

MEMO

Date: September 10, 2018

To: All County and City Assessors

From: Eben Johnson, State Program Administrator
Information and Education Section

Subject: **2019 Notices of Valuation and Classification; 2019 County Board of Appeal and Equalization Dates**

There are no major changes to the value notice format this year. The web address for the Minnesota Tax Court has been updated, and the dates on the form have been updated to reflect the 2019 assessment year. Please see the instructions regarding requirements for Board of Appeals and Equalization meetings.

As with last year, all property tax notices (i.e. the Truth in Taxation Notice and the Tax Statement) will have a similar look to them. We hope that this will help taxpayers to understand where in the process they are and what actions they may need to take.

The following pages contain a description of each section and the requirements along with the date changes.

If you have questions about this memo, please contact us at proptax.questions@state.mn.us.

Section 1: Assessor and Taxpayer Addresses and Property Information Section

This section may contain pre-printed or computer-generated text. Counties will have some latitude as to what needs to be listed in this section. However, it must contain the following:

- name of the county (or city if a city of the first class)
- address of the county office
- phone number of the county office
- the property's Parcel ID number

This section may include the legal description of the property, its physical address, or both.

Email and website information is helpful but not required (the website is required in Section 5).

This section also includes the mailing address of the taxpayer. The exact location of the address section on the notice may be shifted so it appears through the window of an envelope or to better meet mailing requirements.



Spruce County
Jane Stevens, Assessor
345 12th Street East, Box 77
Spruceville, MN 55555-5555
(555) 345-6780
www.co.spruce.mn.us

Property ID Number: 01.234.56.7890.R1

Property Description:

Lot 5, Block 13 of the Spruceville Estates Addition to the City of Spruceville.

TAXPAYER(S):

John and Mary Johnson
123 Pine Road South
Spruceville, MN 55555-5555

Section 2: Title Section

This information may contain pre-printed or computer-generated text, as you will have to enter the assessment year and the taxes payable year (2019 for manufactured homes assessed as personal property or 2020 for all real property). Other than the tax payable year and property-specific assessment information, *the wording must be the same as the department's example*. This section is mainly used as an educational tool to show taxpayers where they are in the property tax process. This section is part of an overall effort to make our notices more taxpayer-friendly and informative.

This section contains the property's:

- classification (use the primary classification if more than one classification code is present)
- estimated market value
- homestead exclusion amount
- taxable market value

VALUATION NOTICE	2020
2019 Values for Taxes Payable in	

Property tax notices are delivered on the following schedule:

Step 1	Valuation and Classification Notice Class: Residential Homestead Estimated Market Value: \$150,000 Homestead Exclusion: \$23,800 Taxable Market Value: \$126,200	See Details Below.
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Step 2	Proposed Taxes Notice 2020 Proposed Tax: <i>Coming November 2019</i>
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Step 3	Property Tax Statement 1st Half Taxes: 2nd Half Taxes: <i>Coming March 2020</i> Total Taxes Due in 2020:
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**The time to appeal or question your
CLASSIFICATION or VALUATION is
NOW!**

It will be too late when proposed taxes are sent.

Section 3: Property Classification and Valuation Section

Property Classification:

This section must contain the property classification for assessment years 2018 and 2019. Abbreviations may be difficult for the general public to understand. Please refrain from using abbreviations if the entire classification can be printed in the space provided. If there is not enough space, try using abbreviations in a way that makes them as clear and understandable as possible. The "Taxes Payable Year" information will continue to be used for added clarity to the property owner and you must make note of the taxes payable year that is applicable to the property type.

If the property's classification has changed between the 2018 and 2019 assessments, a notice must be "prominently listed" on the document. We have made this a bolded check-box. This box must be checked if the property's classification has changed between the assessment years shown on the notice.

Your Property's Classification(s) and Values	
Taxes Payable in 2019 (2018 Assessment)	Taxes Payable in 2020 (2019 Assessment)
<i>The assessor has determined your property's classification(s) to be:</i>	
Residential Homestead 1a	Residential Homestead 1a
<input type="checkbox"/> If this box is checked, your classification has changed from last year's assessment.	

Property Valuation:

This section can be entirely computer-generated and you need only list the categories that contain values. All deferred and excluded values are shown as *subtractions* from the EMV. The value of new improvements has been moved to the bottom of this section (as it is included in the EMV already).

The assessor has estimated your property's market value to be:

Estimated Market Value (EMV)	\$158,000	\$150,000
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Several factors can reduce the amount that is subject to tax:

Green Acres Value Deferral		
Rural Preserve Value Deferral		
Open Space Deferral		
Platted Vacant Land Deferral		
Exclusion for Veterans With Disabilities		
Mold Damage Exclusion		
Homestead Market Value Exclusion	\$23,000	\$23,800
<hr/>		
Taxable Market Value (TMV)	\$135,000	\$126,200

The following values (if any) are reflected in your estimated and taxable market values:

JOBZ Value Exempted		
New Improvement Value		

The classification(s) of your property affect the rate at which your value is taxed.

The following fields are shown in the example:

- **Estimated Market Value:** List the EMV for assessment years 2018 and 2019.
- **Green Acres Value Deferral:** List the value deferred under Green Acres for assessment years 2018 and 2019. *By showing the amount deferred, it is easier for the property owner to follow the logic between an EMV and the TMV by subtracting all deferrals, exclusions, etc.*
- **Rural Preserve Value Deferral:** List the value deferred under Rural Preserve for assessment years 2018 and 2019. *By showing the amount deferred, it is easier for the property owner to follow the logic between an EMV and a TMV by subtracting all deferrals, exclusions, etc.*
- **Open Space Deferral:** You do not need to provide space for this information.
- **Platted Vacant Land Deferral:** List the amount of value being deferred for assessment years 2018 and 2019.
- **Exclusion for Veterans with Disabilities:** List the amount of excluded market value for assessment years 2018 and 2019.
- **Homestead Market Value Exclusion:** The homestead market value exclusion must be shown for both the 2018 and 2019 assessment years.
- **Taxable Market Value:** The resulting value after all subtractions is shown on this line.
- **New Improvements Included in 2019 Estimated Market Value [not included in list, but shown on notice to the bottom of the list]:** Show the value of any new improvements or improvements not assessed in 2018.
- **JOBZ:** This is noted as "JOBZ Value Exempted." List the amount of market value exempted from taxation for assessment years 2018 and 2019 due to location of a qualifying business in a Job Opportunity Building Zone.

Section 4: Boards of Appeal and Equalization/ Open Book Meeting(s)

This section may be altered to identify which appeal option is available in that individual jurisdiction. It must specify the type of meeting (e.g. LBAE or Open Book) and it must include the date, time, and location of the meetings. Additional information may be added for clarification or further information concerning the jurisdiction’s appeal process.

If you request that taxpayers make an appointment to attend the Local Board of Appeal and Equalization or Open Book meeting, the Notices of Valuation and Classification must be mailed at least 10 days prior to the deadline for making those appointments. For example, if a jurisdiction will hold their LBAE meeting on April 29, 2019 but requests that taxpayers call for an appointment by April 18, 2019, the notices must be mailed by April 8, 2019.

Appointments cannot be required but may be requested by the local jurisdiction. “Walk-in” appointments must still be accepted.

You must also fill in the information for County Boards of Appeal and Equalization, including the date, time, and location of the meeting. You may also include additional information such as a phone number to call for an appointment or a note stating that appearance must first be made at the Local Board of Appeal and Equalization before appealing to the county board. If appointments are required for the CBAE, a specific note must be made on the notice.

The following meetings are available to discuss or appeal your value and classification:

Local Board of Appeal and Equalization/Open Book

County Board of Appeal and Equalization Meeting

10 a.m. April 19, 2019
Spruceville Town Hall 123
Main Street, Spruceville

5 p.m. June 17, 2019
Spruce County Courthouse
345 12th Street East, Spruceville

Message Area

This section may contain pre-printed or computer-generated text. You may include a special message to the taxpayer regarding the valuation notice or the assessment in this section.

Minnesota Statutes, section 273.121 requires that you note where the information on the property is available, the times when the information may be viewed by the public, and the county's website address.

If, for County Board of Appeal and Equalization meetings (CBAEs) you require appointments for appeals, you must:

- make appointments available until at least 7:00 p.m. or on a Saturday
- make note of this to be compliant with the meeting time requirements of M.S. 274.14.

Definitions (Back of Form)

The definitions on the back of the form are the same as last year’s notice.

General Information Regarding Instructions

The notices may be sent in one of the following ways:

- 8.5" x 11" or 8.5" x 14" letter, pressure-sealed and sent as a self-mailer
- 8.5" x 11" or 8.5" x 14" letter inserted into an envelope
- Electronically (via fax, email, etc. per taxpayer request) – it is our recommendation that you send them a PDF file version of their notice so that it may not be altered. The date that the notice is sent electronically shall be considered its "postmark" date, and the same deadlines apply.

Following these instructions will improve the likelihood that your form will meet requirements set forth by Minnesota Statutes and the Minnesota Department of Revenue. The back of the notices **cannot** be changed from the one prescribed by the Department of Revenue, except for minor formatting allowances (i.e. county information) as is noted within this memorandum.

Additional Reminders and Notes:

- Font size on Notices of Valuation and Classification cannot be smaller than 10-point font.
- Please make sure that the convening date for the County Board of Appeal and Equalization is allowed by statute. The County Board of Appeal and Equalization may meet on any meeting day in June after the second Friday in June. The board may meet for up to ten meeting days.
 - For **2019**, the board may convene on any day **after Friday, June 14** (including Saturday, June 15 if the county recognizes Saturday as a business day; but not including Sunday, June 16 as Sunday is not a business day).
- In addition, Minnesota Statutes, section 274.14, specifies that *"...for counties that conduct either regular board of review meetings or open book meetings, at least one of the meeting days must include a meeting that does not end before 7:00 p.m. For counties that require taxpayer appointments for the board of review, appointments must include some available times that extend until at least 7:00 p.m. The county may have a Saturday meeting in lieu of, or in addition to, the extended meeting times under this paragraph."*
 - Therefore, for County Board of Appeal and Equalization meetings convened in 2019, the board must also hold at least one meeting that does not recess or adjourn prior to 7:00 p.m.
 - If the board does not offer a meeting until 7:00 p.m., the board must meet on a Saturday.
 - For county boards that require appointments, appointments must be allowed as late as 7:00 p.m. or on a Saturday and the requirement for appointments must be clearly stated on the notice.

As in prior years, the department will be monitoring all counties and cities of the first class to **ensure compliance with all requirements.**



Spruce County
Jane Stevens, Assessor
345 12th Street East, Box 77
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(555) 345-6780
www.co.spruce.mn.us

Section 1

Property ID Number: 01.234.56.7890.R1

Property Description:

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TAXPAYER(S):

John and Mary Johnson
123 Pine Road South
Spruceville, MN 55555-5555

VALUATION NOTICE

2020

2019 Values for Taxes Payable in

Property tax notices are delivered on the following schedule:

Step 1	Valuation and Classification Notice		See Details Below.
	Class: Residential Homestead		
	Estimated Market Value:	\$150,000	
	Homestead Exclusion:	\$23,800	
	Taxable Market Value:	\$126,200	

Step 2	Proposed Taxes Notice		Section 2
	2020 Proposed Tax:	Coming November 2019	

Step 3	Property Tax Statement	
	1st Half Taxes:	Coming March 2020
	2nd Half Taxes:	
Total Taxes Due in 2020:		

The time to appeal or question your CLASSIFICATION or VALUATION is NOW!

It will be too late when proposed taxes are sent.

Your Property's Classification(s) and Values

	Taxes Payable in 2019 (2018 Assessment)	Taxes Payable in 2020 (2019 Assessment)
<i>The assessor has determined your property's classification(s) to be:</i>	Residential Homestead 1a	Residential Homestead 1a

Section 3

If this box is checked, your classification has changed from last year's assessment.

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Estimated Market Value (EMV)	\$158,000	\$150,000
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The following values (if any) are reflected in your estimated and taxable market values:

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New Improvement Value

The classification(s) of your property affect the rate at which your value is taxed.

How to Respond

If you believe your valuation and property class are correct, it is not necessary to contact your assessor or attend any listed meetings.

If the property information is not correct, you disagree with the values, or have other questions about this notice, **please contact your assessor first to discuss any questions or concerns.** Often your issues can be resolved at this level. If your questions or concerns are not resolved, more formal appeal options are available.

Please read the back of this notice for important information about the formal appeal process.

The following meetings are available to discuss or appeal your value and classification:

Local Board of Appeal and Equalization/Open Book

County Board of Appeal and Equalization Meeting

10 a.m. April 19, 2019
Spruceville Town Hall 123
Main Street, Spruceville

Section 4

5 p.m. June 17, 2019
Spruce County Courthouse
345 12th Street East, Spruceville

Appealing the Value or Classification of Your Property

Informal Appeal Options - Contact Your Assessor

If you have questions or disagree with the classification or estimated market value for your property for the 2019 assessment, please contact your assessor's office first to discuss your concerns. Often your issues can be resolved at this level. Contact information for your assessor's office is on the other side of this notice.

Some jurisdictions choose to hold open book meetings to allow property owners to discuss their concerns with the assessor. If this is an option available to you, the meeting time(s) and location(s) will be indicated on the other side of this notice.

Formal Appeal Options

If your questions or concerns are not resolved after meeting with your assessor, you have two formal appeal options:

Option 1 - The Boards of Appeal and Equalization

You may appear before the Boards of Appeal and Equalization in person, through a letter, or through a representative authorized by you. The meeting times and locations are on the other side of this notice. **You must have presented your case to the Local Board of Appeal and Equalization BEFORE appealing to the County Board of Appeal and Equalization.**

Step 1 - Local Board of Appeal and Equalization

If you believe your value or classification is incorrect, you may bring your case to the Local Board of Appeal and Equalization. Please contact your assessor's office for more information. If your city or township no longer has a Local Board of Appeal and Equalization (as indicated on the other side of this notice) you may appeal directly to the County Board of Appeal and Equalization.

Step 2 - County Board of Appeal and Equalization

If the Local Board of Appeal and Equalization did not resolve your concerns, you may bring your case to the County Board of Appeal and Equalization. Please contact the county assessor's office to get on the agenda or for more information.

Option 2 - Minnesota Tax Court

Depending on the type of appeal, you may take your case to either the Small Claims Division or the Regular Division of Tax Court. You have until April 30 of the year in which taxes are payable to file an appeal with the Small Claims Division or the Regular Division of Tax Court for your valuation and classification.

For more information, contact the Minnesota Tax Court:
Phone: 651-539-3260 or for MN Relay call 1-800-627-3529
On the web: www.mn.gov/tax-court

Definitions

Exclusion for Veterans With Disabilities - Veterans with qualifying disabilities may be eligible for a valuation exclusion on their homestead property.

Estimated Market Value - This value is what the assessor estimates your property would likely sell for on the open market.

Green Acres - Applies to class 2a agricultural property that is facing increasing values due to pressures not related to the agricultural value of the land. This value is determined by looking at what comparable agricultural land is selling for in areas where there is no development pressure. The taxes on the higher value are deferred until the property is sold, transferred, withdrawn, or no longer qualifies for the program.

Homestead Market Value Exclusion - Applies to residential homesteads and to the house, garage, and one acre of land for agricultural homesteads. The exclusion is a maximum of \$30,400 at \$76,000 of market value, and then decreases by nine percent for value over \$76,000. The exclusion phases out for properties valued at \$413,800 or more.

JOBZ - Qualifying businesses within a Job Opportunity Business Zone may be eligible for a partial property tax exemption.

New Improvements - This is the assessor's estimate of the value of new or previously unassessed improvements you have made to your property.

Plat Deferment - For land that has been recently platted (divided into individual lots) but not yet improved with a structure, the increased market value due to platting is phased in over time. If construction begins, or if the lot is sold before expiration of the phase-in period, the lot will be assessed at full market value in the next assessment.

Rural Preserve - Applies to class 2b rural vacant land that is part of a farm homestead or that had previously been enrolled in Green Acres, if it is contiguous to agricultural land enrolled in Green Acres. This value may not exceed the Green Acres value for tilled lands. The taxes on the higher value are deferred so long as the property qualifies.

Taxable Market Value - This is the value that your property taxes are actually based on, after all reductions.