



BOARD OF APPEAL AND EQUALIZATION

City Hall—Council Chambers, 3989 Central Ave NE

Monday, April 22, 2024

5:00 PM

Mayor

Amada Márquez Simula

Councilmembers

Connie Buesgens

Kt Jacobs

Rachel James

Justice Spriggs

Interim City Manager

Kevin Hansen

AGENDA

ATTENDANCE INFORMATION FOR THE PUBLIC

Members of the public who wish to attend may do so in-person, or by using Microsoft Teams Meeting ID 294 238 708 029, Passcode VNxHTC. For questions please call the Administration Department at 763-706-3610.

Auxiliary aids or other accommodations for individuals with disabilities are available upon request when the request is made at least 72 hours in advance. Please contact Administration at 763-706-3610 to make arrangements.

WELCOME/CALL TO ORDER/ROLL CALL

ITEMS FOR CONSIDERATION

1. Introduction.

The Interim City Manager will introduce the Anoka County Appraisers.

2. Statement of Purpose of the Board of Review.

To review the property valuations as of January 2, 2024, for taxes payable 2025, and to hear appeals from property owners who feel aggrieved or have questions regarding property valuations.

3. Questions and Answers Regarding Property Values.

Property owners in attendance will be given an opportunity to raise questions regarding their property valuations.

4. Council Actions Regarding Specific Cases or Cases on which Additional Information is Required.

The Council may at this time take action regarding any of the properties that were discussed or instruct the County Assessor's Office to provide more information at a continued meeting.

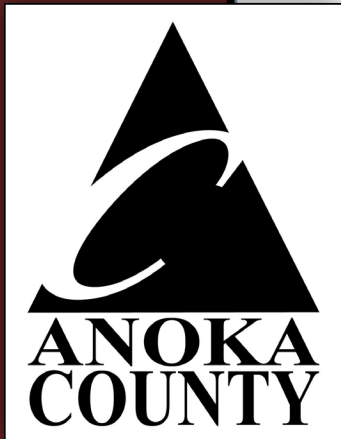
RECOMMENDED MOTION: Move to adopt the 2024 Assessment Rolls as presented.

OR

ALTERNATE MOTION: Move to continue the Board of Appeal & Equalization meeting to _____ for the purpose of hearing additional information regarding only those property values appeal on April 22, 2024 and to considered adoption of the 2024 Property Assessment Rolls.

ADJOURNMENT

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2024

ASSESSOR'S REPORT

*BOARD OF APPEAL AND
EQUALIZATION*

2024 Local Board of Appeal and Equalization

Agenda

April 22, 2024

1. Call the Board of Review to Order
2. Roll Call
3. Read Official Notice of the Board of Review
4. Board Chair outlines the ground rules for the meeting. The specific ground rules may vary for each local board but should include:
 - Purpose of the meeting;
 - Remind property owners that only appeals for the current year valuation or classification may be made. The 2024 board is to review the assessment as of January 2, 2024, which will be used to compute the property taxes payable in 2025. Prior years' assessments or taxes (including taxes payable in 2024) are not within the jurisdiction of the board;
 - The order of the appellants - by appointment first, followed by walk-ins on a first-come basis. The board will also receive written appeals from property owners. The secretary will record the required information (name, mailing address, telephone number, and address of property, etc.)
 - The expectations of the appellant when presenting their appeal (i.e. the appeal must be substantiated by facts; where the appellant should stand or sit; the appellant should be prepared to answer questions posed by the board, etc.);
 - Time limits imposed (if any);
 - The procedure the board will follow for making decisions (Will the board hear all appeals before making any decisions? Will the board send a letter to appellants to inform them of the decision? Etc.) The Board may correct any erroneous valuation and add any omission of properties or increase of value after due process. The total decrease of valuations may not exceed one percent of the total valuation of the taxing district;
5. The Board Chair should give the assessor the opportunity to present a brief overview of the property tax process and a recap of the current assessment.
6. Appellants should then present their appeals to the board.

If the assessor has had a chance to review the property prior to the meeting, the assessor can present facts and information either supporting the valuation and or classification or recommend that the board make a change. If the assessor has not had a chance to review the property prior to the meeting, the board may ask the assessor to review the property and present his/her findings to the board at a reconvene meeting.

7. Recess or Close the Meeting.

(If needed, the meeting will be reconvened at a date to be determined. The Board of Appeal and Equalization of any city must complete its work and adjourn within twenty days from the time of convening as specified in the notice of the clerk unless a longer period is approved by the Commissioner of Revenue. No action taken after such date shall be valid.)

Understanding Your Assessment and Appeal Options

Assessment Process Timeline

In Minnesota it is the duty of the Assessor to value and classify property. This is done annually as of the assessment date of **January 2nd**. Each year's assessment is based on arms-length transactions (sales that meet the criteria of an open market transaction, see [market value definition below](#)) that occurred the **previous October thru September**. When the assessment is completed the local taxing jurisdictions begin their budgeting process for the following year. They use the total assessment to determine their tax base and develop their tax rates (formerly referred to as mill rates). All aspects of the assessment, including but not limited to the assessment date, sales period for each assessment and property tax classification are dictated by state statute and under the oversight of the Minnesota Department of Revenue.

Market Value Defined

As in private appraisal, Market Value is defined as:

The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by any undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- *buyer and seller are typically motivated;*
- *both parties are well informed or well advised, and acting in what they consider their own best interests;*
- *a reasonable time is allowed for exposure in the open market;*
- *payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto;*
- *the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale (a foreclosure sale or a short sale [a sale to avoid foreclosure] is not considered an arms-length transaction).*

Mass Appraisal Defined

Property values for Minnesota real estate tax purposes are determined via mass appraisal. Mass appraisal is the practice of determining individual values based on statistical analysis of a group of sales for a large area. The values are determined as of a specific date and are based on arms-length transactions that occurred during a specified sales period.

Sales Statistics Defined

We have the ability by using statistical analysis to test the accuracy of the assessment. We use these measures to ensure equity between properties at the neighborhood, municipal and county levels. The Minnesota Department of Revenue also uses these same techniques to test for equity between counties. The primary statistics used are:

Median Ratio: This is a measure of central tendency that is the midpoint of a group of sales ratios when arrayed from low to high. The median is a useful statistic as it is not affected by extreme ratios.

Aggregate Ratio: This is the total market value of all sale properties divided by the total sale prices. It, along with the mean ratio, gives an idea of our assessment level. Within the city, we constantly try to achieve an aggregate and mean ratio of 94% to 95% to give us a margin to account for a fluctuating market and still maintain ratios within state mandated guidelines. Also referred to as the **Weighted Mean**.

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

Coefficient of Dispersion (COD): The COD measures the accuracy of the assessment. It is possible to have a median ratio of 93% with 300 sales, two ratios at 93%, 149 at 80% and 149 at 103%. Although this is an excellent median ratio, there is obviously a great inequality in the assessment. The COD indicates the spread of the ratios from the mean or median ratio.

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

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

Appeals Procedure

Each spring Anoka County sends out a property tax bill (based on the prior year assessment) along with the Notice of Valuation and Classification. Three factors that affect the tax bill are:

1. The amount your local governments (town, city, county, etc.) spend to provide services to your community;
2. The **estimated market value** of your property;
3. The **classification** of your property (how it is used).

The assessor determines the final two factors. You may appeal the value or classification of your property as described below.

Informal Appeal

- Property owners are encouraged to call the appraiser or assessor whenever they have questions or concerns about their market value, classification of the property, or the assessment process.
- Almost all questions can be answered during this informal appeal process.
- When taxpayers call questioning their market value, every effort is made to make an appointment to inspect properties that were not previously inspected.
- If the data on the property is correct, the appraiser can show the property owner other sales in the market that support the estimated market value.
- If errors are found during the inspection, or other factors indicate a value reduction is warranted, the appraiser can easily make the changes at this time.

Local Board of Appeal and Equalization

- The Local Board of Appeal and Equalization is typically made up of city council members or township board members. In certain cases, a special board is appointed and typically consists of real estate professionals.
- The Board meets during late April and early May.
- Taxpayers can make their appeal in person or by letter.
- If an interior inspection is denied no adjustment can be made to value per MN Statute.
- The assessor is present to answer any questions and present evidence supporting their value.

County Board of Appeal and Equalization

- To appeal to the County Board of Appeal and Equalization, a property owner must first appeal to the Local Board of Appeal and Equalization.
- The County Board of Appeal and Equalization follows the Local Board of Appeal and Equalization in the assessment appeals process.
- Again, if an interior inspection is denied no adjustment can be made to value per MN Statute.
- Their role is to ensure equalization among individual assessment districts and classes of property.
- Decisions of the County Board of Appeal and Equalization can be appealed to the Minnesota Tax Court.

Minnesota Tax Court

The Tax Court has statewide jurisdiction. Except for an appeal to the Supreme Court, the Tax Court shall be the sole, exclusive and final authority for the hearing and determination of all questions of law and fact arising under the tax laws of the state. There are two divisions of tax court: the small claims division and the regular division.

The **Small Claims Division of the Tax Court** only hears appeals involving one of the following situations:

- The assessor's estimated market value of the property is less than \$300,000
- The entire parcel is classified as a residential homestead and the parcel contains no more than one dwelling unit.
- The entire property is classified as an agricultural homestead.
- Appeals involving the denial of a current year application for homestead classification of the property.

The proceedings of the small claims division are less formal and property owners often represent themselves. There is no official record of the proceedings. ***Decisions made by the small claims division are final and cannot be appealed further. Small claims decisions do not set precedent.***

The **Regular Division of the Tax Court** will hear all appeals, including those with the jurisdiction of the small claims division. ***Decisions made here can be appealed to a higher court.***

The principal office for the Tax Court is in St. Paul. However, the Tax Court is a circuit court and can hold hearings at any other place within the state so that taxpayers may appear with as little inconvenience and expense to the taxpayer as possible. Appeals of property located in Anoka County are heard at the Anoka County Courthouse. Three judges make up the Tax Court. Each may hear and decide cases independently. However, a case may be tried before the entire court under certain circumstances.

The petitioner must file in tax court on or before April 30 of the year in which the tax is payable.

Columbia Heights Assessment Overview

Columbia Heights Assessment Staff

Name	Position	License Level	Responsibility
Alex Guggenberger	County Assessor	SAMA	Countywide Oversight
Benjamin Hamill	Assessment Compliance Manager	AMA	Countywide Oversight
Brandon Hodge	Senior Appraiser	CMA – Income Qualified	Commercial/Industrial/Exempt/Apartments
Shane Gurek	Residential Appraiser	Appraiser Trainee	Residential 1-3 Units

City of Columbia Heights Property Breakdown

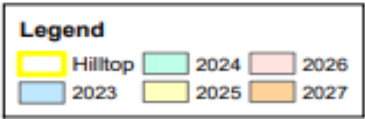
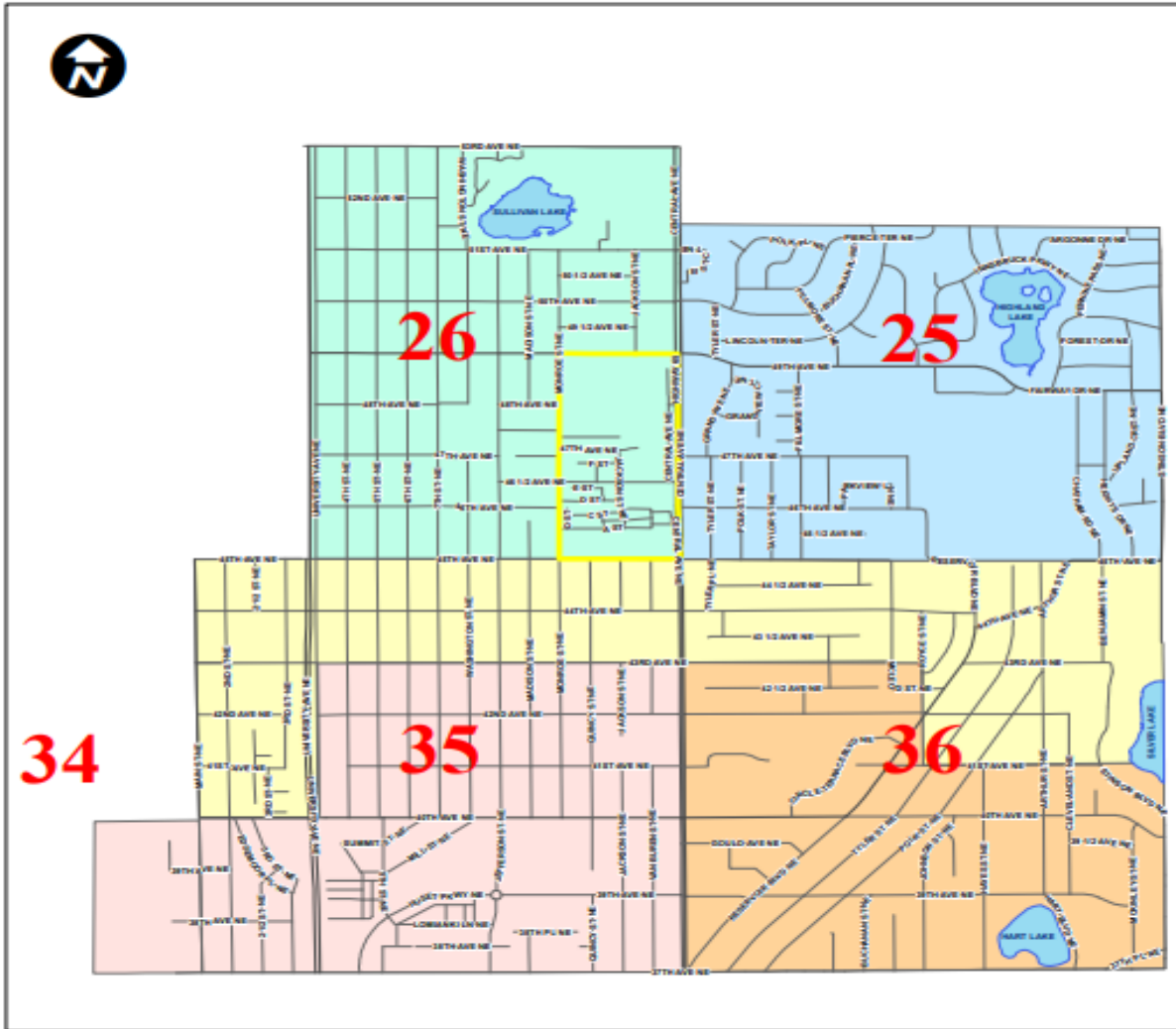
Property Type	Number of Parcels
Vacant Residential	63
Improved Residential	6,866
Apartment (Vacant & Improved)	133
Commercial/Industrial (Vacant & Improved)	228
Exempt	292
Railroad/Utility	11
Total	7,593

2024 Assessment

As part of this mass appraisal process, all properties are re-valued annually based on the information on record. Properties are physically inspected, and property records reviewed once every 5 years (as statutorily required). This is an ongoing process whereby 20% (referred to as quintile) of a city is inspected each year so that in a cycle of 5 years all properties have been inspected at least once. In addition to this quintile review, properties are also inspected when there is a building permit issued or at the request of the property owner. The sale of a property does not initiate a reassessment. The map on the next page depicts the residential quintile plan for the next 5 years. Quintile Maps are also available on our Public Website. For further information go to: <https://www.anokacountymn.gov/DocumentCenter/View/32136/Columbia-Heights-and-Hilltop>

Columbia Heights & Hilltop

5 Year Quintile Map



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As stated earlier, Minnesota state law governs the assessment date, which is January 2nd of each year, as well as the sales periods associated with each assessment date.

The 2023 assessment which was used for tax calculations this year (2024) was based on transactions that closed between October 1, 2021, and September 30, 2022. Property owners were notified of their 2023 value on their **Notice of Valuation and Classification** (also referred to as a **valuation notice**). The notices were mailed out in March of 2023 in the same envelope as the tax statement. The appeals process took place at the municipal level during the month of April of 2023 and at the county level in June of 2023. At this point, if a property owner wishes to appeal their 2023 assessment (for taxes payable 2024) their only option is to file a tax court petition. This must be done no later than April 30, 2024.

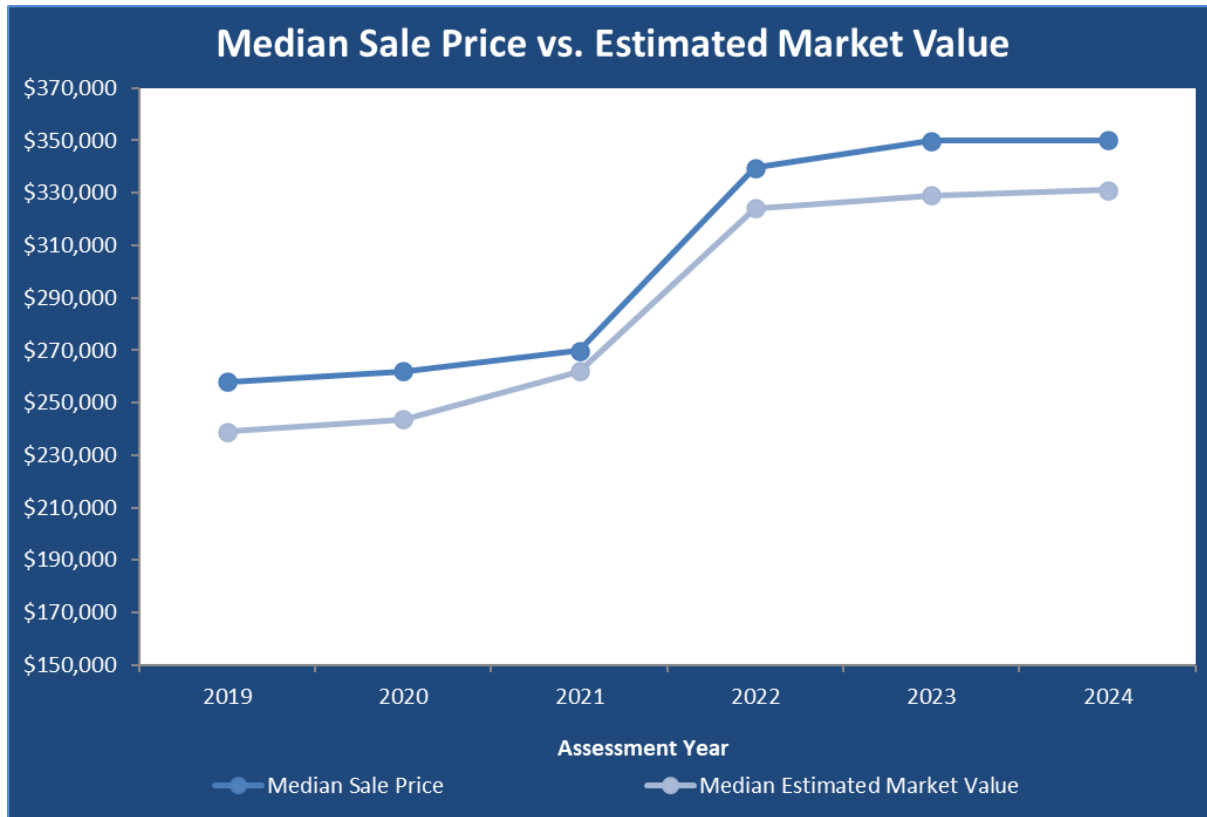
The 2024 assessment was completed in February and the valuation notices were mailed the week of March 18th. The 2024 assessed value will be used for tax calculation purposes next year. The sales period associated with this assessment is October 1, 2022, thru September 30, 2023. As with past assessments, the local appeals process will begin in April and finish up in June. The options and requirements to appeal this assessment are listed on the back of the valuation notice. If a property owner has an issue with their 2024 assessment, the first thing they should do is contact their local assessor. The phone numbers are listed on their valuation notice.

Please note that only arms-length sales that closed between October 1, 2022, and September 30, 2023, have been used to determine valuations for the 2024 assessment, for taxes payable in 2025.

The following chart may be helpful in following the timeline of your assessment:

SALES PERIOD	ASSESSMENT DATE	TAX YEAR
October 1, 2020 to September 30, 2021	January 2, 2022	2023
October 1, 2021 to September 30, 2022	January 2, 2023	2024
October 1, 2022 to September 30, 2023	January 2, 2024	2025

We are aware that due to the time frames we are required to work within it sometimes appears as though the assessor’s estimated market value does not represent the market. It seems lower than it should be during times of inflation and higher than it should be in times of deflation. The following chart illustrates the relationship between assessed values and actual sale prices; and how the assessor’s market values have been following the changes as they occur in the open market.



Note: The Median Assessor’s Estimated Market Value represents the homes that are in the sales study.

2024 Sales Statistics – Residential

The table below uses various sales metrics to compare how the residential market in Columbia Heights performed compared to the rest of the county. The sales study figures were gathered using Northstar MLS data.

Metric	Columbia Heights	County
Average Sale Price & % Change (YOY)	\$288,300(+2.74%)	\$387,400(+2.08%)
Median Sale Price % Change (YOY)	\$296,000 (-1.25%)	\$350,000(+.03%)
Median Days on Market (DOM)	13	16
# of Sales & % Change (YOY)	263(-17.81%)	4373(-15.45%)
# of Arm’s Length Sales & % Change (YOY)	257(-18.41%)	4325(-15.71%)
# of Non-Arm’s Length Sales & % Change (YOY)	6(+20.00%)	48(+17.07%)

2024 Sales Ratio Statistics

The tables below display the final adjusted sales ratios for Residential, Apartments, Commercial, and Industrial properties. All the numbers are within State of MN requirements and indicate a high-quality assessment with good equalization.

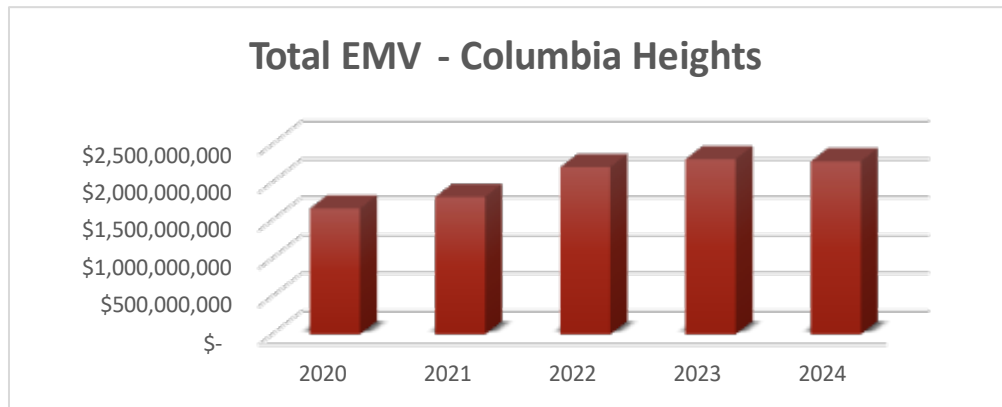
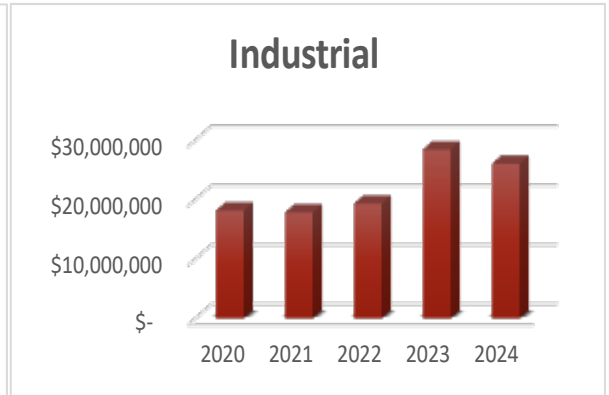
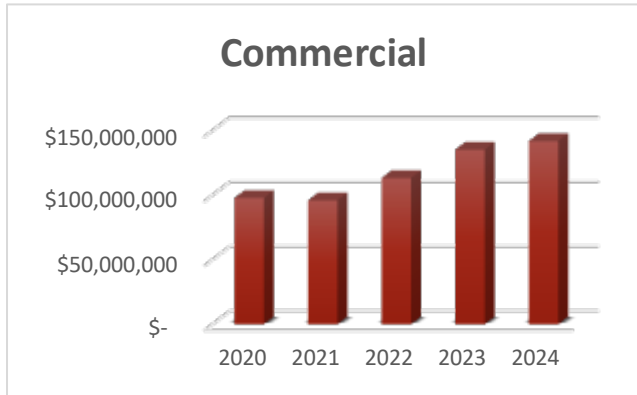
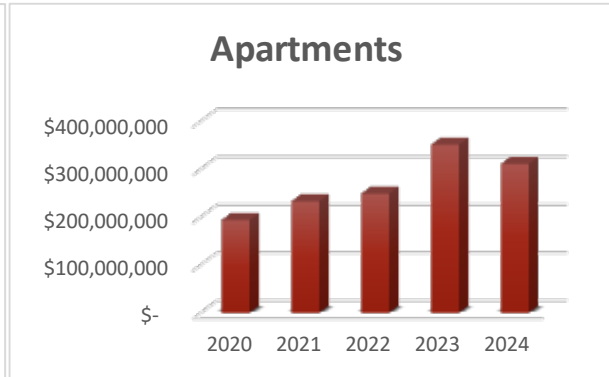
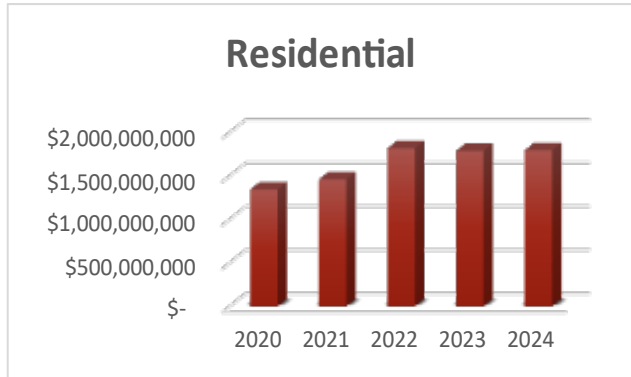
City/Township	Qualified Sales	Median Ratio	COD
Andover	296	94.29%	6.41
Anoka	145	94.87%	5.78
Bethel	4	90.25%	4.46
Blaine	723	94.41%	7.41
Centerville	32	93.98%	4.92
Circle Pines	66	93.38%	7.05
Columbia Heights	233	93.40%	10.15
Columbus	23	93.80%	6.65
Coon Rapids	582	94.50%	5.52
East Bethel	85	94.35%	7.88
Fridley	271	94.48%	6.26
Ham Lake	113	94.09%	6.51
Lexington	9	94.33%	6.10
Lino Lakes	199	95.03%	4.91
Linwood	45	94.07%	9.33
Nowthen	33	94.66%	6.06
Oak Grove	77	95.63%	8.68
Ramsey	266	94.38%	7.00
Spring Lake Park	68	94.44%	5.92
St. Francis	73	94.61%	5.78
Countywide	3343	94.44%	6.75

Apartment, Commercial, and Industrial Sales data provided below indicate Columbia Heights had Three Apartment sales and Three Commercial sales in our 2023 Sales Study Period.

Countywide		
Property Type	Qualified Sales	Ratio
Apartment	20	95.23%
Columbia Heights	3	95.30%
Commercial	33	94.15%
Columbia Heights	3	94.20%
Industrial	24	93.60%

Market Value History

The graphs below indicate how aggregate values have changed over the last 5 years for each of the four largest property types.



2024 Market Value Statistics & New Construction

The tables below indicate the percentage change (YOY) for each of the four largest property types as well as the total market value. The increase due to New Construction (NC) is also included in the table below.

Property Type	2024 EMV	% Change (YOY)	% Increase Due to NC
Residential	\$ 1,797,148,600	0.38%	0.13%
Apartment	\$ 311,468,700	-11.37%	1.59%
Commercial	\$ 142,107,500	4.92%	2.09%
Industrial	\$ 26,076,400	-8.40%	0.00%
Total EMV	\$ 2,276,801,200	-1.25%	0.45%