



Property Tax Services Report

February 27, 2017
Baseline Report



Date: February 27, 2017
To: County Assessors, Auditors, and Treasurers
From: Cynthia Rowley, Director – Property Tax Division
Subject: Property Tax Services Report

The Property Tax Division of the Minnesota Department of Revenue is pleased to provide the first Property Tax Services Report. It highlights some of the services that counties and the department provide to make the property tax system work well for Minnesotans.

Why was this report created?

The Property Tax Services Report was created from feedback county assessors, auditors and treasurers provided at statewide listening sessions held in 2015. Counties told us about their work that depends on receiving information and service from the department. In turn, much of the department's work depends on counties. This interdependent relationship means we must all collaborate – as partners – to ensure we are serving taxpayers well and complying with state law.

Where to start? Pick the items and establish a baseline.

Based on county feedback, the department selected several items to track for a year. The items tracked touch on multiple aspects of property tax administration – assessors, auditors, treasurers, and the state. Some of the items are required by statute; others reflect targets that allow the property tax system to work well. We shared a proposed list with county representatives and department staff, and then tracked the items throughout 2016. I am pleased to share a statewide report with you today.

What happens next?

This 2016 Services Report is a starting point to help counties and the department continue to build a strong relationship while increasing compliance with Minnesota tax laws. It shows all of our strengths and our opportunities for improvement.

This report serves as a springboard for conversations between counties and the state, and among county officials. We plan to update and fine-tune the report each year to mark our progress. Together we can use the report as a tool for continual improvement.

Who can I contact with questions?

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We look forward to working with you to build on our collaboration and enhance our partnership on behalf of all Minnesotans.

Sincerely,

Cynthia Rowley, Director
Property Tax Division

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Note for 2016 Report

The Property Tax Services Report for 2016 is a baseline report. It serves as a starting point for counties and the Minnesota Department of Revenue to enhance collaboration efforts.

Summary Report

County Items

Item	Target	Statewide Results
Proposed Local Government Levies	Oct. 8	67/87
Certified Local Government Levies	Jan. 15	87/87
Property Tax Levy Report	Jan. 30	87/87
County Abstract File Submissions	7/7	5.5/7
Property Tax Refund Homestead File Submission	Apr. 30	67/87
County Board of Appeal and Equalization Submissions	July 1	81/87
County Board of Appeal and Equalization Training	Feb. 1	87/87
Property Tax Statement Draft	Prior to Sending	84/87
Tax Calculation Certification	1 person/county	78/87
Quintile Reassessment (83/87 Counties Reported)	100.0%	89.5%
Assessor Staffing Levels (Parcels/Assessor)		3,423
Study Period Sales (eCRVs edited after Nov. 10)	0.0%	1.1%
Study Period Sales (eCRVs edited after Dec. 8)	0.0%	0.2%
eCRV Buyer Submission to County Acceptance		4.4 days
eCRV County Acceptance to County Finalization		43.9 days

Department of Revenue Items

Item	Target	Results
eCRV County Submission to PTCO Finalization		14.7 days
Information/Education Question Response Time		9.3 days
Property Tax Law Summary	July 15	N/A
Green Acres Valuation and Instructions	Jan. 1	sent Jan. 20
Sales Ratio Trend Appeal Determinations	Jan. 15	✓
Valuation Notice Instructions	Sept. 30	✓
Property Tax Compliance Officer (PTCO) Visits	4	2.4
State Board of Equalization Orders	June 30	✓
State General Levy Tax Rate	Jan. 1	✓
Final Adjusted Net Tax Capacities (ANTCs)	June 30	sent July 8
Agricultural Homestead First Tier Valuation Limit	Jan. 2	sent Jan. 4
Class 4d Property First Tier Valuation Limit	Nov. 1	✓
County Aid, Local Aid, and Township Aid Certification	3/3	3/3
Sales Ratio Study Criteria	May 31	sent June 1

County Items

Proposed Local Government Levies

What is this?

Every year local governments set proposed levies that reflect how much money they believe they will need in the coming year. The county auditor reports the proposed levies to the department, which shares the information with House and Senate research staff, the governor’s office, media, and the public.

Why is this important?

The proposed levy report provides the first look at property tax levies throughout the state. The department reviews all proposed levies to confirm they comply with levy limits and other requirements in state law, and to ensure that certified levies do not exceed the original amounts proposed.

How was the target determined?

Proposed levies are due October 8 under Minnesota Statutes, section 275.07, subdivision 4(a).

How are the results determined?

The results indicate the number of counties that met the deadline of October 8.

Statewide results: 67/87 counties on time



Certified Local Government Levies

What is this?

After proposed levies are set, local governments may change their levy amounts. The county auditor reports the certified amounts to the department, which shares this information with House and Senate research staff, the governor’s office, media, and public.

Why is this important?

The certified levy report provides the final property tax levies throughout the state. The department reviews certified levies to ensure that tax jurisdictions are within their taxing authority.

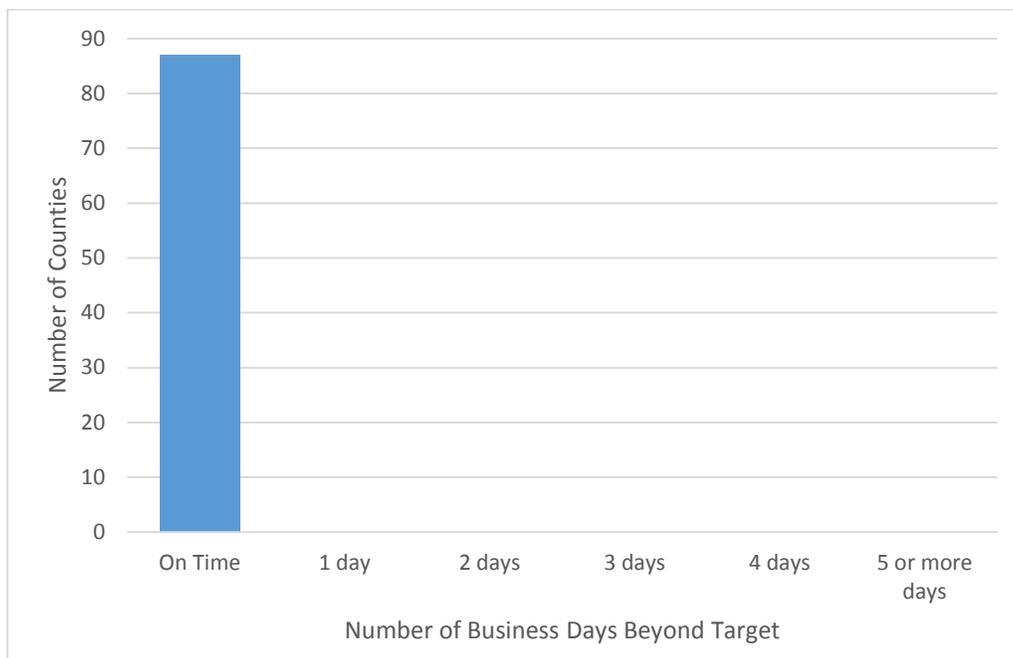
How was the target determined?

Certified levies are due January 15 under Minnesota Statutes, section 275.07, subdivision 4(b).

How are the results determined?

The results indicate the number of counties that met the deadline of January 15.

Statewide results: 87/87 counties on time



Property Tax Levy Report

What is this?

The county auditor is required to submit a detailed property tax levy report to the department. The report includes financial information used to determine levy limit amounts when limits are in effect. The initial deadline is December 30 and the final deadline is January 30. If a county submits the report after the final deadline, the department may impose penalties.

Why is this important?

The property tax levy report provides the department with the data needed to ensure compliance with levy limits and to model the effects of levy limits on local governments. If a county is late submitting this report, its state aid is reduced by 5 percent.

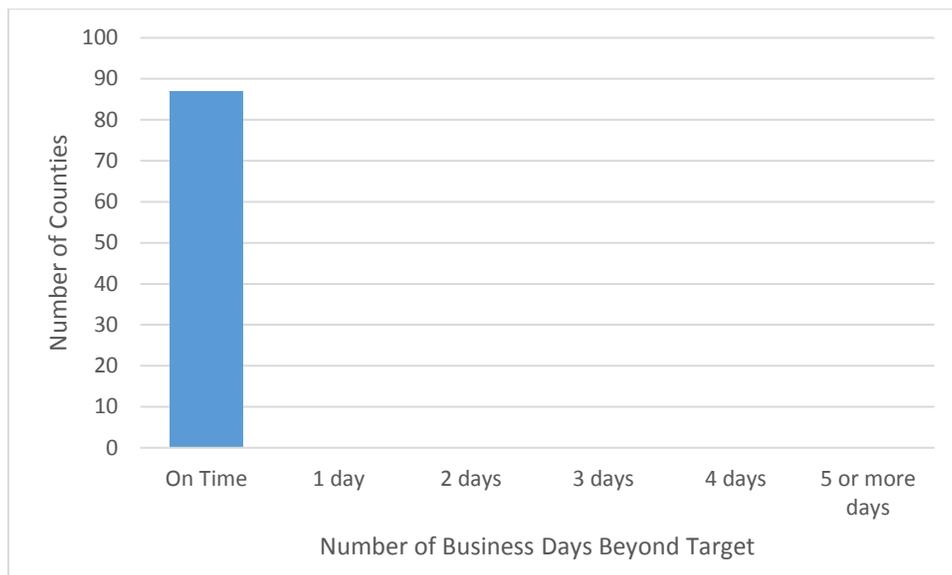
How was the target determined?

Property tax levy reports are due January 30 under Minnesota Statutes, section 275.62, subdivision 4.

How are the results determined?

The results indicate the number of counties that met the deadline of January 30.

Statewide results: 87/87 counties on time



County Abstract File Submissions

What is this?

Counties were required to submit seven property data files to the department in 2016: the preliminary market value by parcel file, abstract of tax lists, spring mini-abstract, tax increment financing supplement, property tax refund homestead file, duplicate homestead file, and manufactured home abstract.¹

Why is this important?

These files account for most of the property tax data received by the department, which uses the data for many purposes. Examples include: issuing final sales ratios for the State Board of Equalization; Tax Court; Adjusted Net Tax Capacities (ANTCs) and Economic Market Value Studies; calculating state aid and credit payments; evaluating value changes for the State Board of Equalization; verifying that taxpayers are eligible for property tax refunds, and verifying that taxpayers are not claiming homestead in multiple counties.

How was the target determined?

- The preliminary market value by parcel file is due April 4 under Minnesota Statutes, section 270.12, subdivision 2.
- The abstract of tax lists is due April 4 under Minnesota Statutes, section 275.29.
- The spring mini-abstract is due April 4 under Minnesota Statutes, section 270C.89, subdivision 1.
- The tax increment financing supplement is due April 4 under Minnesota Statutes, section 469.177 subdivision 13.
- The property tax refund homestead file is due April 30 under Minnesota Statutes, section 273.124, subdivision 13(d).
- The duplicate homestead file is due July 30 under Minnesota Statutes, section 273.124, subdivision 13(a).
- The manufactured home abstract is due September 1 under Minnesota Statutes, section 275.29.

How are the results determined?

The results indicate how many counties submitted each abstract on time. The statewide average is the average number of abstracts out of seven submitted on time.

Statewide average number of submissions on time: 5.5/7

Preliminary market value by parcel file: 65/87 counties on time

Abstract of tax lists: 68/87 counties on time

Spring mini abstract: 68/87 counties on time

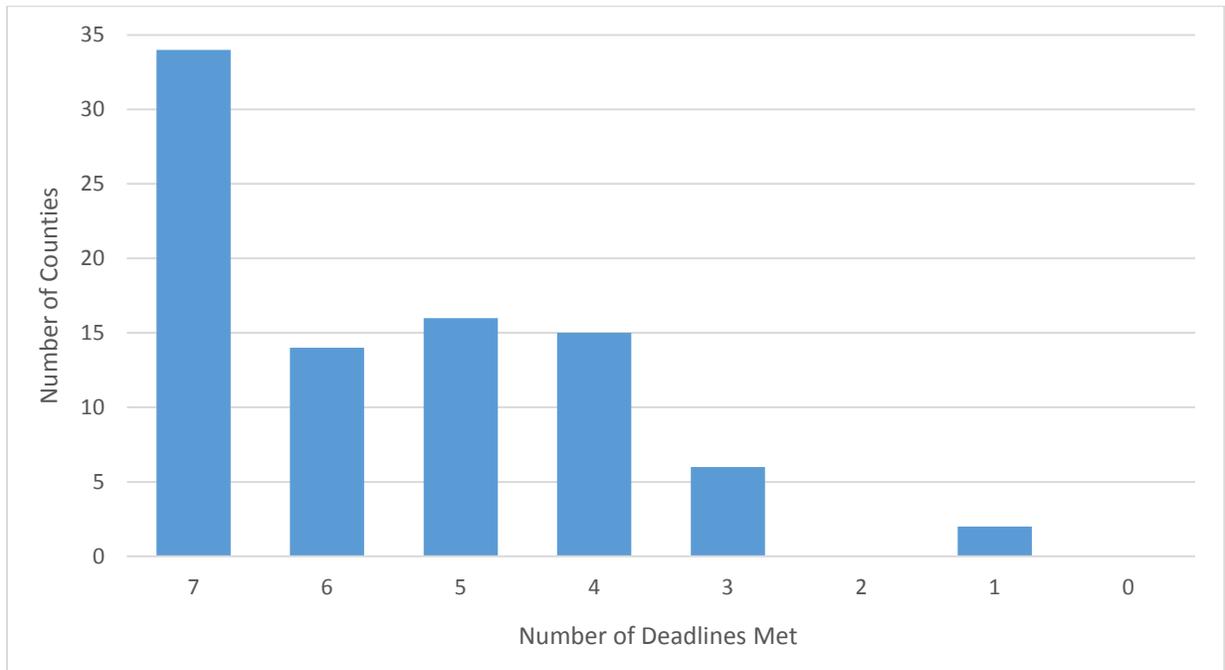
Tax increment financing supplement: 68/87 counties on time

¹ This tracking item will change as Property Record Information System of Minnesota (PRISM) submissions replace the file submissions. In future years, the tracking of the preliminary market value by parcel file, abstract of tax lists, spring mini abstract, tax increment financing supplement, manufactured home abstract, assessment abstract, fall mini abstract, and the final market value by parcel file will be replaced with four PRISM submissions.

Property tax refund homestead file: 67/87 counties on time

Duplicate homestead file: 68/87 counties on time

Manufactured home abstract: 79/87 counties on time



Property Tax Refund Homestead File Submissions

What is this?

The property tax refund homestead file reports the homesteads in each county. It is used to verify property tax refunds.

Why is this important?

Counties and the state ultimately serve the same customers: the public. The department relies on timely submission of this file to verify property tax refunds. Without the file, refunds cannot be processed and may be delayed.

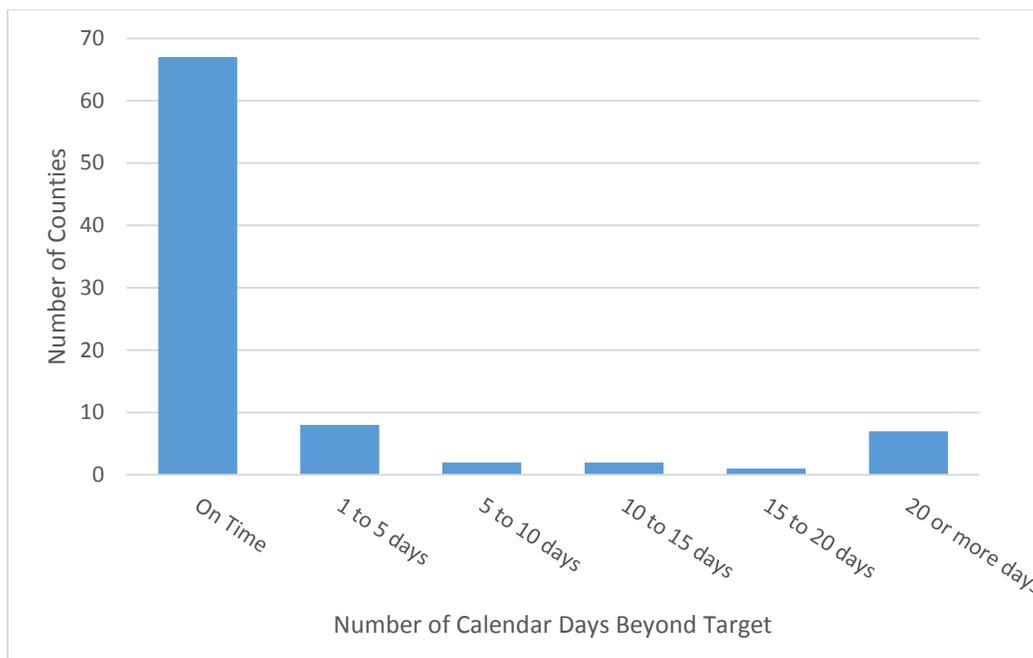
How was the target determined?

The property tax refund homestead file is due April 30 under Minnesota Statutes, section 273.124, subdivision 13(d).

How are the results determined?

The results indicate the number of counties that submitted final (approved) files by the deadline of April 30. The chart shows the number of calendar days late counties submitted files. (Counties can submit this file 365 days a year.)

Statewide results: 67/87 counties on time



County Board of Appeal and Equalization Submissions

What is this?

Local and County Boards of Appeal and Equalization provide a fair and objective forum for property owners to appeal their property’s assessed value or classification. Property owners must first appeal to the Local Board of Appeal and Equalization (LBAE). If they are not satisfied with the LBAE’s decision, they can appeal to the County Board of Appeal and Equalization (CBAE).

County assessors must submit any changes made by the CBAE to the department within five business days after the CBAE’s final action. The department reviews the changes to ensure they comply with state law.

Why is this important?

CBAE decisions affect the values and classifications of individual properties. Changing the value of one property affects the taxes paid by all taxpayers in a jurisdiction, because tax rates are determined by the jurisdiction’s levy amount and total tax base. CBAE decisions are an important part of keeping property taxes fair and equitable for all taxpayers.

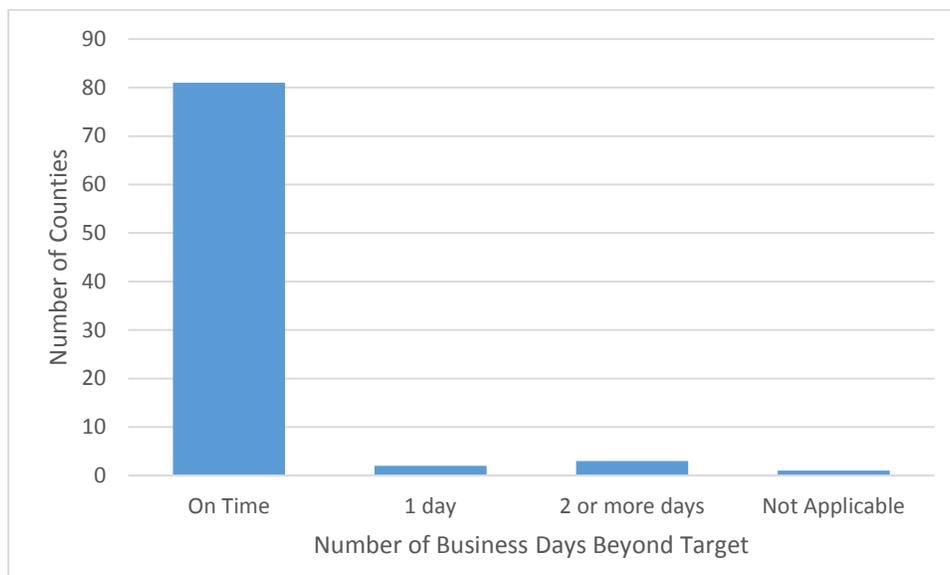
How was the target determined?

The due date for submitting changes is five business days after the CBAE’s final action under Minnesota Statutes, section 270C.89, subdivision 1, and section 274.14. CBAEs can meet through June 30.

How are the results determined?

The results indicate the number of counties that met the final deadline of five working days after the CBAE’s final action. The chart shows the number of business days late counties submitted changes.

Statewide results: 81/87 counties on time



County Board of Appeal and Equalization Training Certification

What is this?

Since 2009, state law requires each County Board of Appeal and Equalization (CBAE) meeting to include at least one voting member who has completed a department training course within the last four years. This course trains board members on CBAE policies and procedures.

Why is this important?

CBAEs provide a fair and objective forum for property owners to appeal the assessed value or classification of their property. The required training ensures that CBAEs meet their obligations under state law and make decisions based on a uniform process throughout the state.

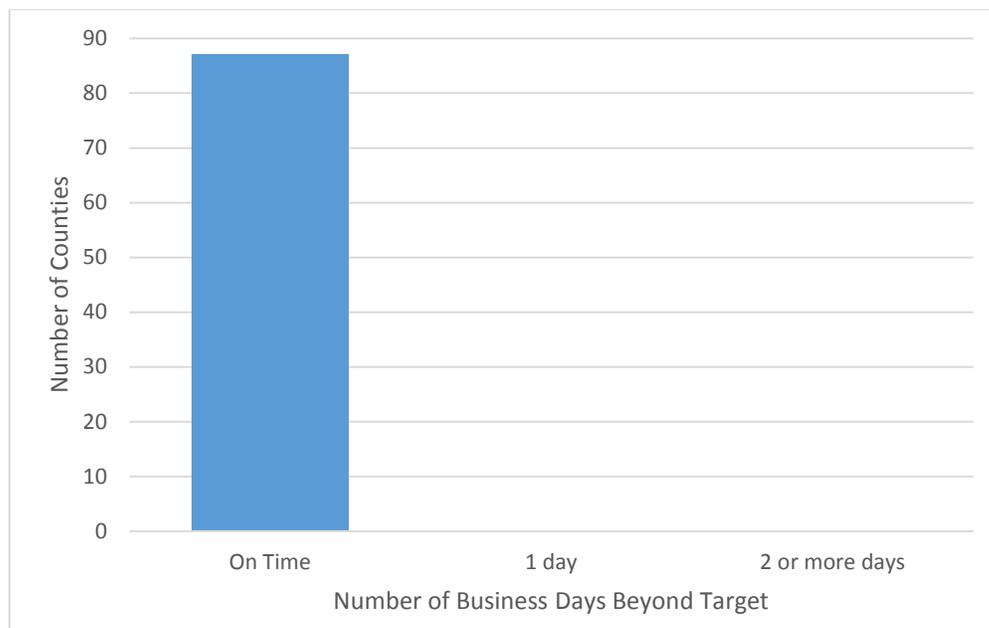
How was the target determined?

CBAEs must certify they have a trained member by February 1 each year under Minnesota Statutes, section 274.135, subdivisions 2 and 3.

How are the results determined?

The results indicate the number of counties that certified they had a trained member by February 1. The chart shows the number of business days late counties certified their trained members.

Statewide results: 87/87 counties on time



Property Tax Statement Draft

What is this?

Under state law, the department stipulates the “form and content” of county property tax statements. Each county must send the department a draft of its property tax statement before sending it to taxpayers. The department reviews the statement to verify the county is using the proper form and providing the required information.

Why is this important?

The department standards and review process ensures property tax statements are consistent statewide.

How was the target determined?

Counties must submit a draft property tax statement for review before sending it to taxpayers. They must mail statements to taxpayers by March 31 under Minnesota Statutes, section 276.04, subdivision 2.

How are the results determined?

The results indicate the number of counties that submitted a draft property tax statement for review before sending it to taxpayers.

Statewide results: 84/87 counties on time

Tax Calculation Certification

What is this?

Each county must have at least one officer or employee who is certified in property tax calculation by the department. Individual certifications expire after four years.

Why is this important?

The department-run training and exam ensures taxpayers can consult with a county official who can explain how their property tax amounts are calculated.

How was the target determined?

The department may require each county to have an officer or employee who is certified in property tax calculation under Minnesota Statutes, section 273.0755, subdivision b(ii). The department has set a target of one employee per county office.

How are the results determined?

The department:

- Records each person who passes the Property Tax Calculation Exam with a score of 85 percent or higher.
- Tracks whether a county has at least one person certified in property tax calculation and when certifications are due to expire.
- Publishes a list of certified people on the department website.

This report reflects the number of counties that had at least one certified officer or employee as of December 31, 2016.

Statewide results: 78/87 counties have at least one certified officer/employee

Quintile Reassessment

What is this?

State law requires counties to physically inspect each taxable parcel of property at least once every five years, and to appraise at least one-fifth of their parcels each year to meet this quintile requirement.

Why is this important?

Accurate property data forms the basis of fair and equitable assessments. The quintile requirement ensures property characteristics are accurate and up-to-date. The department's goal is to identify and help counties meet their statutory obligation to ensure fair and equitable assessments statewide.

How was the target determined?

Counties must review all parcels in each five-year interval (quintile) under Minnesota Statutes, section 273.08, and must appraise at least one-fifth of their parcels each year to meet this requirement under Minnesota Statutes, section 273.01.

How are the results determined?

The department used various review methods to track compliance with the quintile requirement, depending on how a county keeps property tax records. These include:

- Reviewing all parcels in the county.
- Reviewing a sample of parcels in the county if parcel records were not easily accessible.
- Reviewing a combination of all parcels and samples if parcel records were easily accessible in some jurisdictions in the county, but not in others.
- Listing the county as “incomplete data” if none of the above methods were possible.

Property Tax Compliance Officers reviewed the quintile results for each county. The statewide results reflect the average and median of the percentage of all taxable parcels reviewed by each county in the previous quintile period (January 1, 2010—December 31, 2014).

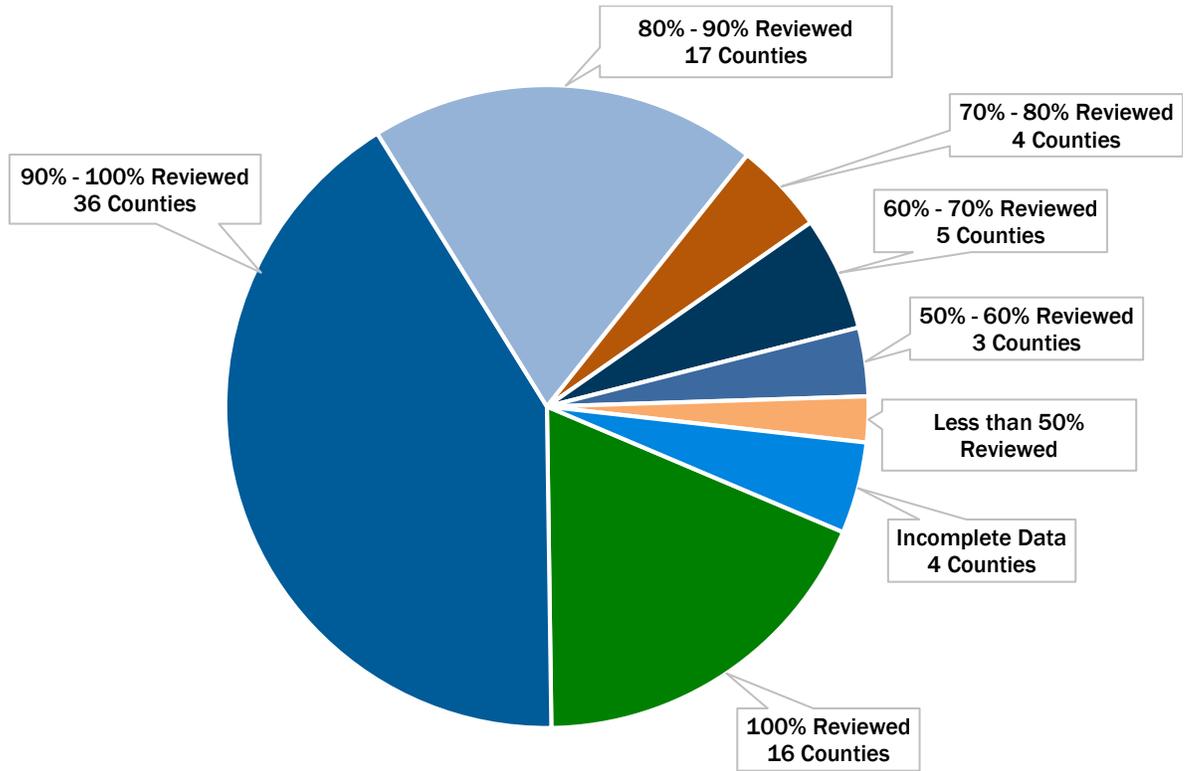
Statewide average: 89.5%

Statewide median: 94.8%

Statewide numbers:

- All parcels were reviewed in 66 counties
- A sample of parcels were reviewed in 15 counties
- A combination of all parcels and a sample of parcels were reviewed in 2 counties
- 4 counties had incomplete data

Percentage of Parcels Reviewed



Assessor Staffing Levels

What is this?

Each county has a different number of property parcels and licensed assessors. The department looked at the number of parcels in each county and compared that to the list of licensed assessors maintained by the State Board of Assessors. The department used this information to determine how many parcels a county has per licensed assessor. This information allows the counties to see how well they are staffed relative to other counties.

Why is this important?

The department wants to partner with counties to seek adequate staffing and more efficient assessment practices, while ensuring that assessment quality is maintained and statutory obligations are met. The information reported can help counties create a dialogue about appropriate staffing levels. It also helps the department anticipate when counties may face challenges in meeting their obligations due to staffing.

How was the target determined?

No target has been set.

How are the results determined?

The State Board of Assessors maintains a list of all licensed assessors in Minnesota. County assessing staff levels are measured by dividing the number of taxable parcels in the county by the number of licensed assessors who work in the county based on the State Board of Assessors data. Assessors who work in multiple counties are split evenly (for example, an assessor who works in four counties counts as 0.25 of an assessor for each of those counties). The statewide result indicates the median value for all 87 counties.

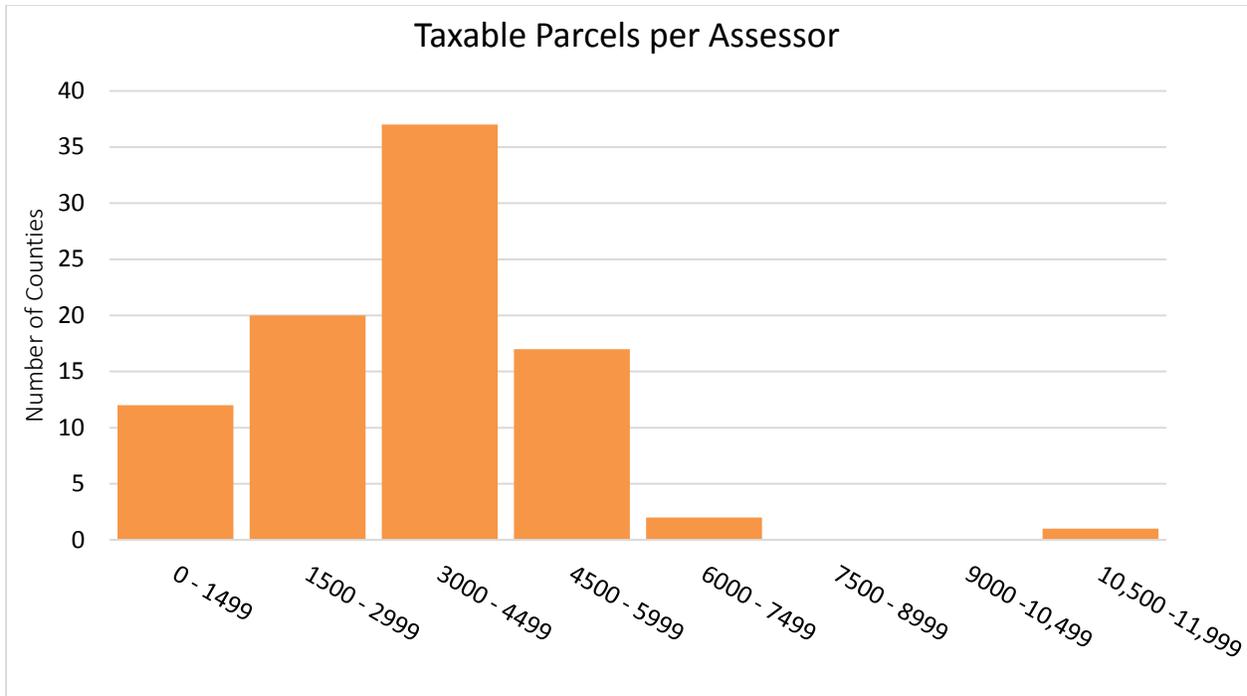
Are there considerations with this data?

- Having a license does not necessarily mean someone is an assessor. It is possible that county clerical staff have licenses but do not perform property assessments.
- This report assumes assessors who work in multiple counties split their time evenly, which may not be the case.
- There is no way to distinguish part-time assessors from full-time assessors.
- The State Board of Assessors data may not include all of the counties that an assessor is currently working in. Conversely, it is possible that some assessors are registered in counties that they no longer work in.
- The licensing data is current as of December 4, 2016. Staffing levels may have changed since this date.

State median parcels per assessor: 3,344

Highest county parcels per assessor: 10,595

Lowest county parcels per assessor: 824



County Staffing and Quintile Compliance

What is this?

This measure looks at the relationship between a county’s assessor staffing level and the percent of parcels reviewed in the most recent quintile period (January 1, 2010 - December 31, 2014).

Why is this important?

Counties and the department are looking to understand how staffing levels affect quintile compliance. Understanding these relationships will help all of us focus on finding solutions.

How was the target determined?

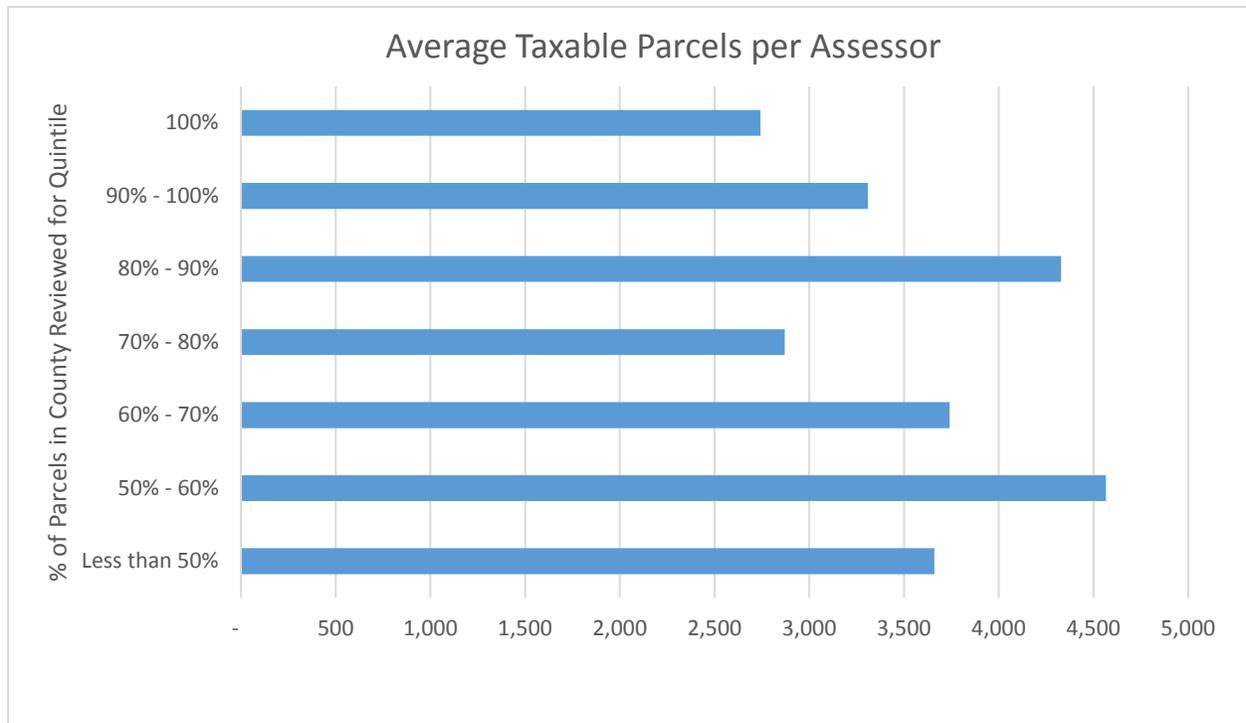
No target has been set.

How are the results determined?

The results show the correlation between the percent of parcels reviewed and assessor staffing levels. In general, higher assessor staffing levels resulted in better quintile compliance in 2016. For example, the counties that reviewed 100 percent of their parcels for the quintile averaged 2,743 parcels per assessor, whereas counties that reviewed 60-70 percent of their parcels averaged 3,741 parcels per assessor.

State average parcels reviewed: 89.5% **State average taxable parcels per assessor:** 3,423

State median parcels reviewed: 94.8 % **State median taxable parcels per assessor:** 3,344



Study Period Sales (eCRVs edited after November 10)

What is this?

Property sales data is gathered through electronic Certificates of Real Estate Value (eCRVs). The counties should submit all eCRVs for sales that occur between October 1 and September 30 to the department by November 10. Between November 10 and December 8, the department reviews and verifies the eCRVs. The department uses this data for the Sales Ratio Study, which tracks market trends and analyzes the accuracy of county property appraisals.

Why is this important?

Submitting and editing eCRVs for the study period by November 10 is an important step in completing the Sales Ratio Study. Late editing increases the chance of inaccurate information and delays the Sales Ratio Study, which could lead to less accurate trends and ratios.

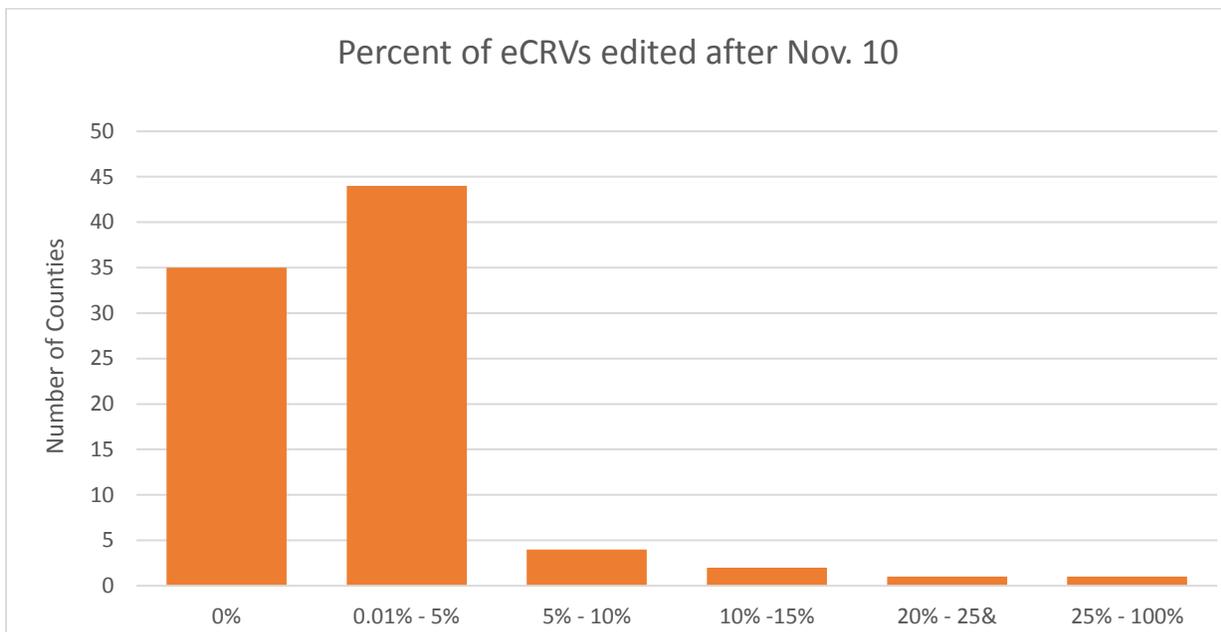
How was the target determined?

Counties should verify that all eCRVs for the study period are submitted and accurate by November 10. This gives department sufficient time to review and verify the eCRVs before the December 8 deadline and helps ensure accurate information is used in the Sales Ratio Study.

How are the results determined?

The results and the chart show the percentage of eCRVs in the study period edited after November 10.

State percentage: 1.15%



Study Period Sales (eCRVs edited after December 8)

What is this?

Property sales data is gathered through electronic Certificates of Real Estate Value (eCRVs). The counties should submit all eCRVs for sales that occur between October 1 and September 30 to the department by November 10. Between November 10 and December 8, the department reviews and verifies the eCRVs. The department uses this data for the Sales Ratio Study, which tracks market trends and analyzes the accuracy of county property appraisals.

Why is this important?

Reviewing and verifying eCRVs for the study period by December 8 is an important step in completing the Sales Ratio Study. Late editing increases the chance of inaccurate information and delays the Sales Ratio Study, which could lead to less accurate trends, and ratios.

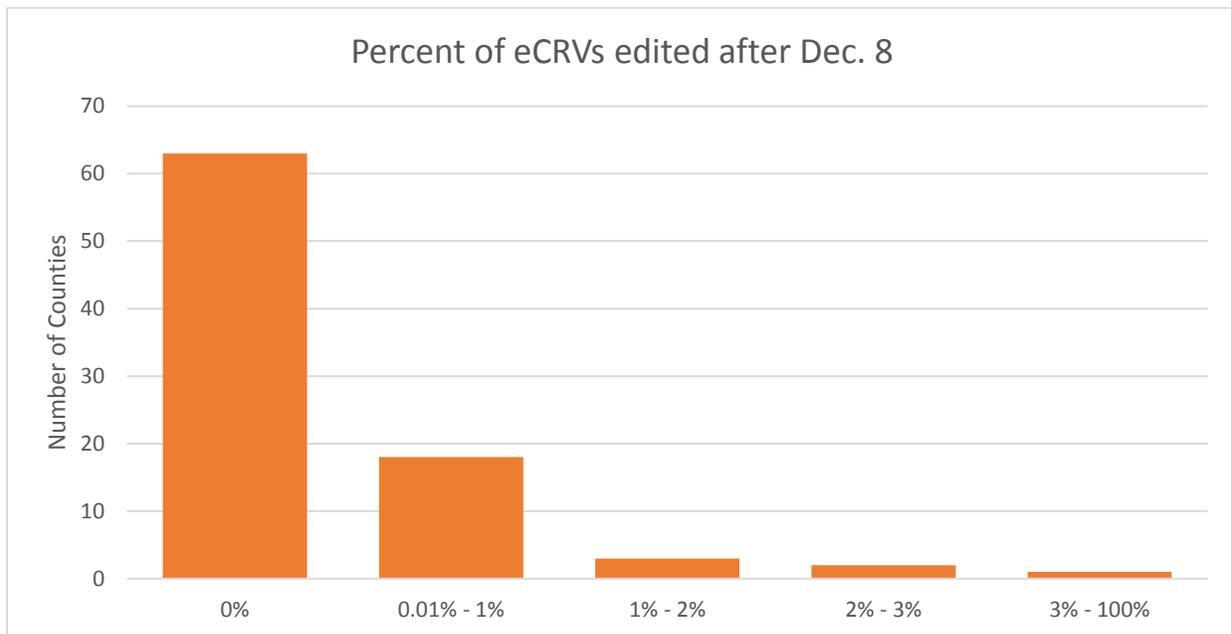
How was the target determined?

The department must review all submitted eCRVs by December 8 in order to accurately calculate market condition trends and preliminary ratios.

How are the results determined?

The results and the chart show the percentage of eCRVs in the study period edited after December 8.

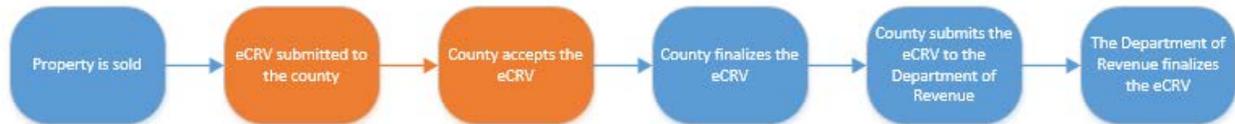
State percentage: 0.23%



eCRV Buyer Submission to County Acceptance

What is this?

Electronic certificates of real estate value (eCRVs) are documents used by counties and the department to record the sale of a property. There are three steps from when an eCRV is submitted to when it is finalized. This item tracks the first step: when the buyer or seller submits an eCRV to when the county accepts it.



Why is this important?

Each year, the department analyzes all qualified real estate sales to determine sales ratios and Green Acres property values. Due to the volume of sales, it is crucial that counties and the department process sales data efficiently and consistently.

How was the target determined?

No target has been set.

How are the results determined?

The results indicate the statewide median and average number of business days it takes to accept eCRVs after submission. State results are calculated as follows:

- State median = median of the county medians
- State average = median of the county averages

The sales period is October 1 through September 30.

State median number of days: 3 days

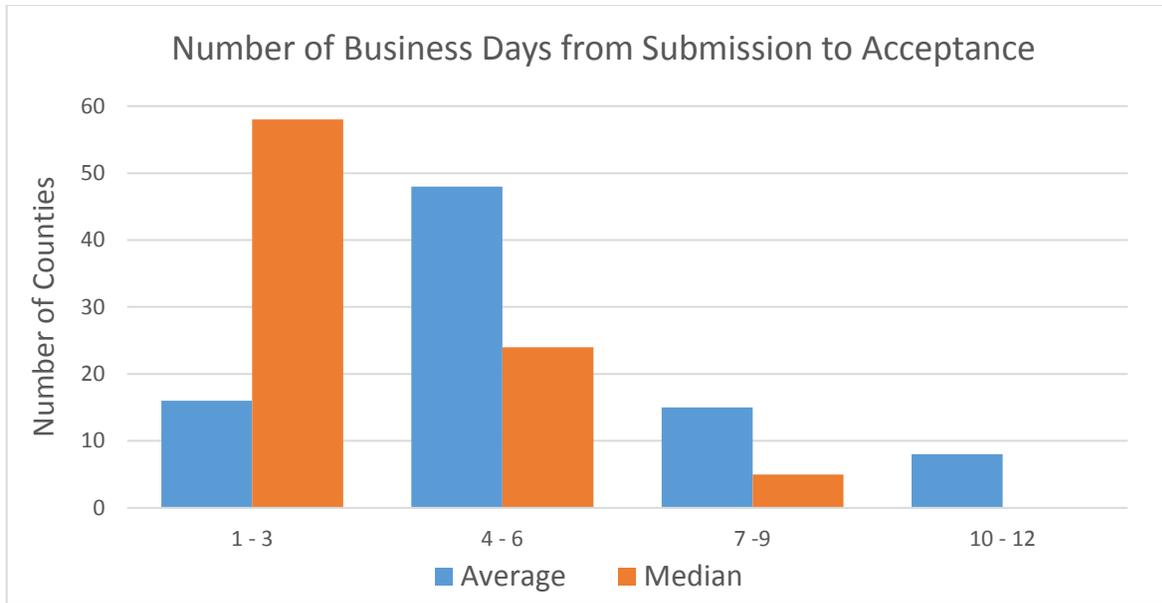
State average number of days: 4.4 days

Highest county median: 8 days

Lowest county median: 1 days

Highest county average: 11.5 days

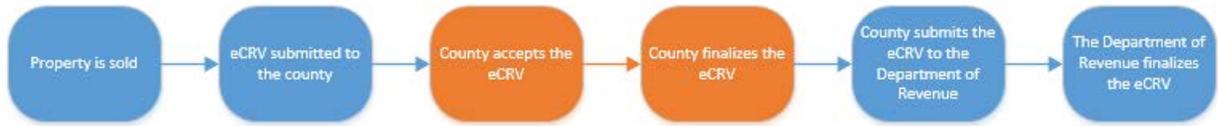
Lowest county average: 1.8 days



eCRV County Acceptance to County Finalization

What is this?

Electronic certificates of real estate value (eCRVs) are documents reviewed by counties and the department to record the sale of a property. There are three steps from when an eCRV is submitted to when it is finalized. This item tracks the second step: when the county accepts it to when the county finalizes it.



Why is this important?

Each year, the department analyzes all qualified real estate sales to determine sales ratios and Green Acres property values. Due to the volume of sales, it is crucial that counties and the department process sales data efficiently and consistently.

How was the target determined?

No target has been set.

How are the results determined?

The results indicate the statewide median and average number of business days it takes to finalize eCRVs after acceptance. State results are calculated as follows:

- State median = median of the county medians
- State average = median of the county averages

The sales period is October 1 to September 30.

State median: 38 days

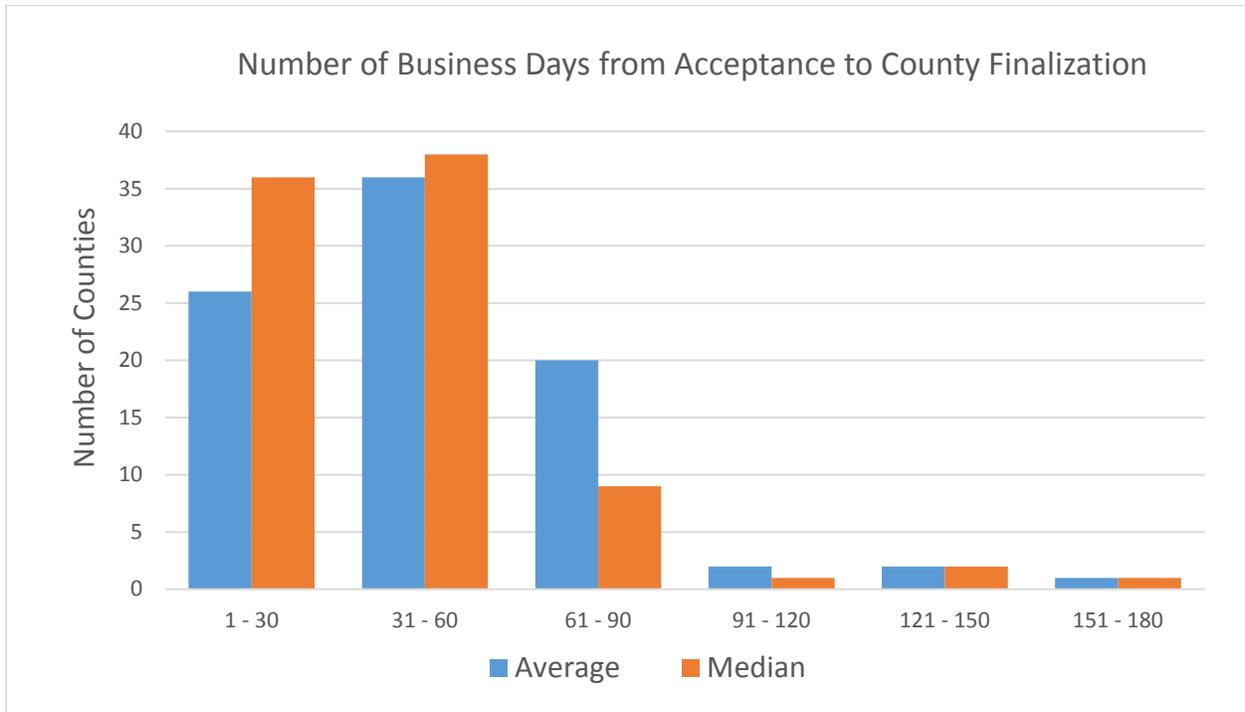
State average: 43.9 days

Highest county median: 166 days

Lowest county median: 3 days

Highest county average: 173.7 days

Lowest county average: 5.1 days

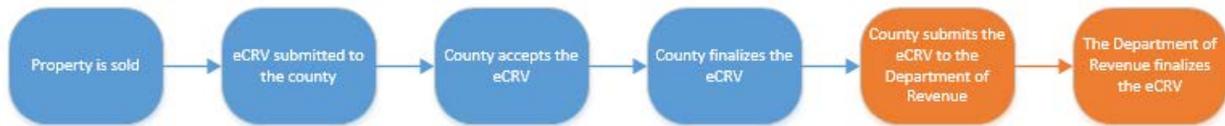


Department of Revenue Items

eCRV County Submission to PTCO Finalization

What is this?

Electronic certificates of real estate value (eCRVs) are documents used by counties and the department to record the sale of a property. There are three steps from when an eCRV is submitted to when it is finalized. This item tracks the third step: when the county submits the certificate to the department to when the department finalizes it.



Why is this important?

Each year, the department analyzes all qualified real estate sales to determine sales ratios and Green Acres property values. Due to the volume of sales, it is crucial that counties and the department process sales data efficiently and consistently.

How was the target determined?

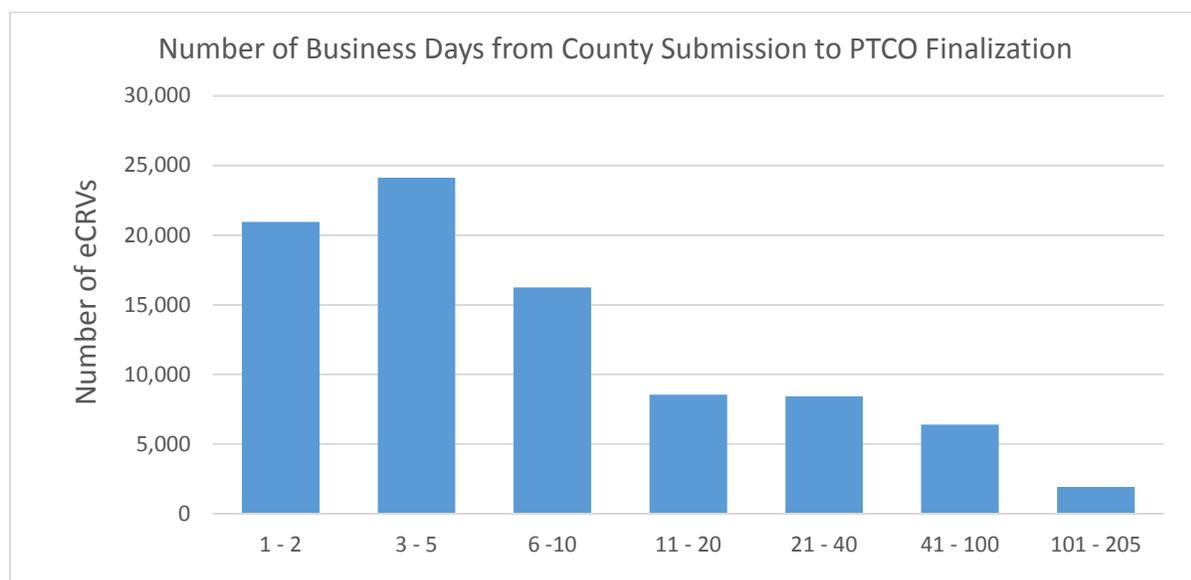
No target has been set.

How are the results determined?

The state results are the median and average number of business days between when an eCRV is sent from a county to the department and when the department finalizes it for all eCRVs. The sales period is October 1, 2015, through September 30, 2016.

State median number of days: 5.0

State average number of days: 14.7



Property Tax Information & Education Question Response Times

What is this?

The Property Tax Information and Education (Info/Ed) section receives questions on various topics from county staff, property owners, and attorneys. The section then researches and responds to the questions.

Why is this important?

Customer service is a central part of our mission at the Department of Revenue. We want to make sure we are responsive to our customers and provide timely information. Measuring how long it takes to respond to questions will help the department continually improve our response time. Providing the needed information to stakeholders improves the efficiency and uniformity of the property tax system.

How was the target determined?

No target has been set. The Info/Ed section typically responds to questions within a few weeks. Complex questions take more time to discuss with other property tax staff or review with department legal staff.

How were the results determined?

The results show how many business days it takes the department to respond after questions are assigned to a member of Info/Ed through the section’s tracking system.

Number of Questions: 189

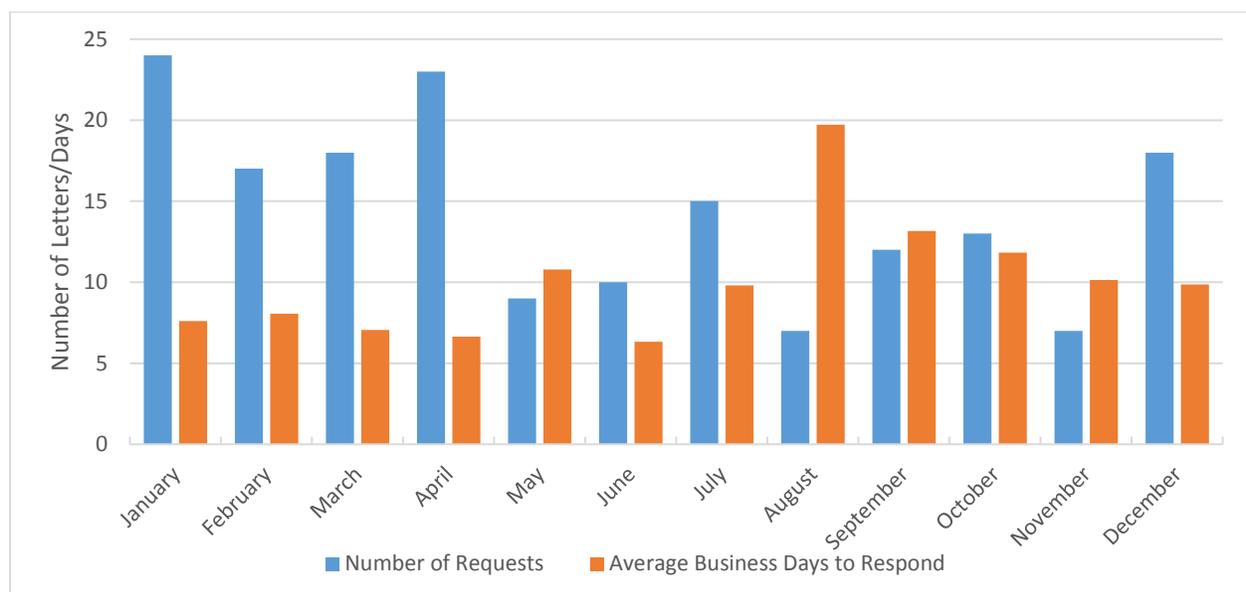
Top Question Topics

1. Homesteads
2. Special Agricultural Homesteads
3. Classification

Department Target: N/A

State Average: 9.3 days

State Median: 7.0 days



Property Tax Law Summary

What is this?

The department compiles annual summaries of property tax law changes to inform and educate property tax administrators and other stakeholders.

Why is this important?

The Property Tax Law Summary provides tax administrators and service organizations with an organized and condensed source of information about each year's property tax law changes. The summary helps tax administrators implement law changes efficiently and uniformly.

How was the target determined?

The target dates for publishing a Property Tax Law Summary are July 15 for the regular legislative session and six weeks after a special session. The department set these dates to give property tax administrators and other stakeholders sufficient time to learn about law changes and prepare their property tax systems.

How were the results determined?

The results show if the law summary was completed by the deadline of July 15 (regular session) or six weeks after passage (special session). In years without a tax bill, the results are "not applicable."

Department Regular Session Target: July 15

Results: Not applicable

Department Special Session Target: 6 weeks after passage

Results: Not applicable

Green Acres Valuation and Instructions

What is this?

The Green Acres program lowers the taxable market value subject to property taxes for farmers whose estimated market values for agricultural land are influenced by non-agricultural pressures, such as nearby development or recreational land uses. The department sends each county tillable and non-tillable per-acre values, which they use to administer the Green Acres program.

Why is this important?

The Green Acres program reduces the tax impacts from the competitive pressures for land uses that farms face from residential and commercial markets. The department must communicate the tillable and non-tillable values to the counties in a timely way so they can efficiently administer the program, contributing to the mission of encouraging and preserving farms in Minnesota.

How was the target determined?

Based on county feedback, the department set a target of issuing Green Acres values to counties by the first working day in January.

How are the results determined?

The result shows if the department sent Green Acres values to counties by the deadline (January 4, 2016, for this report).

Department Target: January 4

Results: Late; sent on January 20, 2016

Sales Ratio Trend Appeal Determinations

What is this?

Once a year, the department analyzes and publishes market trend data for select property types in certain areas. Counties have the right to appeal these trends. After hearing appeals, the department must communicate its decisions to the counties in a timely way.

Why is this important?

For counties to set their estimated market value for the year, they need to know what trends the department will use to calculate their sales ratios. Setting a deadline for trend appeal determinations.

How was the target determined?

The target for sending the appeal results is January 15, 2016, to ensure counties have enough time to set their values.

How are the results determined?

The department tracks which counties submitted appeals and when the department sent appeal determinations to those counties. The results indicate if the department met the January 15 deadline.

Statewide Appeals: 16

Department Target: January 15

Statewide Results: On time

Valuation Notice Instructions

What is this?

Each year, the county assessor notifies all property owners of the estimated market values and classification of their properties. The department sends valuation notice instructions to counties to ensure that valuation notices are uniform statewide. The deadline for sending instructions is September 30.

Why is this important?

The county assessor must notify all property owners of the estimated market values and classification of their properties each year. The notice must contain specific information about the assessor's office, appeal meetings, and the property itself.

How was the target determined?

County assessors must mail valuation notices at least 10 calendar days before the Local Board of Appeal and Equalization or open book appeal meeting. LBAE or open book appeal meetings must occur between April 1 and May 31. The September 30 deadline allows ample time for assessors to ensure their valuation notices meet state requirements before sending the notice to property owners.

How were the results determined?

The results show if the department sent valuation notice instructions by the September 30 deadline.

Department Target: September 30

Results: On time

Property Tax Compliance Officer County/City Visits

What is this?

Property Tax Compliance Officers (PTCOs) are each assigned counties across the state. Part of the PTCO role is to visit counties – and some cities – to provide guidance and oversight of the administration of the property tax system.

Why is this important?

PTCOs play a critical role as the primary liaison between the department and local property tax administrators. The counties value their knowledge and experience, and appreciate having access to them electronically and in-person.

How was the target determined?

In 2015, the department conducted regional listening sessions across the state. The county consensus was that, ideally, the PTCOs would visit each county quarterly, so the target was set at four visits per year.

How were the results determined?

The results show the statewide average and median number of visits per county between July 2015 and June 2016.

In this period, a number of changes in the PTCO section influenced the results, such as staff leaving, new staff hires, and a reassignment of counties. The new region assignments ensure that no MAAO region has more than two PTCOs and no PTCO serves more than two MAAO regions. (See map on next page.)

Department Target: 4 visits a year

Average Visits per County/City: 2.4

Most Visits to a County/City: 8

Median Number of Visits: 2

Least Amount of Visits: 0

State Board of Equalization Orders

What is this?

The State Board of Equalization issues corrective orders for market values when the median sales ratio for a property type is outside the acceptable range. The department is required to notify counties of any corrective orders issued by the State Board of Equalization.

Why is this important?

Uniform assessment levels are essential to ensure even distribution of tax burdens between property types and taxing jurisdictions. When the department, acting as the State Board of Equalization, changes assessments for a jurisdiction, it must notify counties in a timely way so they can calculate property taxes and rates.

How was the target determined?

The department must communicate State Board of Equalization Orders to counties by June 30 of each year under Minnesota Statutes, section 270.12, subdivision 3.

How are the results determined?

The results show if the department communicated State Board of Equalization decisions to counties by the June 30 deadline.

Department Target: June 30

Results: On time

State General Levy Tax Rate

What is this?

The State General Levy is a property tax applied to certain properties, including commercial/industrial and seasonal residential recreational (cabins). Revenue goes to the state general fund. Each year, the department must certify preliminary state general tax rates by October 1 and final rates by January 1.

Why is this important?

County auditors prepare notices of proposed property taxes for the following year. Certifying the preliminary state general tax rate by October 1 allows county auditors to complete the notices in a timely way. Similarly, certifying the final state general tax rate by January 1 allows county auditors to accurately calculate property taxes.

How was the target determined?

The department must certify preliminary state general tax rates by October 1 and final rates by January 1 under Minnesota Statutes, section 275.025, subdivision 4.

How were the results determined?

The results show if the department certified preliminary rates by October 1 and final rates by January 1. The results are for levies certified for the payable year of this report.

Department Target – Preliminary Rates: September 30 **Results:** On time

Department Target – Final Rates: January 1 **Results:** On time

Final Adjusted Net Tax Capacities

What is this?

Final Adjusted Net Tax Capacities (ANTCs) are used to measure discrepancies among county property valuations and to calculate school and local government aids. ANTCs normalize net tax capacities using sales ratio trends.

Why is this important?

The department uses ANTCs to calculate school and local government aid amounts and for a variety of other aid calculations. Reporting the final ANTCs in a timely way allows the department to calculate and pay these aids by their respective deadlines.

How was the target determined?

The department must file its final report on ANTCs by June 30 under Minnesota Statutes, section 273.1325, subdivision 1.

How are the results determined?

The results show if the department filed its final ANTCs report by the June 30 deadline.

Department Target: June 30

Results: Late; sent on July 8, 2016

Agricultural Homestead First Tier Valuation Limit

What is this?

Various types of property are classified differently depending on their use. Each classification has a corresponding class rate used to calculate a property's net tax capacity. Some property types have different class rates if a property's total value exceeds a certain amount (the "valuation limit").

For agricultural homesteads (Class 1a), the first tier of value – up to the valuation limit – receives a lower class rate. The department must certify the first-tier limit for agricultural homestead property by January 2 each year.

Why is this important?

Certifying the first-tier valuation limit for agricultural homestead property in a timely manner helps counties complete their assessments on time. The first tier has a lower classification rate than the second tier, so the valuation limit affects the net tax capacity of a property. This in turn affects how taxes are spread among properties throughout a jurisdiction.

How was the target determined?

The department must set the agricultural homestead first-tier valuation limit by January 2 under Minnesota Statutes, section 273.11, subdivision 23.

How were the results determined?

The results show if the department certified the agricultural homestead first-tier limit by January 2.

Department Target: January 2

Results: Late; sent on January 4, 2016

Class 4d Property First Tier Valuation Limit

What is this?

Various types of property are classified differently depending on their use. Each classification has a corresponding class rate used to calculate a property's net tax capacity. Some property types have different class rates if a property's total value exceeds a certain amount (the "valuation limit").

For low-income rental properties (Class 4d), the first tier of value – up to the valuation limit – receives a lower class rate. The department must certify the first-tier limit for low-income rental property by November 1 each year.

Why is this important?

Certifying the first-tier valuation limit for low-income rental properties in a timely manner helps counties complete their assessments on time. The first tier has a lower classification rate than the second tier, so the valuation limit affects the net tax capacity of a property. This in turn affects how taxes are spread among properties throughout a jurisdiction.

How was the target determined?

The department must set the low-income rental property first-tier valuation limit by November 1 under Minnesota Statutes, section 273.13, subdivision 25.

How were the results determined?

The results show if the department certified the low-income rental property first-tier limit by November 1.

Department Target: November 1

Results: On time

County Aid, Local Aid, and Township Aid Certification

What is this?

County Program Aid, Local Government Aid, and Township Aid are paid by the state to local governments.

Why is this important?

State law requires the department to certify the following year's aid amounts before August 1 each year. The timing ensures local governments have the information they need to make budget and levy decisions in August and September.

How was the target determined?

The department must notify taxing authorities of their aid amounts before August 1 under Minnesota Statutes, section 477A.014, subdivision 1

How are the results determined?

The results show if the department certified county, local, and township aid amounts before August 1.

County Program Aid Certification

Department Target: July 31

Results: On time

Local Program Aid Certification

Department Target: July 31

Results: On time

Township Program Aid Certification

Department Target: July 31

Results: On time

Sales Ratio Study Criteria

What is this?

The Sales Ratio Study Criteria outline the conditions and procedures the department will use to conduct the year's Sales Ratio Study.

Why is this important?

Publishing the criteria several months in advance gives counties time to consider the impacts of changes to the criteria, and to make changes to their internal programming before the study begins in October. The Sales Ratio Study informs counties about trends in property values that can affect valuations.

How was the target determined?

The department deadline for publishing the criteria for the current study year is May 31.

How are the results determined?

The result shows if the department sent out the Sales Ratio Criteria by the deadline.

Department Target: May 31

Results: Late; sent on June 1, 2016

Glossary

Agricultural Homestead First Tier Valuation Limit

For agricultural homesteads (Class 1a), the first tier of value – up to the valuation limit – receives a lower class rate. The department must certify the first-tier limit for agricultural homestead property by January 2 each year.

Assessor Staffing Levels

County assessing staff levels are measured by dividing the number of taxable parcels in the county by the number of assessors who work in the county. Higher numbers indicate more parcels per assessor. The statewide result is the median value for all 87 counties.

Certified Local Government Levies

After proposed levies are set, local governments may change their levy amounts. The county auditor must report the certified amounts to the department by January 15 each year.

Class 4d Property First Tier Valuation Limit

For low-income rental properties (Class 4d), the first tier of value – up to the valuation limit – receives a lower class rate. The department must certify the first-tier limit for low-income rental property by November 1 each year.

County Abstract File Submissions

The preliminary market value by parcel file, abstract of tax lists, spring mini abstract, tax increment financing supplement, property tax refund homestead file, duplicate homestead file, and manufactured home abstract are the seven property data files counties must submit to the department in 2016. The results indicate how many of the seven abstract deadlines the county met. The statewide average is the average number of abstracts counties submitted on time.

County Aid, Local Aid, and Township Aid Certification

County Program Aid, Local Government Aid, and Township Aid are aid programs paid by the state to local governments. The department must notify taxing authorities of their aid amounts before August 1 of the year preceding the aid distribution year. The result indicates how many of the three aid program deadlines were met.

County Board of Appeal and Equalization Submissions

County assessors must submit any changes made by the County Board of Appeal and Equalization (CBAE) to the department within five working days after final action of the county board.

County Board of Appeal and Equalization Training Certification

Each County Board of Appeal and Equalization (CBAE) meeting must include a voting member who has completed a department training course within the last four years. Each board must certify by February 1 every year that the board has a trained member.

eCRV Buyer Submission to County Acceptance

Electronic certificates of real estate value (eCRVs) are documents used by counties and the department to record the sale of a property. The statewide result indicates the median number of days between when an eCRV is submitted to the county and when the county accepts the eCRV for all 87 counties.

eCRV County Acceptance to County Finalization

The county reviews the eCRV submission before finalization. The statewide result indicates the median number of days between when an eCRV is accepted by the county and when the county sends the eCRV to the state for all 87 counties.

eCRV County Submission to PTCO Finalization

The state reviews eCRV submissions from counties before finalization. The state result is the median number of days between an eCRV being sent to the state and PTCO finalization for all eCRVs.

Final Adjusted Net Tax Capacities (ANTCs)

ANTCs are used to measure discrepancies among county property valuations and to calculate school and local government aids. ANTCs normalize net tax capacities using sales ratio trends. The department must publish ANTCs by June 30.

Green Acres Valuation and Instructions

The Green Acres program lowers the taxable market value subject to property taxes for farmers whose estimated market values for agricultural land are influenced by non-agricultural pressures. The department must issue Green Acres values for each county by the first working day in January.

Property Tax Compliance Officer (PTCO) County/City Visits

Property Tax Compliance Officers (PTCOs) are each assigned counties across the state. Part of the PTCO role is to visit counties – and some cities – to provide guidance and oversight of the administration of the property tax system. The department goal is at least four visits by a PTCO to each county every year. The statewide results reflect the average number of visits each county received.

Property Tax Information & Education Question Response Times

The Property Tax Information and Education (Info/Ed) section receives questions on various topics from county staff, property owners, and attorneys. The section then researches and responds to the questions. The results indicate the median number of business days taken to respond after the question is recorded in the section's tracking system.

Property Tax Law Summary

The department compiles annual summaries of property tax law changes to inform and educate property tax administrators and other stakeholders. The target for publishing the law summary is July 15 for regular session and six weeks after a special session

Property Tax Levy Report

The county auditor is required to submit a detailed property tax levy report to the department. The report includes financial information used to determine levy limit amounts when limits are in effect. The initial deadline is December 30 and the final deadline is January 30. The results indicate submissions made by the final deadline.

Property Tax Refund Homestead File Submissions

The property tax refund homestead file reports the homesteads in each county. It is used to verify property tax refunds. Each county must submit the file to the department on or before April 30 of each year.

Property Tax Statement Draft

Under state law, the department stipulates the “form and content” of county property tax statements. Each county must send the department a draft of its property tax statement before sending it to taxpayers. The department reviews the statement to verify the county is using the proper form and providing the required information.

Proposed Local Government Levies

Every year local governments set proposed levies that reflect how much money they believe they will need in the coming year. The county auditor must report the proposed levies to the department on or before October 8 of each year.

Quintile Reassessment

State law requires counties to physically inspect each taxable parcel of property at least once every five years, and to appraise at least one-fifth of their parcels each year to meet this quintile requirement. The statewide result indicates the median percentage of parcels reviewed by each county.

Study Period Sales (eCRVs edited after November 10)

Property sales data is gathered through electronic Certificates of Real Estate Value (eCRVs). The counties should submit all eCRVs for sales that occur between October 1 and September 30 to the department by November 10. Between November 10 and December 8, the department reviews and verifies the eCRVs. The department uses this data for the Sales Ratio Study, which tracks market trends and analyzes the accuracy of county property appraisals. The statewide result is the percentage of all counties’ edits and submissions after November 10.

Study Period Sales (eCRVs edited after December 8)

Property sales data is gathered through electronic Certificates of Real Estate Value (eCRVs). The counties should submit all eCRVs for sales that occur between October 1 and September 30 to the department by November 10. Between November 10 and December 8, the department reviews and verifies the eCRVs. The department uses this data for the Sales Ratio Study, which tracks market trends and analyzes the accuracy of county property appraisals. The statewide result is the percent of all counties’ edits and submissions after December 8.

Sales Ratio Study Criteria

The Sales Ratio Study Criteria outline the conditions and procedures the department will use to conduct the year’s Sales Ratio Study. The department deadline for publishing the criteria for the current study year is May 31.

Sales Ratio Trend Appeal Determinations

Once a year, the department issues property trends for select property types in certain areas. Counties have the right to appeal these trends. After hearing appeals, the department must communicate its decisions to the counties by January 15.

State Board of Equalization Orders

Once a year, the department analyzes and publishes market trend data for select property types in certain areas. Counties have the right to appeal these trends. After the appeals, the department is required to notify counties of any corrective orders issued by the State Board of Equalization by June 30.

State General Tax Levy Rate

The State General Levy is a property tax applied to certain properties, including commercial/industrial and seasonal residential recreational (cabins). Revenue goes to the state general fund. Each year, the department must certify preliminary state general tax rates by October 1 and final rates by January 1.

Tax Calculation Certification

Each county must have an officer or employee who is certified by the department in tax calculations. Individual certifications expire after four years.

Valuation Notice Instructions

Each year, the county assessor notifies all property owners of the estimated market values and classification of their properties. The department has a deadline of September 30 to distribute valuation notice instructions to counties.