	\$750,720,500	\$705,522,100	5.9%
Grey Cloud	\$584,000	152	\$38,084,100	\$37,377,900	0.3%
Hastings	\$0	4	\$250,800	\$250,800	0.0%
Hugo	\$98,852,800	5,279	\$1,285,363,800	\$1,168,669,000	1.5%
Lake Elmo	\$29,896,900	2,815	\$988,062,200	\$973,014,300	-1.5%
Lake St Croix Beach	\$1,385,400	747	\$109,125,000	\$107,486,200	0.2%
Lakeland	\$1,143,900	785	\$226,123,600	\$211,515,900	6.4%
Lakeland Shores	\$68,900	146	\$64,114,600	\$64,190,400	-0.2%
Landfall	\$0	1	\$299,400	\$299,400	0.0%
Mahtomedi	\$15,247,600	3,042	\$936,405,600	\$923,082,500	-0.2%
Marine	\$1,749,900	561	\$158,221,000	\$155,705,300	0.5%
May	\$6,796,700	1,411	\$560,183,400	\$513,135,900	7.8%
Newport	\$1,118,000	1,294	\$238,600,700	\$236,923,100	0.2%
Oak Park Heights	\$5,839,700	1,591	\$276,913,500	\$266,546,800	1.7%
Oakdale	\$9,009,700	9,481	\$2,025,010,900	\$2,020,320,000	-0.2%
Pine Springs	\$0	176	\$59,379,000	\$60,011,100	-1.1%
St Mary's Point	\$585,300	324	\$82,853,600	\$82,458,800	-0.2%
St Paul Park	\$6,382,300	2,065	\$352,040,900	\$342,325,800	1.0%
Scandia	\$9,908,800	2,184	\$571,795,200	\$562,006,700	0.0%
Stillwater City	\$37,825,100	6,949	\$1,779,467,400	\$1,695,002,700	2.8%
Stillwater Twp	\$3,227,300	927	\$405,798,200	\$403,460,000	-0.2%
West Lakeland	\$7,532,100	1,415	\$620,776,300	\$617,668,000	-0.7%
White Bear Lake	\$79,200	96	\$22,274,300	\$22,086,400	0.5%
Willernie	\$1,265,600	340	\$37,988,200	\$35,612,600	3.1%
Woodbury	\$222,189,600	21,093	\$6,082,121,200	\$5,865,065,000	-0.1%
TOTALS	\$572,376,000	87,480	\$24,033,456,300	\$23,127,558,100	1.4%

Sales Analysis

Sales Studies

According to State Law, it is the assessor's responsibility to appraise all real property at *current resale value* as of the January 2nd assessment date. As a method of checks and balances, the Department of Revenue uses statistics and ratios relating to assessed market value and sale prices to confirm that the law is upheld. Assessors use similar statistics and sales ratios to identify market trends in developing market values.

A sales ratio is obtained by comparing the assessor's market value to the adjusted sales price of each property sold in an "arms-length" transaction within a fixed period. An "arms-length" transaction is one that is generated after a property has had sufficient time on the open market, between both an informed buyer and seller with no undue pressure on either party. The median or mid-point ratios are calculated and stratified according to property classification.



The only *perfect assessment* would have a 100% ratio for every sale. This is of course, impossible. Because we are not able to predict major events that may cause significant shifts in the market, the state allows a 15% margin of error.

The Department of Revenue adjusts the median ratio by the percentage of growth from the previous year's abstract value of the same class of property within the same jurisdiction. In municipalities in which there are a minimum of **six sales**, this adjusted median ratio must fall between 90% and 105%. ANY deviation will warrant a state mandated jurisdiction-wide adjustment of at least 5%. To avoid this increase, the Washington County Assessor has set the target median sales ratio, for our internal sales study, at 95% target for each municipality.

*** Although the Assessor's Office and the Department of Revenue measure the equality and accuracy of the assessment for all property classes our discussion will center on the residential classed properties. This is due in large part to the small number of sales in the other property classes.

Sales Statistics Defined

In addition to the median ratio, we have the ability to develop other statistics to test the accuracy of the assessment. Some of these are used at the state level also. The primary statistics used are:

Median Ratio: This is a measure of central tendency, the *median* of a sample is the value for which one-half (50%) of the observations (when stratified) will lie above that value and one-half will lie below that value. The median is not susceptible to extreme observations referred to as outliers. We use this ratio, much like the mean, not only to watch our assessment level, but also to analyze property values by municipality, type of dwelling and value range. These studies enable us to track market trends in neighborhoods, popular housing types and classes of property.

Within the county, we constantly try to achieve a ratio of 95% for the median, weighted mean and mean. This allows us a margin to account for a fluctuating market and still maintain ratios within state mandated guidelines.

Weighted Mean Ratio: This is the sum of the estimated market value of all sale properties divided by the sum of all sale prices. The weighted mean is also a measurement of central tendency.

Arithmetic Mean Ratio: The mean is the average ratio. Unlike the median, the mean is influenced by outliers. We use this ratio not only to watch our assessment level, but also to analyze property values by municipality, type of dwelling and value range. These studies enable us to track market trends in neighborhoods, popular housing types and classes of property.

Coefficient of Dispersion (COD): The COD measures the accuracy of the assessment. The COD indicates the spread of the ratios from the mean or median ratio. It is possible to have a median ratio of 94.5% with 300 sales, two ratios at 94.5%, 149 at 80% and 149 at 103%. Although this is an excellent median ratio, there is obviously a great inequality in the assessment.

The goal of a good assessment is a COD of 10 to 20. A COD under 10 is considered excellent and anything under 20 will mean an assessment review by the Department of Revenue.

Price Related Differential (PRD): This statistic measures the equality between the assessment of high valued and low valued property. A PRD over 100 indicates a regressive assessment, or the lower valued properties are assessed at a greater degree than the higher valued properties. A PRD of less than 100 indicates a progressive assessment or the lower valued properties are assessed at a greater degree than the higher valued properties. A perfect PRD of 100 means that both higher and lower valued properties are assessed exactly equal.

2007 Residential Sales Study Statistics

The following residential statistics are based upon ratios calculated using the 2007 estimated market values and sales that occurred between **October 2005 and September 2006**. The statistics for the previous year(s) are also listed. The Assessor's Office uses these ratios to measure equalization, assessment accuracy, and determine trends in the market.

<u>Countywide #'s</u>	<u>ay2007</u>	<u>ay2006</u>	<u>ay2005</u>
Median Ratio:	95.23	95.10	94.70
Weighted Mean Ratio:	94.66	95.10	95.13
Arithmetic Mean	95.45	95.70	98.94
COD:	6.84	7.11	7.15
PRD:	100.65	100.63	100.66

The following statistics show the residential properties broken down by dwelling type.

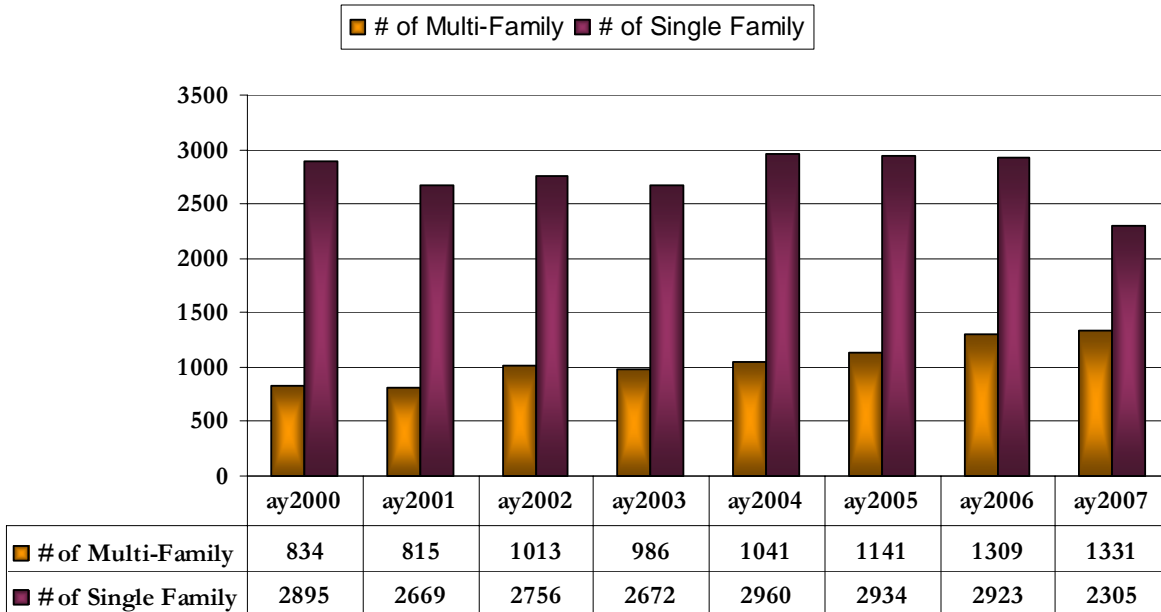
<u>Single Family</u>	<u>ay2007</u>	<u>ay2006</u>	<u>ay2005</u>
Median Ratio:	95.18	95.17	94.46
Weighted Ratio:	94.64	95.24	95.13
Mean Ratio:	95.49	95.93	99.52
COD:	7.41	7.62	8.07
PRD:	100.86	100.72	101.25

<u>Multi Family</u>	<u>ay2007</u>	<u>ay2006</u>	<u>ay2005</u>
Median Ratio:	95.31	94.95	95.24
Weighted Ratio:	94.88	94.57	95.14
Mean Ratio:	95.50	95.17	97.45
COD:	5.80	5.88	3.40
PRD:	100.64	100.63	99.85

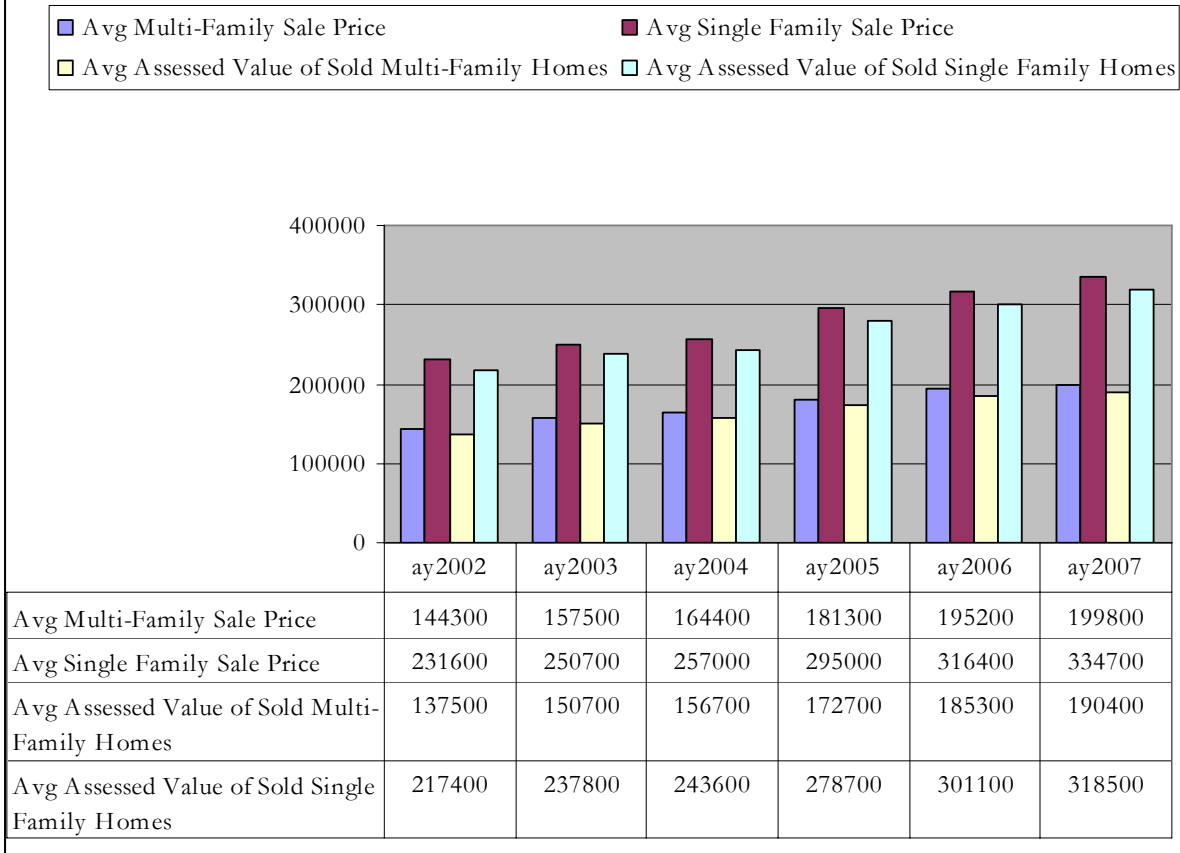
2007 Washington County Residential Ratio Study (SFR & Multi Family)

<u>Municipality</u>	<u>#of Sales</u>	<u>Median Ratio</u>	<u>C.O.D.</u>
Afton	23	98.2%	13.80
Bayport	25	95.5%	12.10
Baytown	17	95.3%	7.60
Birchwood	8	98.3%	9.30
Cottage Grove	591	95.1%	6.70
Dellwood	6	93.9%	17.20
Denmark	7	94.5%	6.90
Forest Lake	276	98.3%	9.20
Grant	46	97.8%	9.50
Grey Cloud	1	95.8%	0.00
Hastings	0	0.0%	0.00
Hugo	245	94.7%	6.60
Lake Elmo	60	95.7%	10.60
Lake St Croix Beach	22	94.8%	11.80
Lakeland	25	98.0%	9.90
Lakeland Shores	1	97.5%	0.00
Landfall	0	0.0%	0.00
Mahtomedi	80	94.2%	9.10
Marine	7	98.2%	7.50
May	23	96.8%	14.00
Newport	40	97.6%	9.20
Oak Park Heights	62	94.9%	10.60
Oakdale	418	94.7%	6.80
Pine Springs	5	97.3%	8.60
St Mary's Point	5	95.8%	12.60
St Paul Park	81	96.8%	7.80
Scandia	34	95.1%	10.90
Stillwater City	285	96.3%	9.30
Stillwater Twp	10	96.5%	6.90
West Lakeland	27	95.4%	8.80
White Bear Lake	5	98.7%	7.40
Willernie	12	94.9%	10.10
Woodbury	1189	94.4%	6.50
TOTALS	3,636	95.2%	6.84

Number of Sale Transactions (good sales)



Residential Sales History



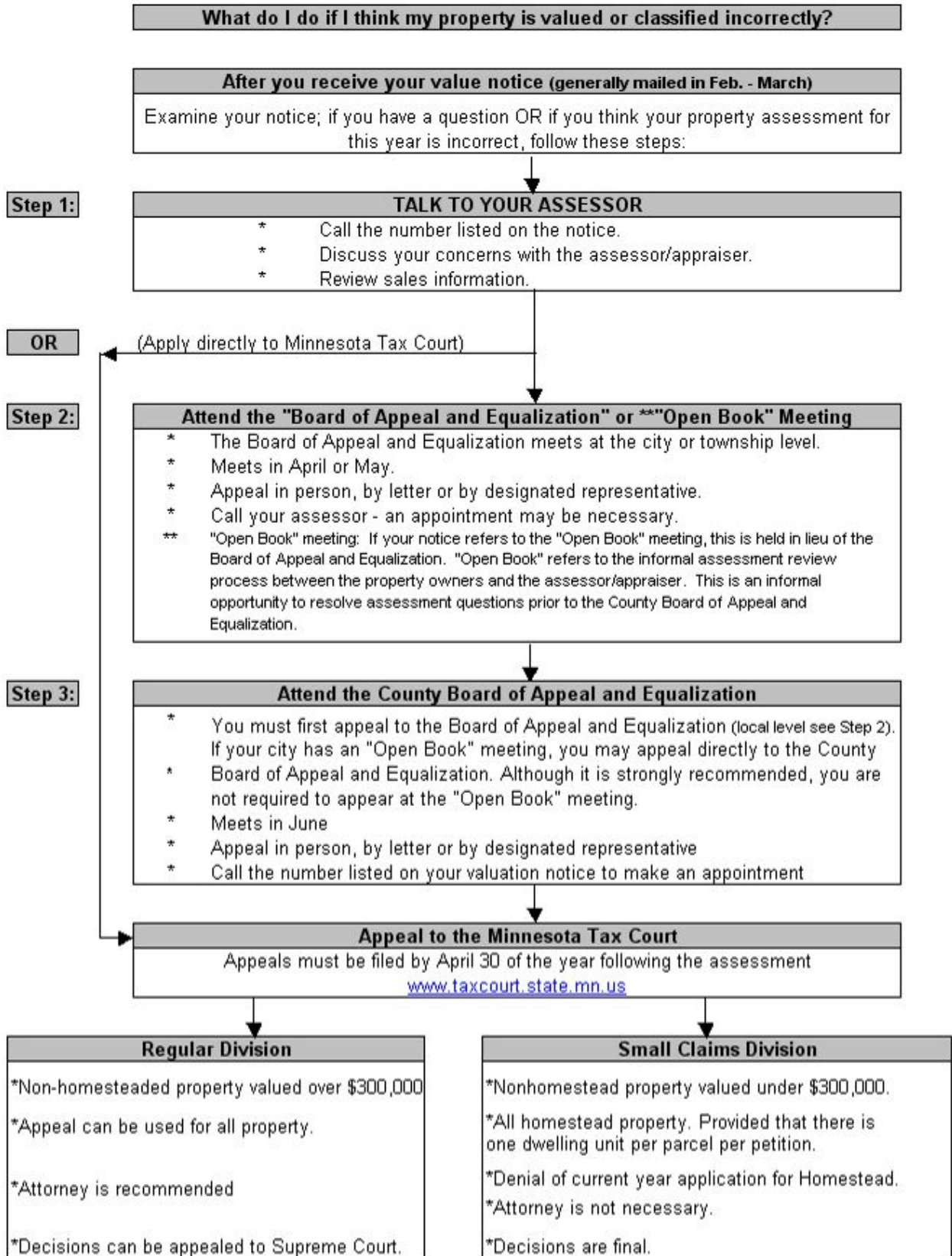
Residential Sales Summary (SFR and Multi-Family coded good sale)

<u>Municipality</u>	<u># sales</u>	<u>High Sale Price</u>	<u>Low Sale Price</u>	<u>Average Sale Price</u>
Afton	23	\$699,000	\$192,500	\$412,400
Bayport	25	\$875,000	\$156,000	\$272,900
Baytown	17	\$1,100,000	\$269,900	\$552,200
Birchwood	8	\$1,400,000	\$140,000	\$491,400
Cottage Grove	591	\$770,000	\$115,000	\$245,300
Dellwood	6	\$1,125,000	\$360,000	\$691,500
Denmark	7	\$765,000	\$308,500	\$487,600
Forest Lake	276	\$1,975,000	\$137,400	\$282,400
Grant	46	\$2,100,000	\$249,900	\$635,000
Grey Cloud	1	\$165,000	\$165,000	\$165,000
Hastings	0	\$0	\$0	\$0
Hugo	245	\$998,500	\$136,700	\$267,000
Lake Elmo	60	\$2,175,000	\$155,000	\$418,600
Lake St Croix	22	\$400,000	\$154,000	\$233,300
Lakeland	25	\$1,610,000	\$130,000	\$314,600
Lakeland Shrs	1	\$475,000	\$475,000	\$475,000
Landfall	0	\$0	\$0	\$0
Mahtomedi	80	\$1,188,900	\$89,000	\$373,100
Marine	7	\$765,000	\$217,900	\$421,200
May	23	\$1,200,000	\$245,000	\$505,200
Newport	40	\$465,000	\$93,500	\$196,800
Oak Park Hts	62	\$769,200	\$74,000	\$211,000
Oakdale	418	\$580,000	\$82,000	\$221,500
Pine Springs	5	\$654,000	\$216,200	\$431,000
St Mary's Pt	5	\$377,300	\$209,000	\$294,600
St Paul Park	81	\$329,000	\$119,000	\$203,300
Scandia	34	\$1,075,000	\$218,000	\$445,000
Stillwater City	285	\$1,073,500	\$140,000	\$282,900
Stillwater Twp	10	\$980,000	\$415,000	\$585,800
West Lakeland	27	\$1,275,000	\$287,500	\$590,300
White Bear Lk	5	\$249,700	\$227,500	\$236,800
Willernie	12	\$234,200	\$72,000	\$176,800
Woodbury	1,189	\$1,450,000	\$91,200	\$301,400
County	3,636	\$2,175,000	\$72,000	\$289,000

New Construction Summary

<u>Municipality</u>	SFR	TH/Condo	C & I	Apartments	Exempt	<u>Total</u>
	2006	2006	2006	2006	2006	
	<u>New Home Starts</u>	<u>New Home Starts</u>	<u>New Starts</u>	<u>New Starts</u>	<u>New Starts</u>	
Afton	9	0	0	0	0	9
Bayport	11	0	0	0	0	11
Baytown	6	0	0	0	0	6
Birchwood	0	0	0	0	0	0
Cottage Grove	123	101	9	0	1	234
Dellwood	1	0	0	0	0	1
Denmark	14	0	1	0	0	15
Forest Lake	47	42	1	0	1	91
Grant	4	0	0	0	0	4
Grey Cloud	0	0	0	0	0	0
Hastings	0	0	0	0	0	0
Hugo	116	275	3	0	1	395
Lake Elmo	28	0	3	0	2	33
Lake St Croix Beach	4	0	0	0	0	4
Lakeland	1	0	0	0	0	1
Lakeland Shores	0	0	0	0	0	0
Landfall	0	0	0	0	0	0
Mahtomedi	15	20	5	0	0	40
Marine	4	0	0	0	0	4
May	12	0	0	0	0	12
Newport	3	0	0	0	0	3
Oak Park Heights	1	17	7	0	0	25
Oakdale	8	15	7	0	1	31
Pine Springs	0	0	0	0	0	0
St Mary's Point	0	0	0	0	0	0
St Paul Park	13	15	0	0	0	28
Scandia	14	0	1	0	0	15
Stillwater City	42	11	0	0	0	53
Stillwater Twp	3	0	0	0	0	3
West Lakeland	8	0	0	0	0	8
White Bear Lake	0	0	1	0	0	1
Willernie	0	9	0	0	0	9
Woodbury	364	266	27	0	0	657
TOTALS	851	771	65	0	6	1,693

Appeals Process



*** Chart courtesy of the Hennepin County Assessor's Office

Steps in the Appeals Process

In Minnesota, property tax laws provide the legal parameters that govern the work of assessors. These statutes lay down a cycle of assessment activities that are conducted on an annual basis. Each year, assessors are required to work on a number of tasks that include: listing, valuing, and classifying all taxable properties; processing both real and personal property transfers; analyzing market data; monitoring assessment levels for several different classes of property; and arranging and conducting an appeals process.

The latter of these activities is a key part of the assessment cycle that provides property owners with an opportunity to review and challenge, if necessary, their estimate of market value and/or classification that will be used for taxation purposes in the following year.

At what point in the assessment cycle does the appeals process begin?

The appeals process begins in March and extends through June. When property owners receive their tax statements and assessment notices during the months of March, April, and May, they should read them carefully for instructions about deadlines, filing procedures, meeting dates and times. If they are not clear, they should call the assessor's office for clarification and additional information because a missed deadline, an incorrect filing, or the failure to attend a scheduled meeting can cause an appeal to be dismissed.

What steps should property owners take to appeal their assessments?

There are two avenues of appeal that property owners may take to challenge their assessments. The first route is referred to as the **three-step appeal process** and the second route is known as the **one-step appeal process**.

The three-step appeal:

1. Property owners who have questions or concerns regarding the market value or classification of their property are encouraged to contact the property appraiser responsible for their area. In most cases an interior inspection of the property will be necessary. We have found that a large number of property owner concerns can be resolved after speaking to an appraiser.
2. If your questions or concerns are not resolved after talking with your appraiser you may appear before the Local Board of Appeal and Equalization in your community or attend one of the Open Book meetings held throughout the county. These meetings are held in April or May. Please reference your valuation notice or call your appraiser to find out the time and place of the meeting held for property owners in your community. Your appeal can be made in person, through a letter or through a representative authorized by you.
3. If property owners are not satisfied with the action taken at the Local Board of Appeal and Equalization, they may appear (in person, through a designated representative, or by sending a written request) before a second board, called the

County Board of Appeal and Equalization. In order to be put on the agenda for the County Board of Appeal and Equalization please contact the Assessor's Office at 651-430-6109 by **May 11, 2007**. The County Board is made up of elected county commissioners, the county auditor/treasurer, and/or appointed officials. The 2007 County Board of Appeal and Equalization is scheduled for June 12, 2007. Property owners who appeal their assessments at this level must have first appeared before the Local Board of Appeal and Equalization if they choose to have their grievances acted upon by this Board

If property owners still feel aggrieved as a result of the action taken by this Board, they may file a petition in Minnesota Tax Court (i.e. small claims or regular division depending upon property type and estimated market value). All appeals must be filed on or before April 30 of the year the tax becomes payable.

The **one-step appeal** process bypasses both the Local Board of Appeal and the County Board of Appeal and Equalization. It involves making an appeal directly to the regular division of Minnesota Tax Court. The same filing requirements and deadlines apply to all property owners who choose this route. The Minnesota Tax Court is located at Minnesota Judicial Center, Suite 245, 25 Rev. Dr. Martin Luther King, Jr. Blvd., St. Paul, MN. 55155. The phone number is (651) 296-2806.

Before property owners make a formal appeal, should they contact their assessor's office?

Property owners are **encouraged** to contact their appraiser anytime to discuss their property assessment. An informal meeting can be scheduled to review the property, examine market data, answer questions, and clarify the valuation and classification practices used. This discussion can also be handled by telephone, mail, or e-mail during regular business hours.

Responses to typical questions from members of the Local Board of Appeal

What is the purpose of the Local Board of Appeal?

The Local Board of Appeal and Equalization is an important part of the appeals portion of the assessment cycle. The Board provides property owners with an opportunity to review and challenge, if necessary, their estimate of market value and/or classification that will be used for the dispersal of the following years taxes.

What are the requirements for the meeting?

The statutory requirements are:

- On or before February 15 of each year the assessor shall give written notice of the time and place to the city or township clerk.
- The clerk shall give published and posted notice of the meeting at least ten days before the date of the meeting.
- Valuation and classification notices for the January 2, 2007 assessment are mailed to property owners by the County Assessor's Office at least ten days prior to the Board of Appeal and Equalization.
- The Local Board of Appeal and Equalization is an official public meeting similar to a City Council or Township Board meeting and cannot be convened without a quorum and the city or township clerk has the responsibility of keeping the minutes of the meeting.
- The Board must complete its work and adjourn within twenty days of the time of convening but not outside the April 1 to May 31 time period.
- The Local Board of Appeal and Equalization has the authority to reduce and increase assessments upon petition of the property owner. The total reductions may not reduce the aggregate assessment by more than one percent. If the total reductions lower the aggregate assessment by more than one percent, none of the adjustments may be made. There is no limit to the amount an assessment can be increased.

- At the conclusion of the meeting, all Board members in attendance are required to review and sign Form Q1-4 which is the statutory reporting form for the meeting.

Are the changes made at the local level reviewed?

The Washington County Assessor reviews all value adjustments made by the Local Boards of Appeal and the changes made by the appraisers prior to the County Board meeting. If the County Assessor finds a value adjustment that is not in the best interest of all property owners in our county, additional information may be requested to support the change. If adequate information does not support the valuation adjustment, or information is not provided, the County Assessor will make a recommendation to the County Board to change the estimated market value back to an acceptable level in order to rectify the situation. The property owner involved will be notified in advance of this recommendation.

What is the format for the Local Board of Appeal?

The statutory requirements are listed above and the format must accommodate those. The method in which the meeting is conducted is at the discretion of the local officials (it is again emphasized that it is their meeting not that of the County or local assessor). The county staff or local assessor can provide you with background information regarding how previous meetings were conducted.

On what basis should I make my decisions as a Local Board member?

You have an obligation to objectively listen to the property owner's appeal which should focus on the market value and facts that impact the market value (there are occasionally appeals of classification which are usually technical and legal in nature and should be sent to the County Board.) For example if the property owner states that they believe that their home is over valued because it is located on a busy street, they should present comparable sales that are also influenced by the same factor. The property owner should have some information to support their claim of being over valued in order to assist the Local Board members in making their decision. With the large number of homeowners who have refinanced in the past couple of years, there are plenty of appraisals that can be produced as evidence.

In the case of appeals made by income producing (**commercial/industrial and apartment**) property owners, it is recommended that the procedure currently in place at the county level and used in tax court appeals be followed. The commercial/industrial appraiser is to first conduct a physical inspection of the property. They also determine what information may be available and beneficial in establishing the estimated value. That information is then requested from the property owner or their representative. This information typically consists of rent rolls, copies of leases currently in place, gross sales, 3 years of income & expense data and appraisals. After gathering the applicable information, staff can conduct a thorough analysis of the market value. Staff is instructed not to make changes if the information requested is

withheld. It is up to the individual Boards as to what procedure you choose to use in determining if an adjustment in value is warranted.

The format for receiving additional information and recommendations on appealing properties is at the discretion of the Board. Our suggestion is that properties that are appealing (based on the owner's opinion that they are overvalued), should be reviewed by the assessor responsible for the area, and a specific recommendation made to the Board. The Board has the option of following that recommendation in total or in part, or making a decision independent of the recommendation.

The decisions should be adopted by a formal vote. Either developing a consensus on all appeals and adopting them with one vote, or taking a vote on each appeal is acceptable.

What options does the property owner have if they do not agree with the results from the Local Board of Appeal?

The next step in the appeals process is:

1. Appeal to the County Board of Appeal and Equalization (a property owner must appear at the Local Board of Appeal and Equalization in order to maintain their right to appeal to the County Board of Appeal and Equalization (application deadline is May 11, 2007),
2. Tax Court.

What procedure should a Board member(s) (or city/township staff involved with the Board proceedings) follow to appeal their own market value?

There are no statutory provisions that address the procedure to follow in these situations. In order to not be put in a position that may be perceived as a conflict of interest by the local property owners and the Department of Revenue, it is strongly suggested that these appeals be handled as follows: If a Board member(s) (or city/township staff member(s) involved with the Board proceedings) chooses to appeal the valuation on their home, or any other property that they own, they should register their appeal by having their name read into the meeting minutes. At that point the Local Board should recommend no change in value and send the appeal to the County Board of Appeals for review.

If a Local Board member(s) (or city/township staff member(s) involved with the Board proceedings) choose to ignore this suggestion they should abstain from voting and provide the Board members with credible supporting evidence in order for the Board to make a decision as to why their property is overvalued.

Responsibilities of the County Board of Appeal and Equalization

The responsibility and procedure of the County Board of Appeal and Equalization are contained in Minnesota Statutes 274.13 and 274.14. In addition to the statutory requirements, some procedures are suggested based on past experience of the Board.

1. The County Board of Appeal and Equalization shall consist of the County Commissioners or a majority of them, with the County Auditor, or if the Auditor cannot be present, the Deputy County Auditor, or if there is not a Deputy, the Court Administrator of the District Court. Their purpose shall be to form a Board for Equalization of the assessment of the property in the County.
2. The County Board of Appeal and Equalization has a dual role:
 - a). Listen and act upon appeals of property owners in a manner similar to the Local Board of Appeal and Equalization
 - b). Equalize values throughout the various jurisdictions and various property types, both within the County and the bordering tier of townships of each adjoining county. This responsibility has been de-emphasized somewhat now that the sequence of Boards is (1) Local, (2) State, (3) County, rather than (1) Local, (2) County, (3) State. Theoretically, equalization issues, both intra and inter County, will have been addressed and resolved at the State Board of Equalization which meets in June 2007.
3. The Board shall meet during the last two weeks in June that contain ten meeting days, excluding Saturday and Sunday. For the 2007 Board of Equalization, this means that they shall meet during the weeks of June 11 through June 18. Our experience has been that it will take one-half day in the first week and one-half day in the second week.
4. Property owners that reside in municipalities that hold a Local Board of Appeal and Equalization are required to make an official appearance (have their name read into the meeting minutes) at the Local Board of Appeal and Equalization prior to an appearance at the County Board of Appeal and Equalization. This “appearance” can be made in person, by agent or by letter.
5. Owners of property in those municipalities that have opted for the “Open Book” format can choose to attend the Open Book meetings held in their community and/or proceed directly to the County Board of Appeal (application deadline is May 11, 2007). This appearance can be done in person, by agent or by letter.

6. For equalization activities, the Board must not reduce the aggregate value of all property in the County by more than one percent of the total valuation. There are no restrictions as to the amount of aggregate increases.
7. The Board of Equalization for any County may appoint a Special Board of Equalization and delegate its powers to it. At least one member of the appointed Board must be an appraiser, realtor or other person familiar with property valuations in the County. The County Auditor would be a non-voting member and would serve as a recorder for the Special Board.
8. The format for the County Board of Equalization is at the discretion of the Board.

From past experience it is suggested that the appealing individuals be heard by appointment. **ALL** property owners have been asked to notify the Assessor's Office by **May 11th** if they intend to be present at the 2007 County Board meeting. The advanced notification is necessary so that an appraiser will have the opportunity to make an interior inspection of the property, request and analyze any pertinent information, and complete the necessary reports prior to the first meeting on **June 12th**.

Because equalization is a primary concern of **all** property owners in our county, not just those property owners who contest their valuations, I recommend the following approach to those situations in which staff may not have adequate time (or vital information is not provided) to process an appeal that is filed beyond the deadline. Staff will process those appeals if time permits them to analyze the appeal in a way that is consistent with the methods used for those appeals that are filed in a timely manner. If time becomes an issue, or vital information is not provided, a recommendation of no change will be given to the County Board of Appeal. At that time the property owner can take their appeal to Tax Court if they choose.

All Board decisions should be adopted by a formal vote. Either developing a consensus on all appeals and adopting them with one vote or taking a vote on each appeal is acceptable.

9. The County Auditor shall keep a record of the proceedings and the orders of the Board. The record must be published like other proceedings of County Commissioners. A copy of the published record must be sent to the Commissioner of Revenue with the abstract of assessment.