



# Property Tax Services Report

February 26, 2019  
Statewide Annual Report for 2018





**Date:** February 26, 2019  
**To:** County Assessors, Auditors, and Treasurers  
**From:** Jon Klockziem, Director  
**Subject:** Property Tax Services Report

The Property Tax Division of the Minnesota Department of Revenue is pleased to provide the 2018 Property Tax Services Report. This third publication of the report includes comparisons to previous reports in the summary page.

### **Why was this report created?**

We created the Property Tax Services Report based on feedback from county assessors, auditors, and treasurers at statewide listening sessions in 2015. County officials told us about their work that depends on information and service from the department. In turn, much of our 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.

### **What has changed in this year's report?**

With each year's report, we will have more state and county information to determine trends. You can see changes to state and county results in the Summary Report section. Other changes to this year's report include:

- PRISM File Submissions – Now measures all four annual submissions
- Assessor Staffing Levels – Has an updated explanation of our methodology

We also removed two items due to legislative changes or changes in department procedures (County Board Training and Property Tax Statement Drafts).

Each year, we strive to improve this report and increase its relevance for our county partners. We hope you will continue to collaborate with us by providing feedback on what you would like to see in this report.

### **Who can I contact with questions?**

Contact Annie Overfors at 651-556-6144 or [annie.overfors@state.mn.us](mailto:annie.overfors@state.mn.us)

We look forward to working with you to continue building on our collaboration and making progress towards our collective goals.

Sincerely,

Jon Klockziem, Director  
Property Tax Division



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# Summary Report

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## County Items

Item	Target	Statewide 2016	Statewide 2017	Statewide 2018
Proposed Local Government Levies	Oct. 8	67/87	73/87	65/87
Certified Local Government Levies	Jan. 15	87/87	73/87	69/87
Property Tax Levy Report (Final Deadline)	Jan. 30	87/87	87/87	87/87
PRISM Submissions	4/4	N/A	N/A	2.3/4
Property Tax Refund Homestead File Submission (Real & Personal)	Apr. 30	67/87	70/87	63/87
Property Tax Refund Homestead File Submission (Manufactured Homes)	July 31	N/A	83/87	85/87
Duplicate Homestead File Submissions	July 31	68/87	65/87	82/87
County Board of Appeal and Equalization Submissions	5 days after meeting	81/87	72/87	79/87
Tax Calculation Certification	1 person/county	78/87	86/87	86/87
Quintile Reassessment	100.0%	89.5%	91.3%	93.0%
Assessor Staffing Levels (Parcels/Assessor)		3,423	4,027	4,110
Sales Verification	Compliance	N/A	76/87	78/87
Study Period Sales (eCRVs edited after Nov. 10)	0.0%	1.15%	1.43%	0.90%
eCRV Buyer Submission to County Acceptance		4.4 days	4.5 days	3.4 days
eCRV County Acceptance to County Finalization		43.9 days	43.8 days	43.9 days

## Department of Revenue Items

Item	Target	Statewide 2016	Statewide 2017	Statewide 2018
eCRV County Submission to PTCO Finalization		14.7 days	7.1 days	6.8 days
Study Period Sales (eCRVs edited after Dec. 7)	0.0%	0.23%	0.48%	0.12%
Information/Education Question Response Time		9.3 days	14.1 days	13.0 days
Property Tax Law Summary	July 15	N/A	✓	N/A
Green Acres Valuation and Instructions	Jan. 2	x	✓	✓
Sales Ratio Trend Appeal Determinations	Jan. 16	✓	✓	✓
Valuation Notice Instructions	Sept. 30	✓	✓	✓
Property Tax Compliance Officer (PTCO) Visits	4 visits	16/87	75/87	77/87
State Board of Equalization Orders	June 30	✓	✓	✓
State General Levy Tax Rate (Final Rate)	Jan. 1	✓	✓	✓
Final Adjusted Net Tax Capacities (ANTCs)	June 30	x	x	x
Agricultural Homestead First Tier Valuation Limit	Jan. 2	x	✓	✓
Class 4d Property First Tier Valuation Limit	Nov. 1	✓	✓	✓
County Aid, Local Aid, and Township Aid Certification	3/3	3/3	3/3	3/3
Sales Ratio Study Criteria	May 31	x	✓	✓

# County Items

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## 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).

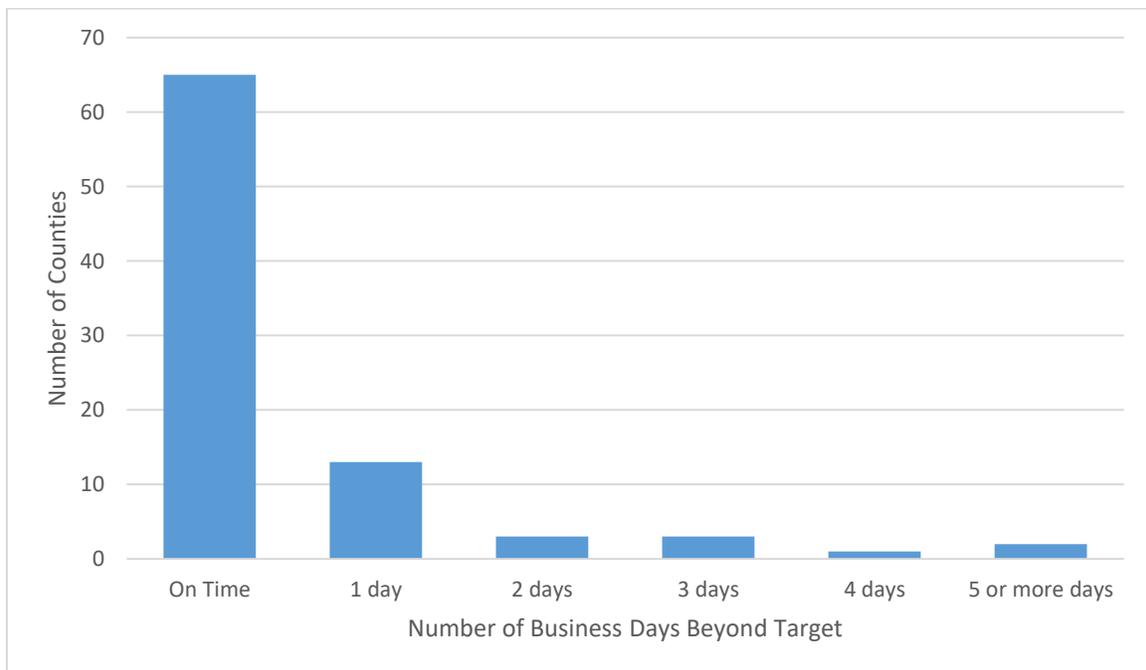
### How are the results determined?

The statewide results indicate the number of counties that met the deadline.

### What is new in this report?

The methodology for measuring this item has not changed.

**Statewide results:** 65/87 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).

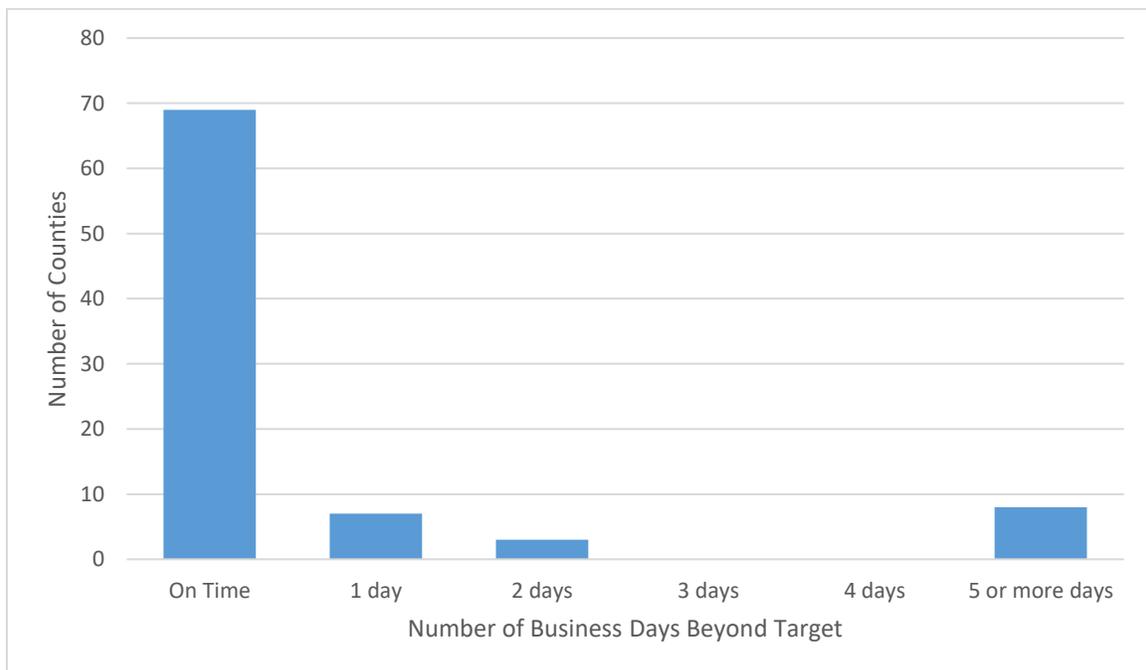
### How are the results determined?

The statewide results indicate the number of counties that met the deadline.

### What is new in this report?

The methodology for measuring this item has not changed.

**Statewide results:** 69/87 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 submits its report after January 30, state law requires a 5 percent reduction in its County Program Aid.

### How was the target determined?

Property tax levy reports are due December 30 under Minnesota Statutes, section 275.62, subdivision 1. The due date of January 30 and penalty for late reporting are under Minnesota Statutes, section 275.62, subdivision 4.

### How are the results determined?

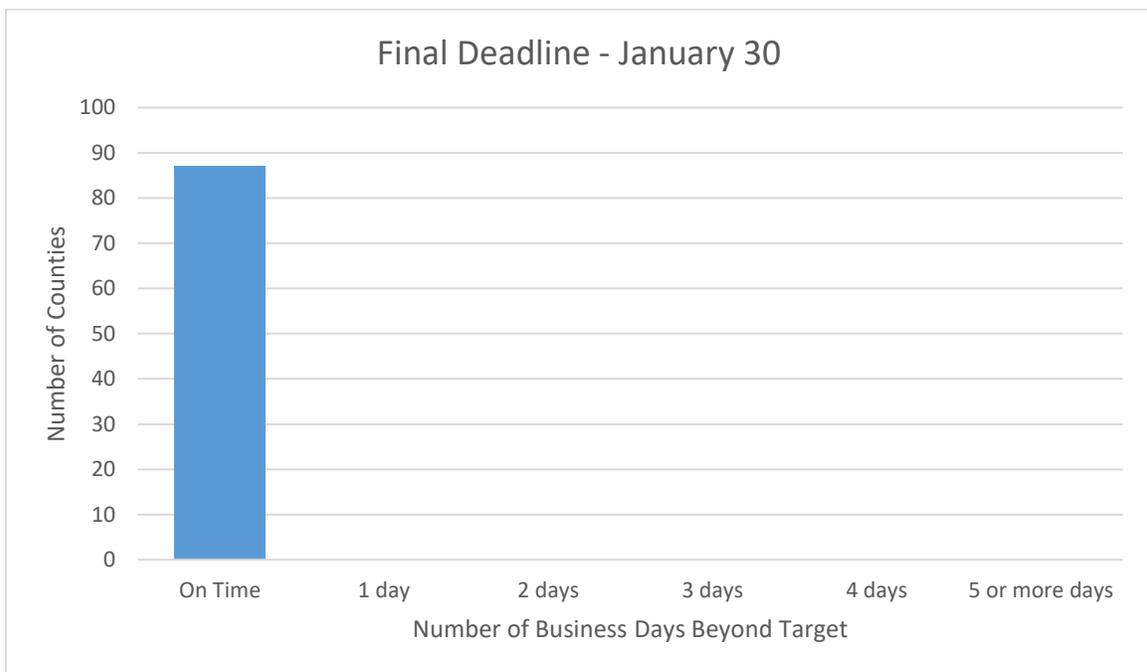
The statewide results indicate the number of counties that met the deadlines.

### What is new in this report?

The 2018 report indicates the number of counties that met both the initial and final deadlines. Previous reports only showed one of the deadlines.

**Statewide results – December 30:** 66/87 counties on time

**Statewide results – January 30:** 87/87 counties on time



## Property Record Information System of Minnesota (PRISM) File Submissions

### What is this?

Property Record Information System of Minnesota (PRISM) is a centralized database the department uses to collect, track, and analyze parcel level property tax data received from counties. PRISM replaced many of the data files and abstracts counties were previously required to submit. Counties send PRISM data in four submissions.

### Why is this important?

PRISM data accounts for most of the property tax data received by the department. We use the data for many purposes, such as:

- Issuing final sales ratios for the State Board of Equalization
- Determining Adjusted Net Tax Capacities (ANTCs) and Economic Market Values
- Calculating state aid and credit payments
- Calculating state general tax rates
- Analyzing the impact of proposed legislation

The data also allows the department to provide better reports, quickly detect any errors, and alert counties to potential audit issues.

### How was the target determined?

Submission #	Corresponding Abstracts	Submission Deadline	Corresponding Statute
1	Spring Mini	April 1	M.S. 270C.89, subd. 1
2	Assessment Abstract, Fall Mini, Exempt Real Property/Payment in Lieu of Taxes	September 1	M.S. 273.18 M.S. 270C.89, subd. 2
3	Abstract of Tax Lists, Tax Increment Financing Supplement	April 1	M.S. 275.29 M.S. 469.177, subd. 13
4	Manufactured Home	September 1	M.S. 275.29

The submission numbers reflect the timing of the data as it relates to the property tax timeline. Submissions 1 and 2 contain assessment data for the current assessment year/upcoming taxes payable year. Submissions 3 and 4 contain tax and assessment data for the current taxes payable year.

For example, submission 2 data submitted on September 1, 2018, contains assessment 2018 data used for taxes payable in 2019. Submission 3 data submitted on April 1, 2018, contains taxes payable 2018 data.

### How are the results determined?

The statewide results indicate the average number of submissions, out of four, counties submitted on time. The results also indicate how many counties completed each PRISM submission by the due date.

**What is new in this report?**

PRISM implementation began on September 1, 2016 with submission 2. The first year of submissions were considered part of the implementation process and were not analyzed in the 2016 report. The 2017 report included only PRISM submission 2. The 2018 report now includes all four submissions.

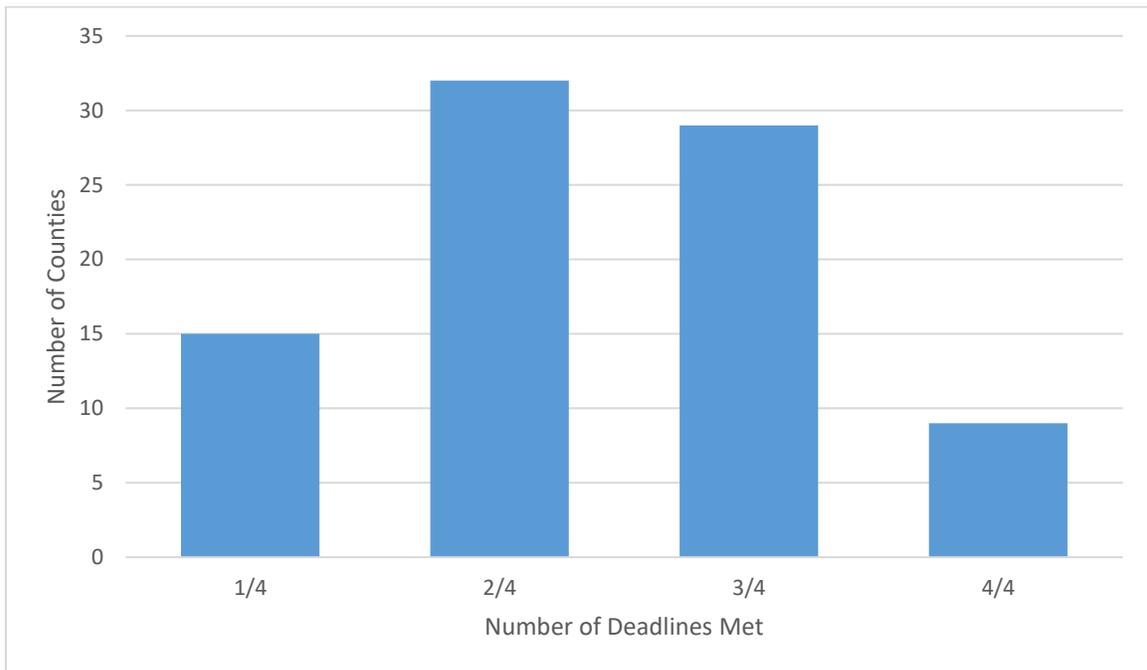
**Statewide average number of submissions on time: 2.3/4**

**Statewide submission 1:** 61/87 counties on time

**Statewide submission 2:** 49/87 counties on time

**Statewide submission 3:** 18/87 counties on time

**Statewide submission 4:** 74/87 counties on time



## Property Tax Refund Homestead and Duplicate Homestead File Submissions

### What is this?

The Property Tax Refund (PTR) Homestead File and Duplicate Homestead File report the homesteads in each county and are used to verify property tax refunds and identify improper homestead claims.

The PTR Homestead File – Real & Personal Property, due April 30, reflects ownership and homestead status as of January 2. The PTR Homestead File – Manufactured Homes, due July 31, reflects ownership and homestead status for the current year.

The Duplicate Homestead File, due July 31, reflects ownership and homestead status as of January 2. The department uses this data to identify possible improper homestead claims.

### Why is this important?

The department relies on timely submission of these files to verify eligibility for property tax refunds and to ensure taxpayers are not claiming homestead in multiple counties. Without these files, refunds may be delayed or some taxpayers may receive more than their fair share of homestead benefits.

### How was the target determined?

- The PTR Homestead File – Real & Personal Property is due April 30 under Minnesota Statutes, section 273.124, subdivision 13(d).
- The PTR Homestead File – Manufactured Homes is due July 31.
- The Duplicate Homestead File is due July 31 under Minnesota Statutes, section 273.124, subdivision 13(a).

### How are the results determined?

The statewide results indicate the number of counties that submitted final (approved) files by the deadline.

- PTR Homestead Files for real and personal property by the deadline of April 30.
- PTR Homestead Files for manufactured home property and Duplicate Homestead Files by the deadline of July 31.

### What is new in this report?

The methodology for measuring this item has not changed since the 2017 report. The 2016 report did not include the PTR Homestead File – Manufactured Homes.

**Property Tax Refund Homestead File – Real and Personal Property**

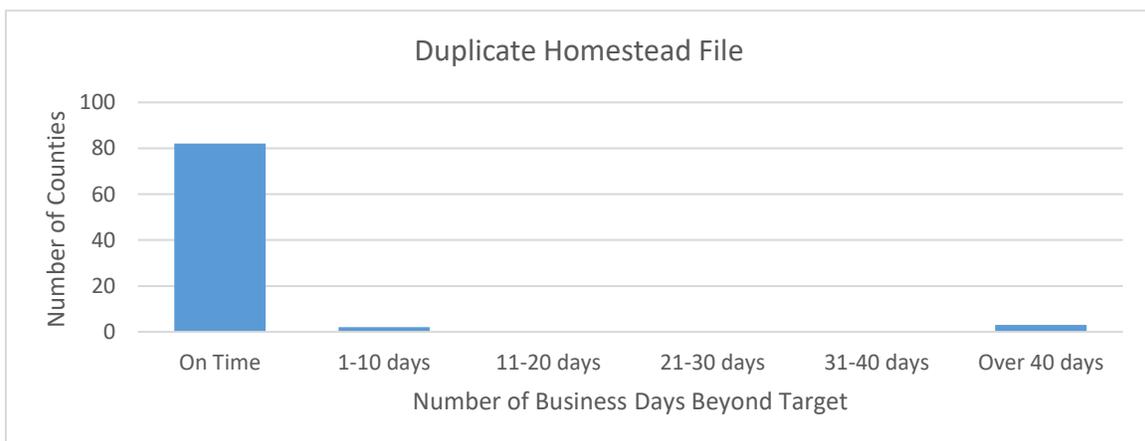
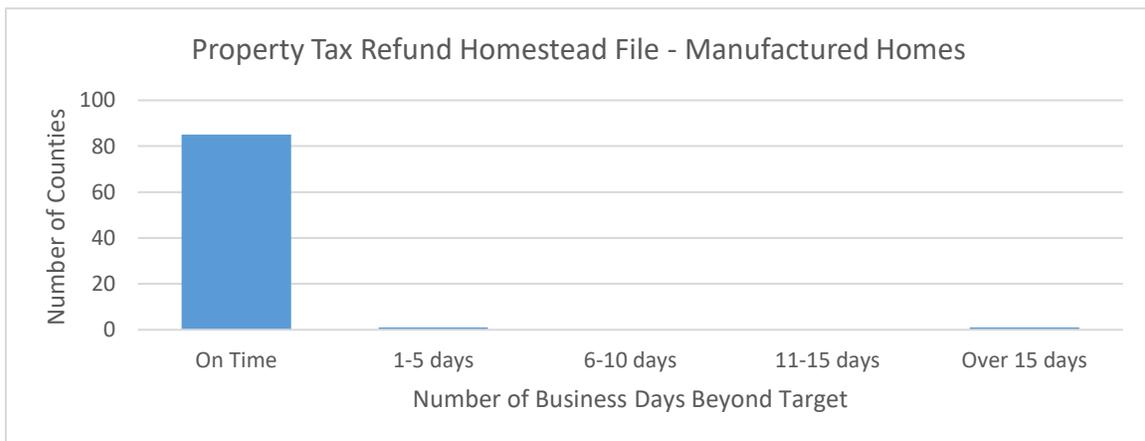
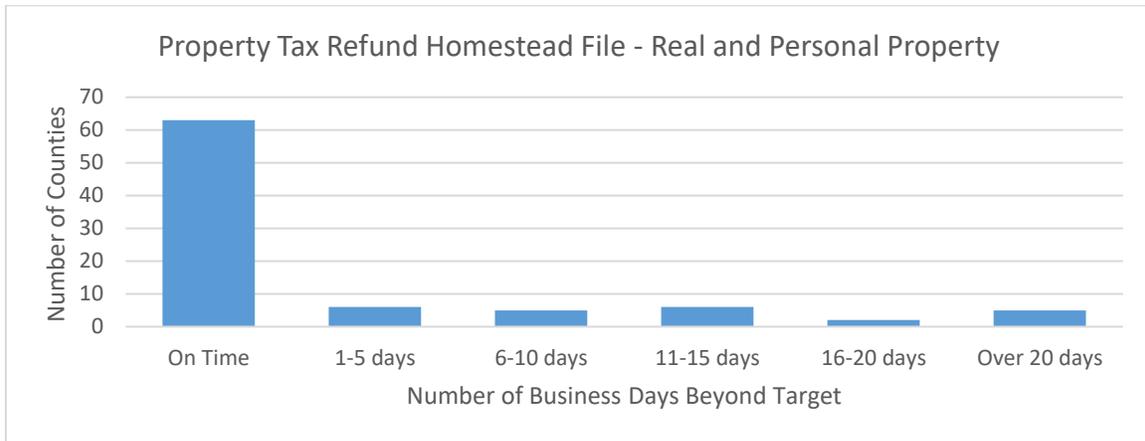
Statewide results: 63/87 counties on time

**Property Tax Refund Homestead File – Manufactured Homes**

Statewide results: 85/87 counties on time

**Duplicate Homestead File**

Statewide results: 82/87 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.

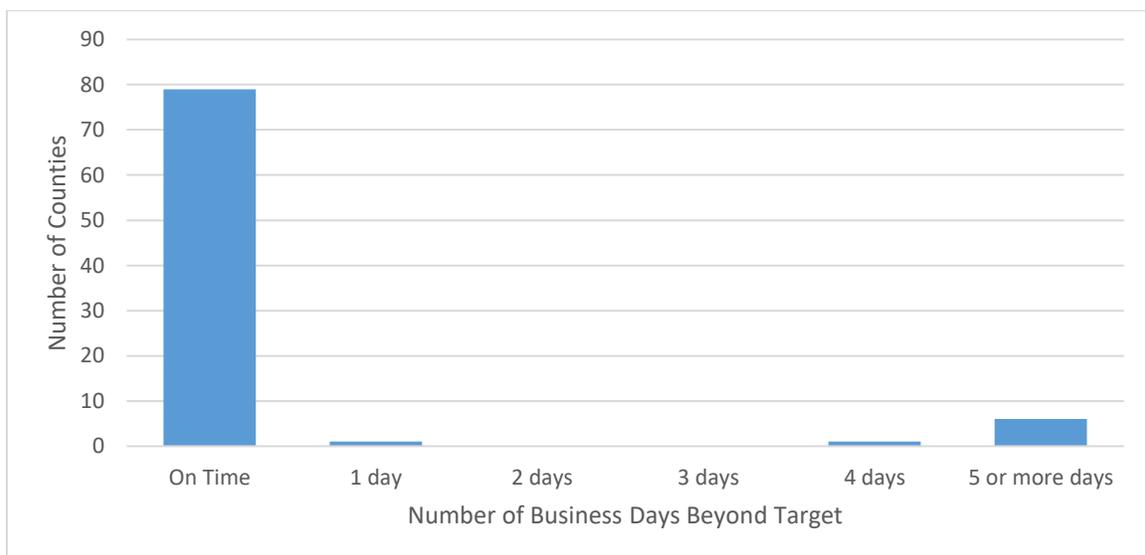
### How are the results determined?

The statewide results indicate the number of counties that met the final deadline of five business days after the CBAE’s final action.

### What is new in this report?

The methodology for measuring this item has not changed since the 2017 report. The 2016 report indicated days late beyond the June 30 deadline instead of five business days after the CBAE’s final action.

**Statewide results:** 79/87 counties on time



## Tax Calculation Certification

### What is this?

Each county must have at least one officer or employee 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, 2018.

### What is new in this report?

The methodology for measuring this item has not changed.

**Statewide results:** 86/87 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?

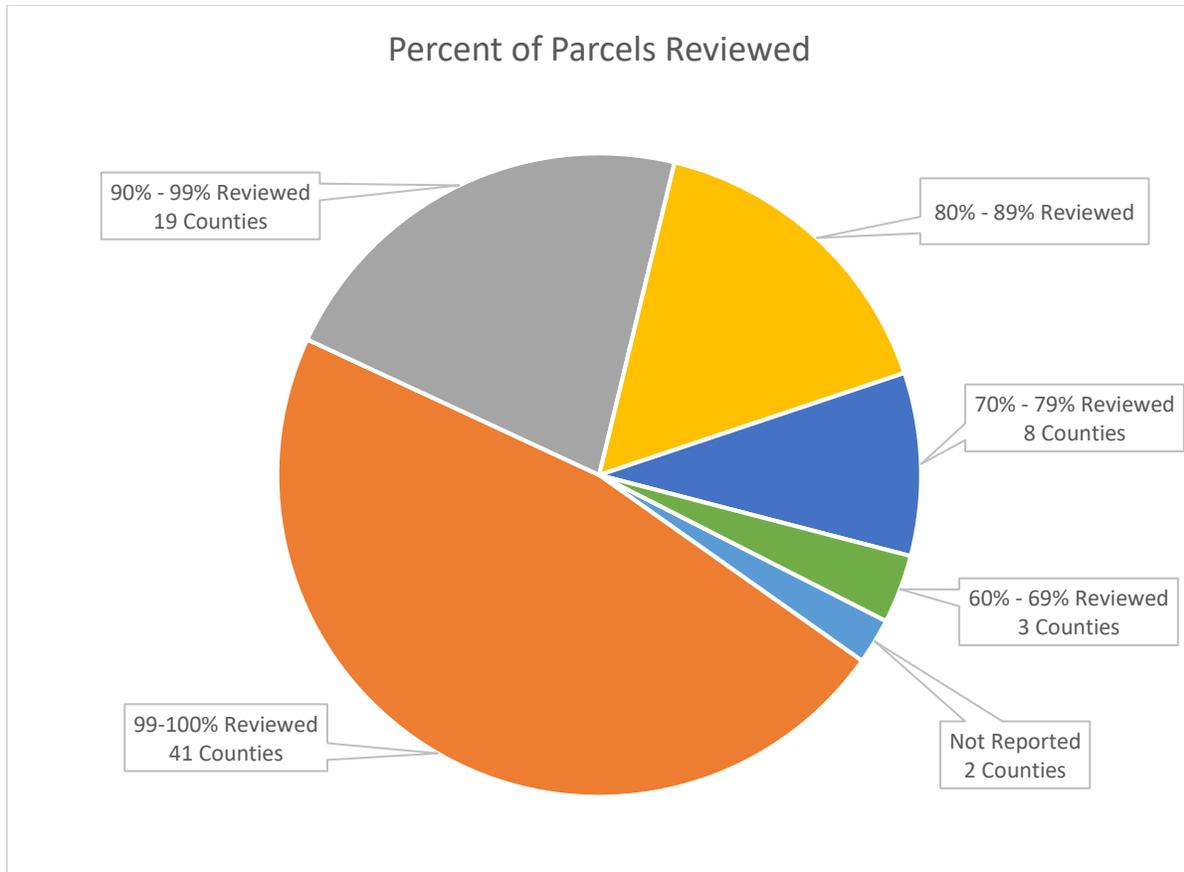
The department requested a report with the number of parcels reviewed within the quintile from each county. Property Tax Compliance Officers reviewed the quintile results for each county. The results indicate the percentage of all taxable parcels reviewed by each county in the previous quintile period (May 15, 2013—May 14, 2018). The statewide results reflect the average and median of the individual county results.

### What is new in this report?

The methodology for measuring this item has not changed.

**Statewide average:** 93.0%

**Statewide median:** 98.7%



## 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 assessors provided by counties. 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 assessment quality is maintained and statutory obligations are met. This information 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?

Property Tax Compliance Officers (PTCOs) collected the number of licensed assessors from counties. The number of taxable parcels reported by counties was adjusted to account for parcels assessed by local assessors, county assessors, and deputy county assessors. The parcels considered in the county average reflects these adjustments.

The assessor staff level is measured by dividing the adjusted number of parcels considered in the county's average by the number of assessors primarily dedicated to appraisal activities. The statewide result indicates the median value of all 87 counties.

### Are there considerations with this data?

- The average does not include the properties assessed by local assessors.
- The average does not include property assessed by county assessors and deputy assessors, unless the number of properties they assessed exceeded the county's average parcels per assessor.
- The parcels considered in the county average equals the number of taxable parcels in the county (excluding manufactured homes) minus the number of parcels assessed by local assessors and the number of parcels assessed by the county assessor or deputy assessor (if they assessed fewer parcels than the county's average).
- The average only includes assessors whose job duties are primarily related to appraisal activities.
- The average does not account for differences in parcel composition and complexity.

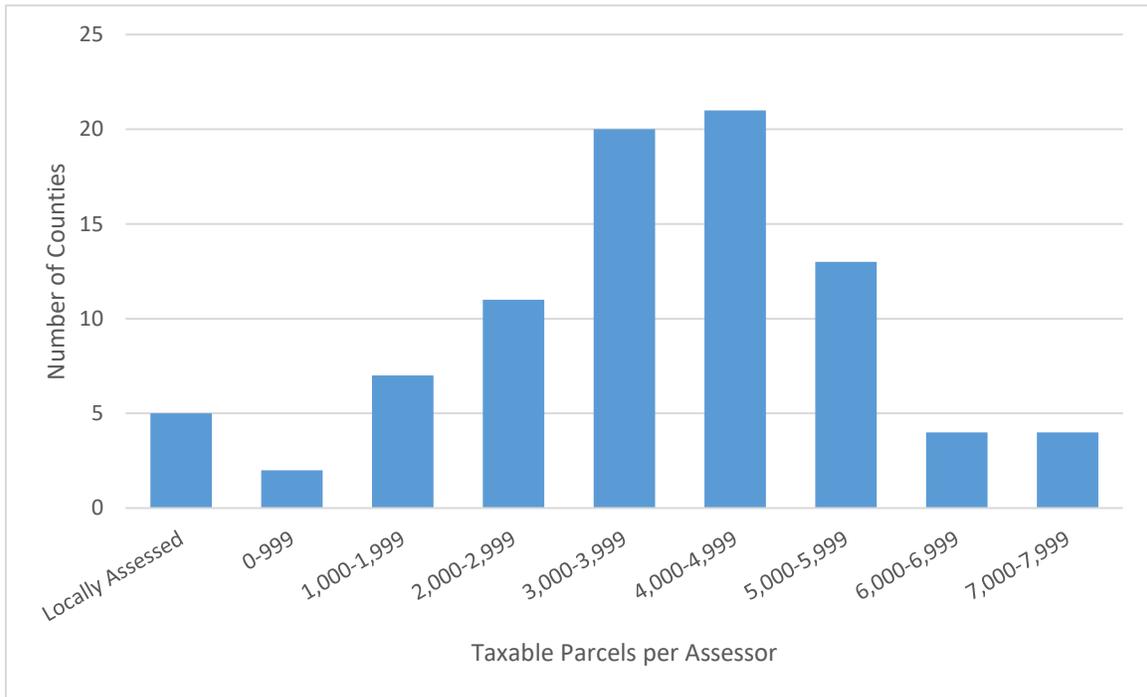
### What is new in this report?

In the 2016 report, the data was from a list maintained by the State Board of Assessors and the results were calculated using all taxable parcels and all licensed assessor. In subsequent years, PTCOs collected the data directly from counties and the results were calculated using adjusted parcel counts and number of assessors. The methodology for measuring this item has not changed since the 2017 report.

State median parcels per assessor: 4,110

Lowest county parcels per assessor: 752

Highest county parcels per assessor: 7,792



## Sales Verification

### What is this?

Department policy requires all sales of property be verified by counties if they fall under one of the following categories: agricultural, rural vacant, apartment, industrial, or commercial.

### Why is this important?

Assessment decisions are based on market data. Proper appraisal conclusions require reliable market data and sufficient understanding of the circumstances surrounding sale data. A structured sale verification process provides more accurate appraisals and enables the assessor to correctly match the market.

### How was the target determined?

The department target is to have all sales verified for properties classified as agricultural, rural vacant, apartment, industrial, and commercial. The target is based on the standards set by the International Association of Assessing Officers (IAAO), which states that property sales data should be collected and verified because a verified sale is more reliable than an unverified sale.<sup>1</sup>

### How are the results determined?

The statewide results indicate the number of counties that complied with verification standard set by the department.

### What is new in this report?

The methodology for measuring this item has not changed. Sales Verification was first included in the 2017 report.

**Statewide results:** 78/87 counties verified all five categories

### Statewide Verification Results

**Agricultural:** 79/87 counties

**Rural Vacant:** 79/87 counties

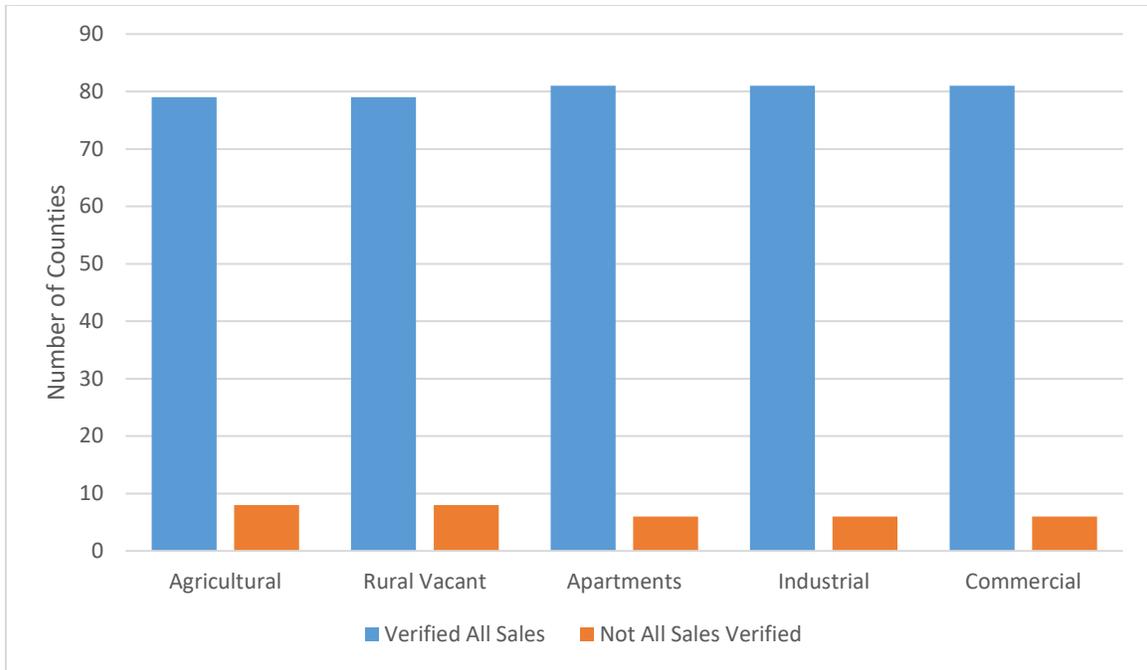
**Apartments:** 81/87 counties

**Industrial:** 81/87 counties

**Commercial:** 81/87 counties

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<sup>1</sup> Standard on Verification and Adjustment of Sales, International Association of Assessing Officers, available at [http://www.iaao.org/media/standards/Verification\\_Adjustment\\_of\\_Sales.pdf](http://www.iaao.org/media/standards/Verification_Adjustment_of_Sales.pdf).



## 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 7, 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 7 deadline and helps ensure accurate information is used in the Sales Ratio Study.

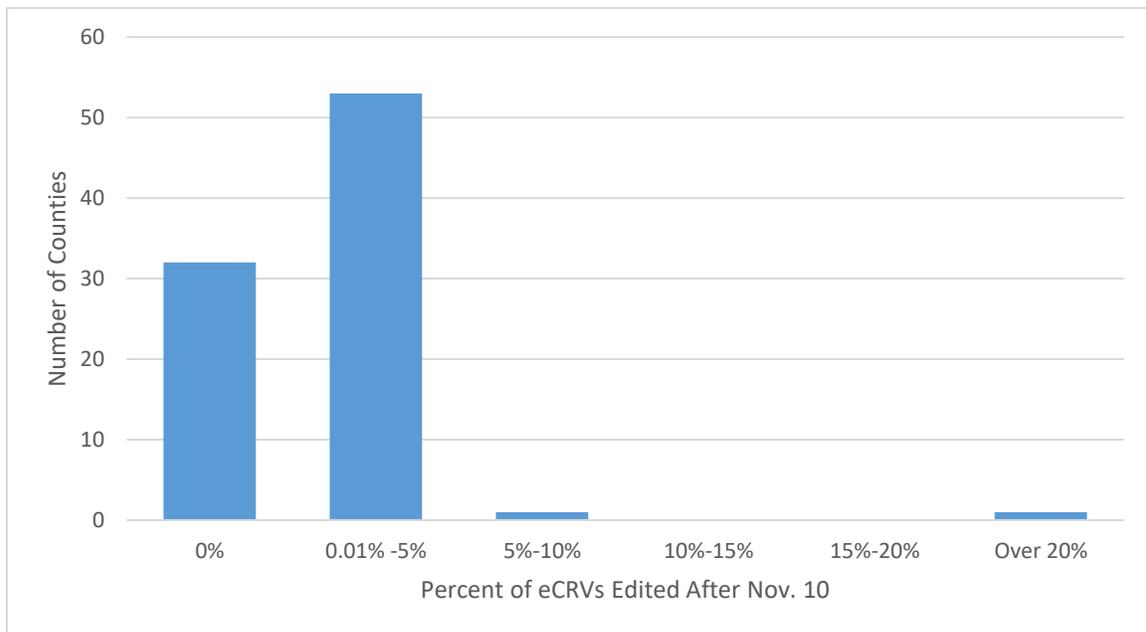
### How are the results determined?

The results and the chart show the percentage of eCRVs included in the sales ratio study that were edited after November 10.

### What is new in this report?

The methodology for measuring this item has not changed.

**State percentage:** 0.90%



## 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 statewide results indicate the median and average number of business days it takes the county to accept eCRVs after submission. Only eCRVs included in the Sales Ratio Study are analyzed. 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.

### What is new in this report?

The methodology for measuring this item has not changed.

**State median:** 2.0 day(s)

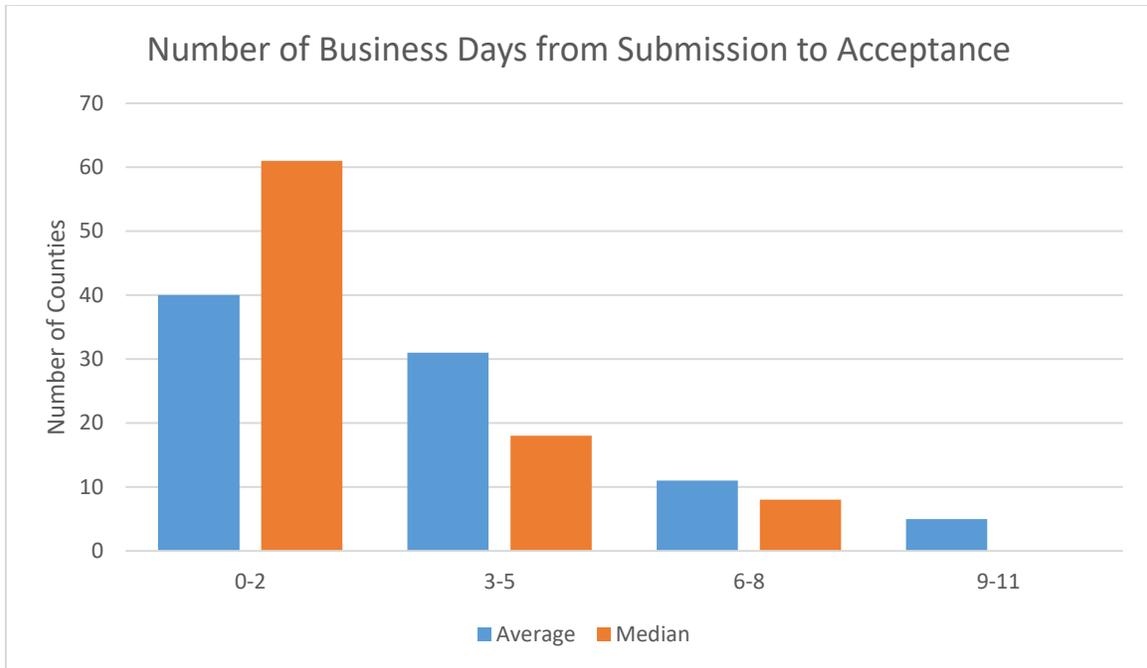
**State average:** 3.4 day(s)

**Highest county median:** 7.0 day(s)

**Lowest county median:** 0.0 day(s)

**Highest county average:** 10.2 day(s)

**Lowest county average:** 0.8 day(s)



## 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 and submits the certificate to the department.



### 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 statewide results indicate the median and average number of business days it takes to finalize eCRVs after acceptance. Only eCRVs included in the Sales Ratio Study are analyzed. 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.

### What is new in this report?

The methodology for measuring this item has not changed.

**State median:** 35.0 day(s)

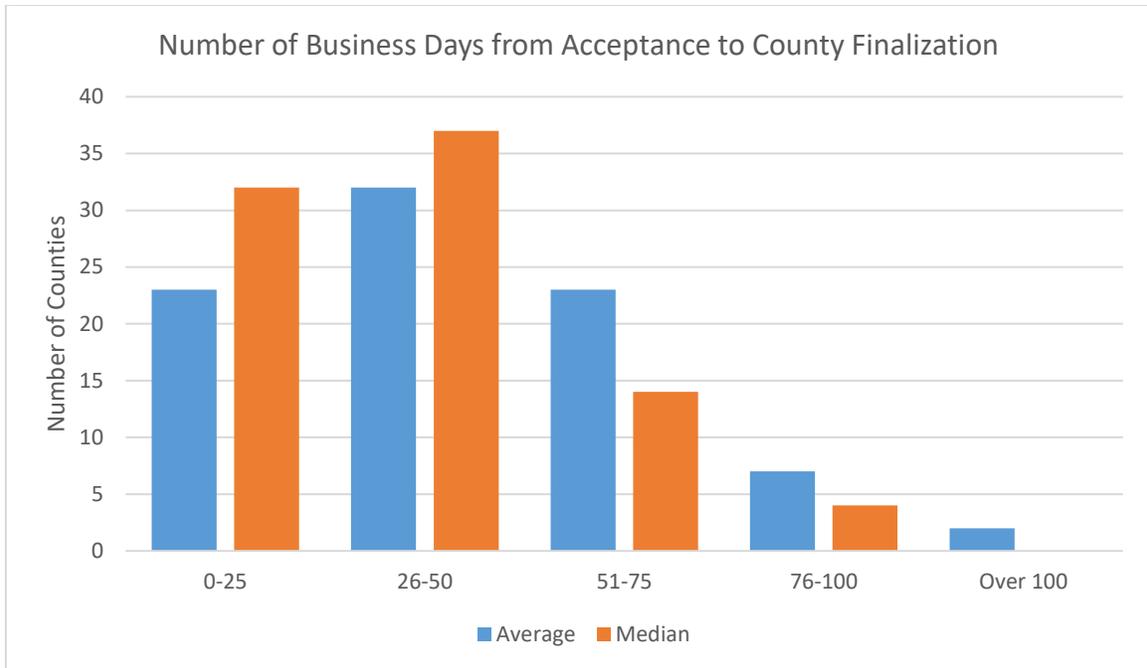
**State average:** 43.9 day(s)

**Highest county median:** 87.5 day(s)

**Lowest county median:** 2.0 day(s)

**Highest county average:** 106.6 day(s)

**Lowest county average:** 3.7 day(s)



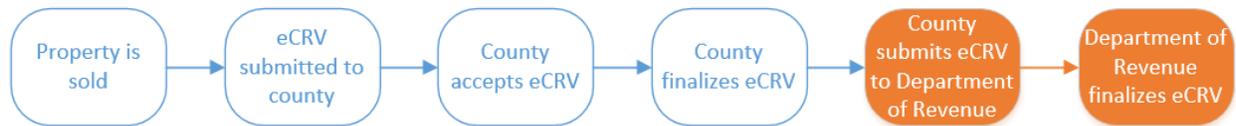
# Department of Revenue Items

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## 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?

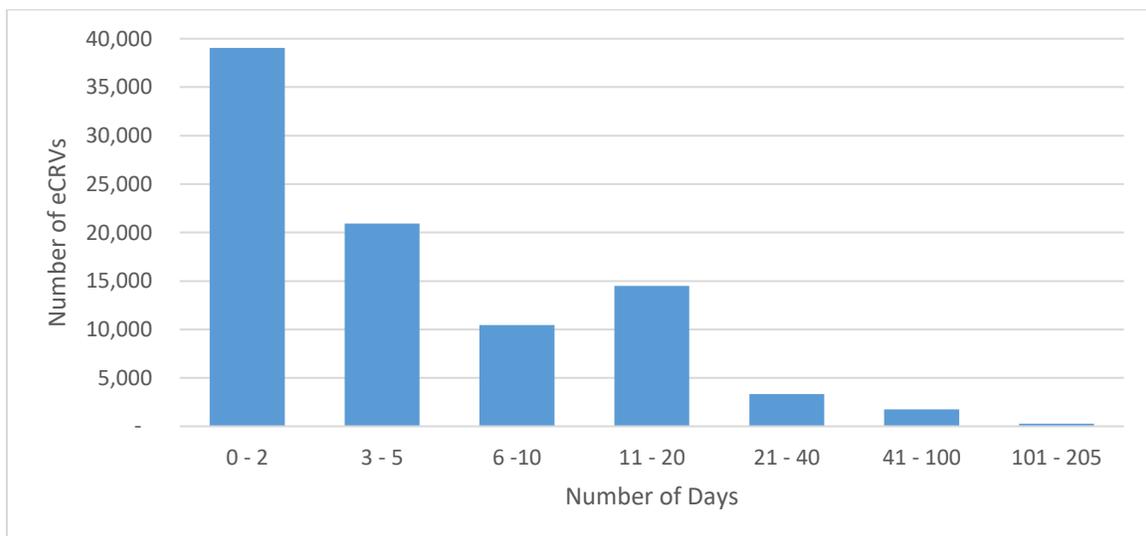
The statewide results indicate the median and average number of business days it takes to finalize eCRVs after county submission. Only eCRVs included in the Sales Ratio Study are analyzed. The sales period is October 1, 2017, through September 30, 2018.

### What is new in this report?

The methodology for measuring this item has not changed.

**State median:** 4.0 day(s)

**State average:** 6.8 day(s)



## Study Period Sales (eCRVs edited after December 7)

### 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 7, 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 7 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 7 in order to accurately calculate market condition trends and preliminary ratios.

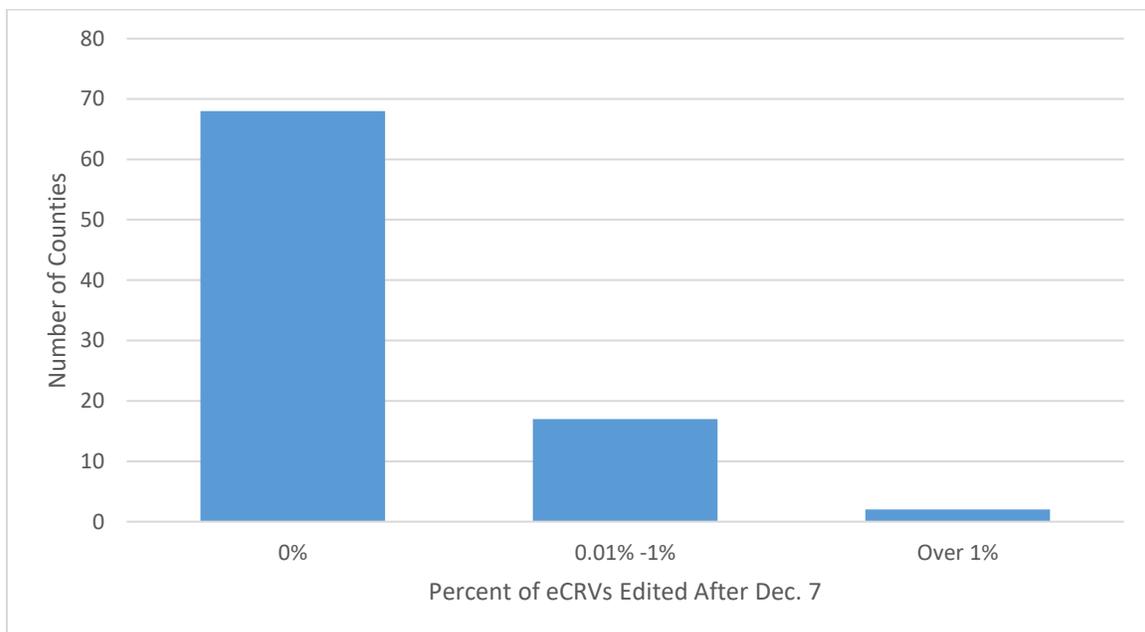
### How are the results determined?

The results show the percentage of eCRVs included in the sales ratio study that were edited by the department after December 7.

### What is new in this report?

The methodology for measuring this item has not changed since 2017. The 2016 report tracked county eCRV submissions after the due date. This measure changed in the 2017 report to track edits made by the department after the due date.

**State percentage:** 0.12%



## 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.

### What is new in this report?

The methodology for measuring this item has not changed.

**Number of Questions:** 127

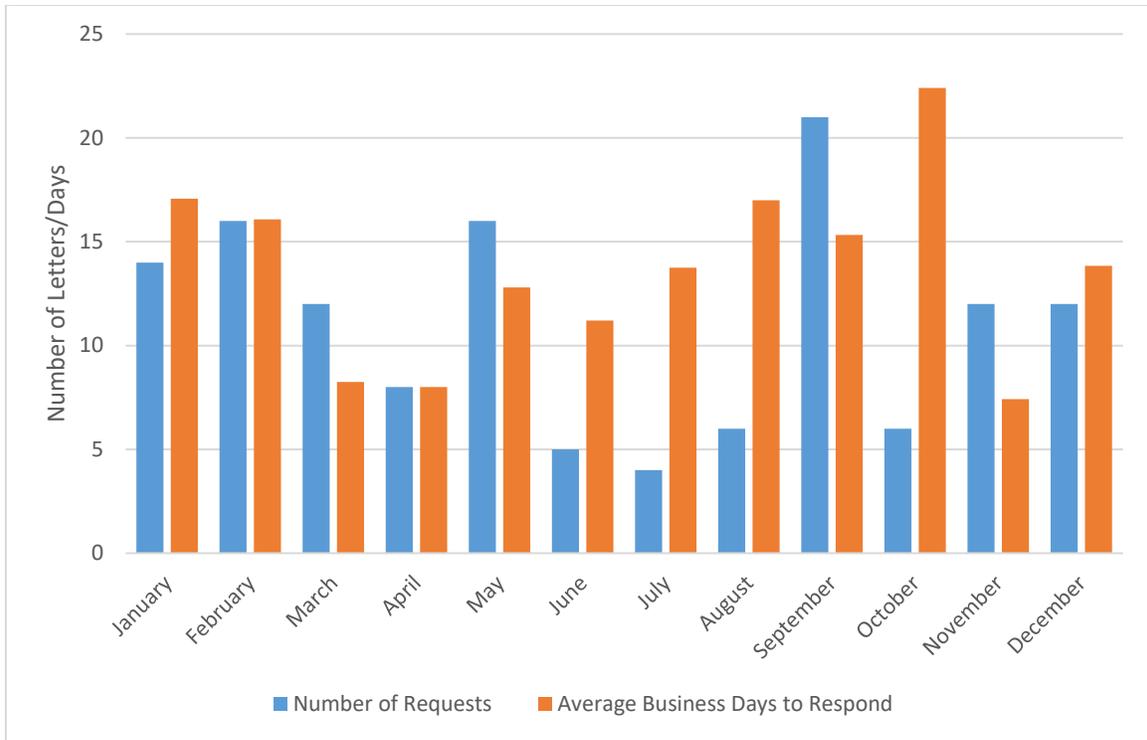
### Top Question Topics

1. Classification
2. Homestead
3. Special Agricultural Homestead
4. Exemption
5. Estates and Trusts

**Department Target:** Not applicable

**State Average:** 13.0 day(s)

**State Median:** 9.0 day(s)



## 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."

### What is new in this report?

The methodology for measuring this item has not changed.

**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 2, 2018 for this report).

### What is new in this report?

The methodology for measuring this item has not changed.

**Department Target:** January 2

**Results:** On time; sent December 8, 2017

## 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. The state needs to respond to counties by a certain deadline for trend appeal determinations.

### How was the target determined?

The target for sending the appeal results is mid-January, 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 16, 2018 deadline.

### What is new in this report?

The methodology for measuring this item has not changed.

**Statewide Appeals:** 18

**Department Target:** January 16

**Statewide Results:** On time; sent January 12, 2018

## 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.

### What is new in this report?

The methodology for measuring this item has not changed.

**Department Target:** September 30

**Results:** On time; sent September 10, 2018

## 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 2017 and June 2018.

### What is new in this report?

The methodology for measuring this item has not changed.

**Department Target:** 4 visits a year

**Average Visits per County/City:** 4.1

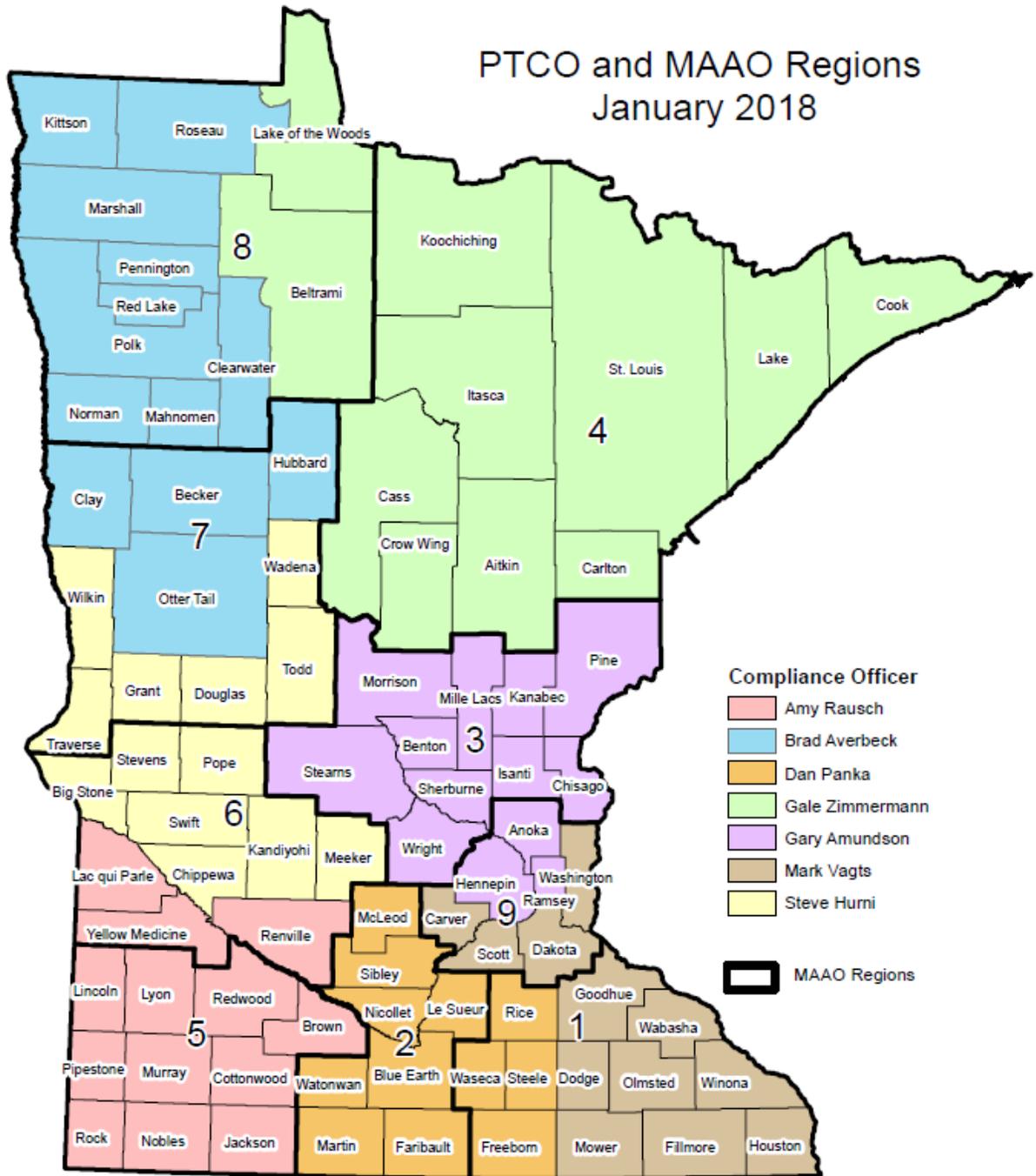
**Median Number of Visits:** 4.0

**Most Visits to a County/City:** 8

**Least Number of Visits:** 1

**Number of Counties Visited at Least 4 Times:** 77/87 counties

**PTCO and MAAO Regions Map**



## 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.

### What is new in this report?

The methodology for measuring this item remains the same as last year.

**Department Target:** June 30

**Results:** On time; all orders sent by June 29, 2018

## 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.

### What is new in this report?

The methodology for measuring this item remains the same as last year.

**Department Target – Preliminary Rates:** October 1

**Results:** On time; sent September 28, 2018

**Department Target – Final Rates:** January 1

**Results:** On time; sent December 31, 2018

## 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. ANTCs are calculated using data reported by counties.

### 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. The department uses Property Record Information System of Minnesota (PRISM) information reported by each county to calculate ANTCs.

### 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.

### What is new in this report?

The methodology for measuring this item has not changed.

**Department Target:** June 30

**Results:** Late; sent July 23, 2018

## 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 2a or 2b), 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.

### What is new in this report?

The methodology for measuring this item has not changed.

**Department Target:** January 2

**Results:** On time; sent December 22, 2017

## 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.

### What is new in this report?

The methodology for measuring this item has not changed.

**Department Target:** November 1

**Results:** On time; sent November 1, 2018

## 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.

### What is new in this report?

The methodology for measuring this item has not changed.

### County Program Aid Certification

Department Target: July 31

Results: On time; sent July 31, 2018

### Local Program Aid Certification

Department Target: July 31

Results: On time; sent July 30, 2018

### Township Program Aid Certification

Department Target: July 31

Results: On time; sent July 27, 2018

## 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.

### What is new in this report?

The methodology for measuring this item has not changed.

**Department Target:** May 31, 2018

**Results:** On time; sent October 17, 2017

# Glossary

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## **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 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 business days after final action of the county board.

## **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 Record Information System of Minnesota (PRISM)**

PRISM, Property Record Information System of Minnesota, is a centralized database the department uses to collect, track, and analyze property tax data received from counties. PRISM replaced many of the data files and abstracts counties were previously required to submit. Counties send PRISM data in four submissions, twice a year.

### **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 each deadline.

### **Property Tax Refund Homestead and Duplicate Homestead File Submissions**

Counties are required to submit the property tax refund homestead file and duplicate homestead file to the department each year. The property tax refund file requires counties to submit two separate files: the property tax refund homestead file for real and personal property and the supplemental file for manufactured home homesteads. The files are used to verify property tax refunds and identify improper homestead claims. Each county must submit the real and personal file to the department by April 30 and the manufactured home file by July 31 of each year. The duplicate homestead file, due July 31 of each year, reflects ownership and homestead status as of January 2. The department uses this data to identify possible improper homestead claims.

### **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 by 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 7, 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 7)**

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 7, 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 eCRVs edited by the department after December 7.

### **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.

### **Sales Verification**

A method for substantiating the information about a property, including the conditions and motivations under which it was sold. Department policy requires all sales of property be verified by counties if they fall under one of the following categories: agricultural, rural vacant, apartment, industrial, or commercial.

### **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.