



# Local Board of Appeals and Equalization

April 08, 2024

7:00 PM

Fridley City Hall, 7071 University Avenue N.E.

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## Agenda

### **Call to Order**

The Fridley City Council (Council) requests that all attendees silence cell phones during the meeting. A paper copy of the Agenda is at the back of the Council Chambers. A paper copy of the entire Agenda packet is at the podium. The Agenda and all related materials may also be found on the City's website at [FridleyMN.gov/1564/Agenda-Center](https://www.fridleymn.gov/1564/Agenda-Center).

### **Pledge of Allegiance**

### **Regular Agenda**

The following items are proposed for the Council's consideration. All items will have a presentation from City staff, are discussed, and considered for approval by separate motions.

#### **New Business**

1. LBAE Resolution No. 2024-01, Approving the Equalization of Assessed Valuations of Real and Personal Property in the City of Fridley

### **Adjournment**

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Upon request, accommodation will be provided to allow individuals with disabilities to participate in any City of Fridley services, programs, or activities. Hearing impaired persons who need an interpreter or other persons who require auxiliary aids should contact the City at (763) 572-3450.



# AGENDA REPORT

**Meeting Date:** April 8, 2024

**Meeting Type:** Local Board of Appeal and Equalization

**Submitted By:** Patrick D. Maghrak, City Assessor  
Brian T. Northenscold, Appraiser

## Title

LBAE Resolution No. 2024-01, Approving the Equalization of Assessed Valuations of Real and Personal Property in the City of Fridley

## Background

Pursuant to Minnesota Statute § 274.01, the Local Board of Appeal and Equalization (LBAE) of the City of Fridley (City) meets annually to determine whether taxable property in the City has been properly valued and classified by the City Assessor (Assessor) and to consider appeals and adjustments as needed. The LBAE examines any appeals from property owners for the current year valuation or classification. Anoka County (County) mailed a notice of valuation to all property owners on March 13, 2024, and the City published a public notice on March 28, 2024, in the Official Publication (Exhibit D) and on the City website.

The Assessor communicated with any appellants and attempted to resolve any valuation concerns. If the two parties could not come to an agreement, the property owners were asked to appear before the LBAE and present a formal appeal. If the appellant was unable to attend the LBAE, they may enter a written appeal into the record and preserve their right to appeal to the County Board of Appeal and Equalization (CBAE).

An appeal must be substantiated by facts, along with the property owners being prepared to answer questions posed by the LBAE. If the Assessor had a chance to review the property prior to the meeting, the Assessor can present facts and information after the property owner, along with a recommendation. At that time, the LBAE may decide based on the information presented. Three possible courses of action may be taken: 1) affirm, 2) reduce, or 3) increase the 2024 Estimated Market Value (EMV). If the Assessor has not reviewed the property prior to the meeting, the LBAE should ask the Assessor to review the property and present their findings to the LBAE at a reconvened meeting. If the LBAE does not resolve their concerns of the appellant(s), they may appeal to the CBAE, which will be held on June 17, 2024, at 6:00 p.m. at the Anoka County Government Center.

As of April 3, 2024, staff has not identified any properties requiring action by the LBAE to their EMVs (Exhibit A) and no properties requested an appeal to the CBAE as of that date (Exhibit B). Staff have been receiving phone calls and staff are available to discuss appeals until 4:30 p.m. on April 8. After that, anyone wishing to appeal may attend this evening's meeting to address the LBAE.

## Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.

The LBAE may modify these exhibits after holding their public hearings. Staff also prepared the annual LBAE report (Exhibit C), which includes sales data, a map of the reassessment area, performance measures and other information related to the property assessment process.

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**Recommendation**

Staff recommend the approval of LBAE Resolution No. 2024-01, Approving the Equalization of Assessed Valuations of Real and Personal Property as Recommended by the Local Board of Appeal and Equalization for 2024.

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**Focus on Fridley Strategic Alignment**

- |   |   |
|---|---|
| <input type="checkbox"/> Vibrant Neighborhoods & Places                         | <input type="checkbox"/> Community Identity & Relationship Building |
| <input checked="" type="checkbox"/> Financial Stability & Commercial Prosperity | <input type="checkbox"/> Public Safety & Environmental Stewardship  |
| <input type="checkbox"/> Organizational Excellence                              |   |

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**Attachments and Other Resources**

- Local Board of Appeals and Equalization Resolution No. 2024-01
- Exhibit A: Estimated Market Value Changes
- Exhibit B: County Board of Appeal and Equalization Acknowledgements
- Exhibit C: LBAE Report
- Exhibit D: Affidavit of Publication

**Vision Statement**

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.

**Local Board of Appeals and Equalization Resolution No. 2024-01**

**Approving the Equalization of Assessed Valuations of Real and Personal Property as Recommended by the Local Board of Appeal and Equalization for 2024**

**Whereas,** the Local Board of Appeal and Equalization (LBAE) convened and conducted a public hearing on April 8, 2024 to consider appeals to the classification and/or estimated market value (EMV) assessment of properties located within the City of Fridley (City); and

**Whereas,** the EMV is an overview of the 2024 assessments and informs the LBAE of the compliance with State laws and regulations pertaining to the reappraisal and analysis of market conditions; and

**Whereas,** the property owners listed in Exhibit A either resolved their respective appeal regarding their property with the City Assessor or attended the LBAE meeting on April 8, 2024 to appeal the classification and/or EMV assessment of their properties within the City; and

**Whereas,** following the completion of its hearings, the LBAE fixed and approved the assessed EMV to each property listed in Exhibit A and submitted the same to the City Clerk; and

**Whereas,** the LBAE was unable to reach consensus regarding those appeals listed in Exhibit B, preserving the right of those appellants to appeal to the Board of Appeal and Equalization for Anoka County; and

**Now, therefore be it resolved,** that the Local Board of Appeal and Equalization of the City of Fridley hereby accepts and approves the 2024 report of the City Assessor; and

**Be it further resolved,** that the Local Board of Appeal and Equalization hereby approves the adjustments in estimated market value outlined in Exhibit A; and

**Be it further resolved,** that the Local Board of Appeal and Equalization hereby acknowledges and affirms those properties outlined in Exhibit B, preserving the rights of those appellants listed therein to proceed to the Board of Appeal and Equalization for Anoka County.

**Passed and adopted by the City Council of the City of Fridley this 8th day of April, 2024.**

\_\_\_\_\_  
Scott J. Lund – Mayor

Attest:

\_\_\_\_\_  
Melissa Moore – City Clerk

**Exhibit A**  
Estimated Market Value (EMV) Changes

<b>No.</b>	<b>Property Owner(s) Name</b>	<b>Property Address</b>	<b>Parcel Identification Number</b>	<b>Original 2024 EMV</b>	<b>Adjusted 2024 EMV</b>
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

**Exhibit B**  
County Board of Appeal and Equalization Acknowledgements

<b>No.</b>	<b>Property Owner(s) Name</b>	<b>Property Address</b>	<b>Parcel Identification Number</b>
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			



# 2024 Board of Equalization Meeting

Fridley, Minnesota • April 8, 2024





# Board of Equalization Meeting

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## Assessment Calendar

January 2	2024 Market Values for Property Established
February 1	Final Day to File for an Exemption from Taxation
March 1	Final Day to Deliver Assessment Records to County
March 21	2024 Valuation Notices Mailed
April 8	Local Board of Appeal and Equalization (7:00 PM)
April 30	Final Day to File a Tax Court Petition for 2023 Assessment
May 15	First Half Payable 2024 Taxes Due
May 15	Final Day to pay first half of personal property taxes
May 29	First Date for Manufactured homes assessed as personal property to establish homestead
June 17	County Board of Appeal and Equalization (6:00 PM)
July 1	2024 Assessment Finalized
July 1	Date by which taxable property becomes exempt
August 15	Final Day to File for 2023 Property Tax Refund
August 31	Final Day to Pay the First Half Manufactured Home Taxes
October 1	Final Day to File for 1b (Blind/Disabled) with Commissioner of Revenue
October 15	2024 Abstract to the Department of Revenue
November 15	Second Half Pay 2024 Taxes Due
November 24	Anticipated Day to mail 2024 Proposed Tax Notices
December 31	Last Day to Establish Homestead for 2024



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### Assessment & Valuation Timeline Roll 2024/Pay 2025

#### October 1, 2022, through September 30, 2023

- Sales are analyzed and then qualified for the sales ratio study. Qualified sales will be used to determine the changes needed to reach the target level of assessment.

#### April 30, 2023, through September 30, 2023

- Quintile Inspection of 20% of the city, and property data cards updated to reflect current condition and any new construction.

#### October 1, 2023, through December 30, 2023

- Inspection of prior years' permit work that was not complete and inspection of new permit work for the current year.
- Ratio reports are run to determine the current level of assessment and the percentage changes needed in the land and improvements to meet the target level of assessment.

#### January 2, 2024

- The estimated value is effective as of this date.

#### March 21, 2024

- Tax Statement and Value Notices sent. Staff fields calls from owners at this point as the first step in the appeal process.

#### April 8, 2024

- The Local Board of Appeal and Equalization meets to hear owner appeals of valuation or classification.

#### June 17, 2024

- The County Board of Appeal and Equalization meets to hear owner appeals unresolved at the local level.

#### July 1, 2024

- The 2023 valuation and classification are certified.

#### November 24, 2024

- Truth in Taxation notices is sent. Staff fields calls from owners and directs them to the appropriate taxing authority.



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### The 2024 Assessment

The 2024 assessment should reflect the 2023 market conditions. Sales of property are constantly analyzed to chart the activity of the marketplace. The Assessing staff does not create value; they only measure its movement.

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

As of January 2, 2024, there were 10,515 parcel/accounts in the City of Fridley (City). This total includes:

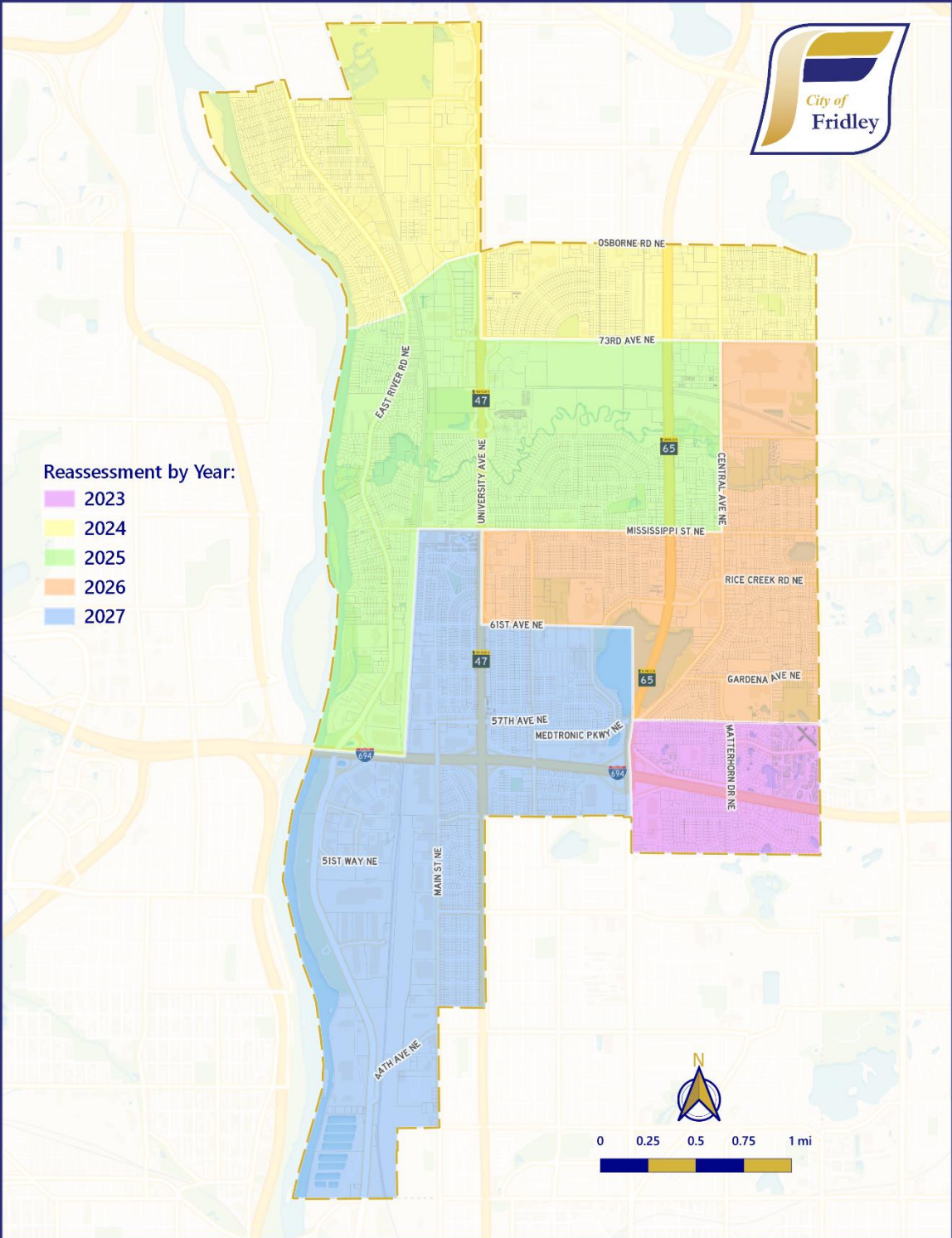
- 8723 residential parcels.
- 610 non-taxable parcels.
- 494 commercial and industrial parcels.
- 206 apartment/nursing home parcels.
- 401 manufactured home accounts.
- 35 personal property accounts.
- 16 railroad parcels.
- 26 tax forfeit; and
- 4 utility parcels.

Current state law mandates that all property must be re-assessed each year and physically reviewed once every five years. The City also inspects all properties with new construction each year. During 2023, the City reviewed 1,923 taxable properties and verified appraisable items that determine value. Where staff did not receive a response to request for interior inspection, an estimate of value was made based on what was found to be typical for the neighborhood.

A map illustrating the areas recently reviewed by the city and those areas to be visited in the future may be found on the following page. The area in yellow is under review this year, while the area shaded in purple was the subject of last year's review.



### 2024 Quintile Map





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### Reassessment

State Statute reads: "All real property subject to taxation shall be listed and reassessed every year with reference to its value on January 2nd preceding the assessment." This has been done, and the owners of property in Anoka County have been notified of any value change. Minnesota Statute 273.11 reads: "All property shall be valued at its market value."

It further states that "In estimating and determining such value, the Assessor shall not adopt a lower or different standard of value because the same is to serve as a basis for taxation, nor shall the assessor adopt as a criterion of value the price for which such property would sell at auction or at a forced sale, or in the aggregate with all the property in the town or district; but the assessor shall value each article or description of property by itself, and at such sum or price as the assessor believes the same to be fairly worth in money." The statute says all property shall be valued at market value, not may be valued at market value. This means that no factors other than market factors should affect the assessor's value and the subsequent action by the Board of Appeal and Equalization.

### Market Value

Market value has been defined many ways. One way used by many appraisers is outlined below.

The most probable price that a property should bring in a competitive and open market under all condition's 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:

1. Buyer and seller are typically motivated.
2. Both parties are well informed or well advised, and acting in what they consider their own best interests.
3. A reasonable time is allowed for exposure in the open market.
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. 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.



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### Authority of the Local Board of Equalization

Assessments of property are made to provide the means for the measuring of the relative share of each taxpayer in the meeting of the costs of local government. It is the duty of the Assessor to assess all real and personal property, except that which is exempt or taxable under some special method of taxation. If the burden of local government is to be fairly and justly shared among the owners of all property of value, it is necessary that all taxable property is listed on the tax rolls and that all assessments are made accurately.

Whenever any property that should be assessed is omitted from the tax rolls, an unfair burden falls upon the owners of all property that has been assessed. If any property is undervalued in relation to the other property on the assessment record, the owners of the other property are called upon automatically to assume part of the tax burden that should be borne by the undervalued property. Fairness and justice in property taxation demands both completeness and equality in assessment.

Minnesota Statutes Section 274.01 provides that the council of each city shall be or appoint a Board of Appeal and Equalization (Local Board). The charter of certain cities provides for the establishment of a Local Board. The provisions of Section 274.01 and this regulation apply to all Boards of Appeal or Boards of Equalization.

The 2003 Legislature enacted State Statute 274.014, which requires that there be at least one member at each meeting of a Local (beginning in 2006) who has attended an appeals and equalization course developed or approved by the Commissioner of Revenue within the last four years.

Section 274.01 states the county assessor shall fix a date for each Local Board to meet for the purpose of reviewing the assessment of property in its respective town or city. The county assessor is required to serve written notice to the clerk of each of such bodies on or before February 15th of each year.

These meetings are required to be held between April 1st and May 31st; and the clerk of the Local Board is required to give published and posted notice at least ten days before the date set for the first meeting.

The Local Board of any city, unless a longer period is approved by the Commissioner of Revenue, must complete its work, and adjourn within twenty days (20) from the time of convening specified in the notice of the clerk. No action taken after such date shall be valid.

A request for additional time to complete the work of the Local Board must be addressed to the Commissioner of Revenue in writing. The Commissioner's approval is necessary to legalize any procedure after the expiration of the twenty-day period.

The Commissioner of Revenue will not, however, extend the time for Local Boards to meet beyond the time when the County Board of Equalization meets, which is in the first two weeks of June.



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The authority of the Local Board extends over the individual assessments of real and personal property. The Local Board does not have the power to increase or decrease by percentage all the assessments in the district of a given class of property. Changes in aggregate assessments by classes are made by the County Board of Equalization.

Although the Local Board has the authority to increase or reduce individual assessments, the total of such adjustments must not reduce the aggregate assessment made by the Assessor by more than one percent of said aggregate assessment. If the total of such adjustments does lower the aggregate assessment made by the Assessor by more than one percent, none of the adjustments will be allowed. This limitation does not apply, however, to the correction of clerical errors or to the removal of duplicate assessments.

The Local Board does not have the authority in any year to reopen former assessments on which taxes are due and payable. It only considers the assessments that are in process in the current year. Adjustment can be made only by the process of abatement or by legal action.

In reviewing the individual assessments, the Local Board may find instances of undervaluation. Before it can raise the market value of property, it must notify the owner. The law does not prescribe any form of notice except that the person whose property is to be increased in value must be notified of the intent of the Local Board to make the increase. The Local Board meetings assure a property owner an opportunity to contest any other matter relating to the taxability of their property. It is required to review the matter and make any corrections that it deems just.

When a Local Board convenes, it is necessary that a majority of the members be in attendance in order that any valid action may be taken. The local assessor is required by law to be present with their assessment books and papers. They are required also to take part in the proceedings but has no vote. In addition to the local assessor, the county assessor or one of their assistants is required to attend. The Local Board should proceed immediately to review the assessments of property. It should ask the local assessor and county assessor to present any tables that have been prepared, making comparisons of the current assessments in the district. The county assessor is required to have maps and tables relating particularly to land values for the guidance of Boards of Appeal and Equalization. Comparisons should be presented of assessments of types of property with previous years and with other assessment districts in the same county.

It is the primary duty of each Board of Appeal and Equalization to examine the assessment record to see that all taxable property in the assessment district has been properly placed upon the list and valued by the assessor. In case any property, either real or personal, has been omitted; the Local Board has the duty of making the assessment.

The complaints and objections of persons who feel aggrieved with any assessments for the current year should be considered very carefully by the Local Board. Such assessments must be reviewed in detail and the Local Board has the authority to make corrections it deems to be just. The Local Board may recess from day to day until all cases have been heard. If complaints are received after the adjournment of the Local Board, they must be handled on



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the staff level; as a property owner cannot appear before a higher board unless he or she has first appeared at the lower board levels.

Pursuant to Minnesota Statute 274.01: the Local Board may not make an individual market value adjustment or classification change that would benefit the property in cases where the owner or other person having control over the property will not permit the assessor to inspect the property and the interior of any buildings or structures.

A non-resident may file written objections to their assessment with the county assessor prior to the meeting of the Local Board. Such objections must be presented to the Local Board for consideration while it is in session.

Before adjourning, the Local Board should cause the record of the official proceedings to be prepared. The law requires that the proceedings be listed on a separate form which is appended to the assessment book. The assessments of omitted property must be listed in detail and all assessments that have been increased or decreased should be shown as prescribed in the form. After the proceedings have been completed, the record should be signed and dated by the members of the Local Board. It is the duty of the county assessor to enter changes by the Local Board in the assessment book of each district.

The Local has the opportunity of making a great contribution to the equality of all assessments of property in a district. No other agency in the assessment process has the knowledge of the property within a district that is possessed jointly by the individual members of a Local Board. The County or State Board of Equalization cannot give the detailed attention to individual assessments that is possible in the session of the Local Board. The faithful performance of duty by the Local Board will make a direct contribution to the attainment of equality in meeting the costs of providing the essential services of local government.

The 2024 assessment should reflect market conditions for "Fair Market" sales from the period October 1, 2022, through September 30, 2023. These sales represent the motivations of typical buyers and sellers acting in their own best interest, free from undue influence. These sales were measured against assessed values at the time of each transaction and the resulting ratios were used to indicate any changes necessary to achieve the target level of assessment. The final step in the process is to time adjust the sales with Minnesota Department of Revenue trend information and make any needed adjustment to assure compliance with state required levels of assessment.





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### Market Values

During the 2023 study period, the city recorded 393 sales, of which staff considered 271 to be "arms-length" sales used to determine new market value.

In accordance with the results of these sales studies, modest adjustments were made to residential properties in all areas of the City. Neighborhood developments with predominantly starter home styles saw a modest decrease while upper bracket homes saw slight increases.

The market is still short of inventory by historical standards, but prices are coming down as sellers are seeing fewer qualified or interested buyers in the marketplace. Sales volume for the 12 months studied to develop the 2024 assessment was down 27%. The housing expense for a median value home during 2023 was 21% higher than the year prior and nearly 70% higher than two years ago when interest rates persisted around 3%.

The 2024 assessment that is up for review has a total unaudited assessed value of \$4,459,407,000 excluding exempt and forfeit property. Residential value increased 1.15%, Commercial/Industrial value was up 11.4% and apartment value was down 4%.

As of March 18, 2024, there were 22 homes listed for sale within North Star MLS and of those, eleven had purchase agreements under contingency. Of the remaining 11 homes market times range from 1 day to as high as 70 days. There are signs of a shift in the market evidenced by price reductions, extended market times and an increasing supply of homes for sale.

Sales in the first six months of the 2025 assessment study period have been like the same period last year despite an 11.11% decline in volume. There have been 114 sales with six in the \$100,000 to \$200,000 range, 42 sales in the \$200,000 to \$300,000 range, 54 sales in the \$300,000 to \$400,000 range, eleven sales in the \$400,000 to \$500,000 range and 1 sale over \$500,000. When compared with the first 6 months of the 2024 assessment study period, the average selling price is up 3.7%, the average market time was 24 days last year at this time and has seen little change to 25 days, and sellers are getting nearly 100% of the listing price which about the same as the last year at nearly 100%.

### Change in Property Values 2023 vs. 2024

Unaudited initial values from Anoka County show Residential value increased from \$2,354,221,100 in the 2023 assessment to a 2024 value of \$2,707,354,256. Commercial/Industrial value increased from \$1,317,470,700 in 2023 to \$1,467,662,359 in 2024; and Apartments decreased from \$634,163,200 in 2023 to a 2024 value of \$608,769,672. As a result of these changes, the time adjusted ratio for the 2024 assessment was 94.48% with a coefficient of dispersion (COD) of 6.26 and a price related differential (PRD) of 100.48 for residential properties, commercial properties were at 94.39, industrial properties at 109.48 and apartments had a 94.32 ratio.



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## CREV Breakdown for Roll 2024 Study

Total Residential Sales	393	% of Total
Qualified Sales	271	69.0%
Unqualified Sales	122	31.0%

Rejection Codes and Reasons			% of Total
#1	Old Sale Outside 21-month Study Period	0	0.0%
#2	Relative Sale, Related Business	19	15.6%
#3	Government or Exempt Party Sale	1	0.8%
#4	Partial Interest Sale	1	0.8%
#5	Use Change	0	0.0%
#6	Unusual Financing, Non-Cash Financing	0	0.0%
#7	Physical Change or Renovation After Assessment Date	50	41.1%
#8	Deed Correction	0	0.0%
#9	Trade, Gift, Estate Sale Not Exposed to Market	24	19.7%
#10	Prior Interest Sale, Lease with Option to Buy	0	0.0%
#11	DOR Unique Code	0	0.0%
#12	DOR Unique Code	0	0.0%
#13	DOR Unique Code	0	0.0%
#14	CD Payoff, Mortgage Assumption	0	0.0%
#15	Foreclosure, Short Sale, Forced Sale, Legal Action	2	1.6%
#16	Assessor Value for Sale Year Not Available	0	0.0%
#17	Excessive Non-Real Property	0	0.0%
#18	Rewrite Terms / Default on CD	0	0.0%
#19	Relocation, Employee Transfer	0	0.0%



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#20	Leaseback Sale for more than 6 months	0	0.0%
#21	Bank/HUD sales. Sales not exposed to the mkt.	2	1.6%
#22	Less than Min. Down pmt. on CD & over 1 year	0	0.0%
#23	Sale under Minimum Amount \$3,000 / \$10,000	0	0.0%
#24	Sale of Properties in More than One County	0	0.0%
#25	AG Preserve	0	0.0%
#26	Not Typical Market Sale	22	18.0%
#27	Court Ordered Value	0	0.0%
#28	Nursing Home / Mobile Park	0	0.0%
#29	Allocated Sale Price	0	0.0%
#30	Assessor Value Restricted by Plat Law	0	0.0%
#31	Assemblage	1	0.8%



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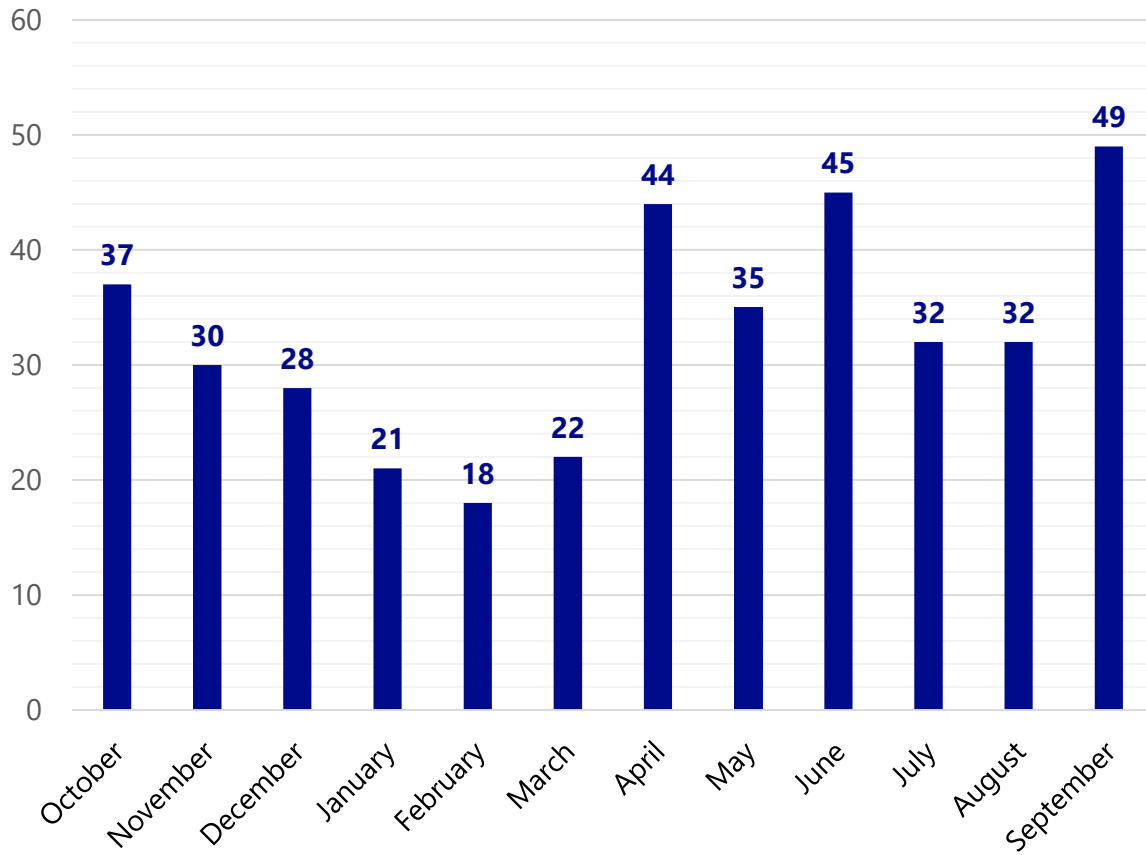
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### Monthly Sales During the Sales Study

Month / Quarter	Total Sales	Qualified	Unqualified
October	37	25	12
November	30	22	8
December	28	20	8
4th Quarter 2022	95	67	28
January	21	21	0
February	18	12	6
March	22	11	11
1st Quarter 2023	61	44	17
April	44	31	13
May	35	26	9
June	45	32	13
2nd Quarter 2023	124	89	35
July	32	19	13
August	32	19	13
September	49	33	16
3rd Quarter 2023	113	71	42
<b>Annual Totals</b>	<b>393</b>	<b>271</b>	<b>122</b>

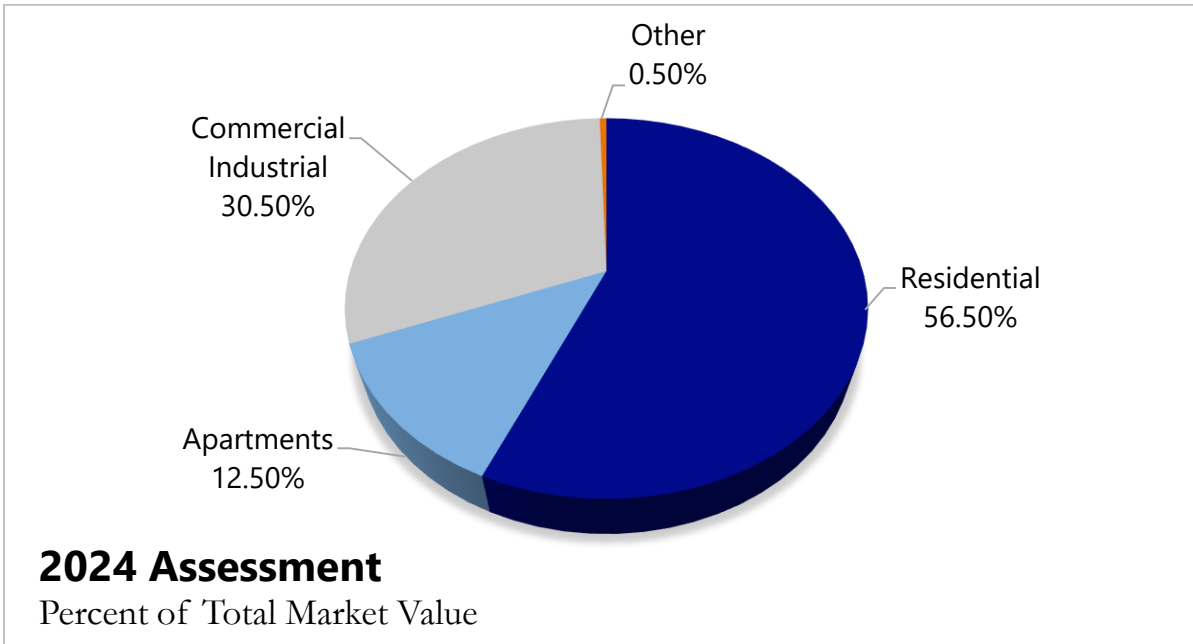
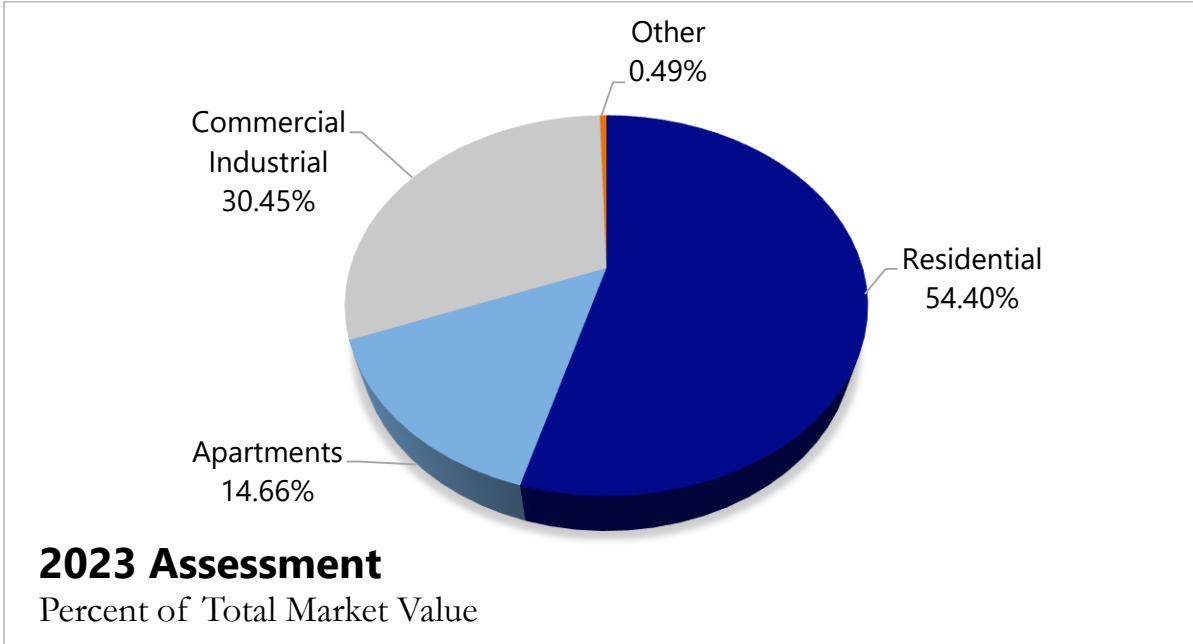


### Monthly Sales 4<sup>th</sup> Qtr 2022 – 3<sup>rd</sup> Qtr 2023





### 2023-2024 Market Value Comparison





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### Residential Appraisal System

Per State Statute, each property must be physically inspected and individually appraised once every five years. For this individual appraisal, or in the event of an assessed value appeal, we use two standard appraisal methods to determine and verify the estimated market value of our residential properties:

1. First, an appraiser inspects each property to verify data. If we are unable to view the interior of a home on the first visit, a notice is left requesting a return telephone call from the owner to schedule this inspection. Interior inspections are necessary to confirm our data on the plans and specifications of new homes and to determine depreciation factors in older homes.
2. To calculate the estimated market value from the property data we use a Computer Assisted Mass Appraisal (CAMA) system based on a reconstruction less depreciation method of appraisal. The cost variables and land schedules are developed through an analysis of stratified sales within the city. This method uses the "Principle of Substitution" and calculates what a buyer would have to pay to replace each home today less age dependent depreciation.
3. A comparative market analysis is used to verify these estimates. The properties used for these studies are those that most recently have sold and by computer analysis, are most comparable to the subject property taking into consideration construction quality, location, size, style, etc. The main point in doing a market analysis is to make sure that you are comparing "apples with apples". This will make the comparable properties "equivalent to" the subject property and establish a probable sale price of the subject.

These three steps give us the information to verify our assessed value or to adjust it if necessary.

### Sales Studies

According to State Law, it is the assessor's job to appraise all real property at market value for property tax purposes. As a method of checks and balances, the Department of Revenue uses statistics and ratios relating to assessed market value and current sale prices to confirm that the law is upheld. Assessors use similar statistics and sales ratios to identify market trends in developing market values.

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



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The final calculation of ratios comes after time adjustments have been applied to sales as determined by the Minnesota Department of Revenues time trend studies. This effectively accounts for market changes throughout the study period and gives an accurate snapshot of where properties would expect to sell as of January 2nd of the assessment year.

### Residential Appraisal System

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

The Department of Revenue adjusts the median ratio by the percentage of growth from the previous year's abstract value of the same class of property within the same jurisdiction. This adjusted median ratio must fall between 90% and 105%. Any deviation will warrant a state mandated jurisdiction-wide adjustment of at least 5%. To avoid this increase, the Anoka County Assessor requests a median sales ratio of 94.5%. If this level of assessment does not fall into the state time adjusted level than the County may apply an additional increase in structure rates to meet the required level.

In Anoka County, we can stratify the ratios by style, age, quality of construction, size, land zone and value. This assists us in appraising all our properties closer to our goal ratio.

### Sales Statistics Defined

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

**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.

**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.





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### Appeals Procedure

Each spring Anoka County sends out a property tax bill. Three factors that affect the tax bill are:

- The amount your local governments (town, city, county, etc.) spend to provide services to your community,
- The taxable market value of your property, and
- 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.

### 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 Equalization

- The Local Board includes the mayor and city council members.
- The Local Board meets during April and early May.
- Taxpayers can make their appeal in person or by letter.
- 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.
- Their role is to ensure equalization among individual assessment districts and classes of property.
- The County board meets in June. In 2024 it will commence on June 17th at 6:00 pm.



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- A taxpayer must first appeal to the local board before appealing to the county board.

Decisions of the County Board of Appeal and Equalization can be appealed to 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 of the property in the petition 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 within 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, with trials scheduled to begin on Thursdays. 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.



### Sample Valuation Notice



**Anoka County**  
Alex Guggenberger, County Assessor  
Property Records and Taxation  
2100 3rd Avenue  
Anoka, MN 55303  
(763) 324-1175  
www.anokacountymn.gov

**VALUATION NOTICE**

2024 Values for Taxes Payable in **2025**

Property tax notices are delivered on the following schedule:

Step	Valuation and Classification Notice	
<b>1</b>	Class: RES HSTD Estimated Market value: \$371,600 Homestead Exclusion: \$13,106 Taxable Market Value: \$358,494	<i>See Details Below.</i>
<b>2</b>	<b>Proposed Taxes Notice</b> 2025 Proposed Tax: _____	<i>Coming November 2024</i>
<b>3</b>	<b>Property Tax Statement</b> 1 <sup>st</sup> Half Taxes: _____ 2 <sup>nd</sup> Half Taxes: _____ Total Taxes Due in 2025: _____	<i>Coming March 2025</i>

**Property ID Number: 03-30-24-55-5555**

**Taxpayer(s):**  
JOHN Q. RESIDENT  
1234 ANYWHERE ST NE  
FRIDLEY MN 55432

**Property Description:**  
LOT 12 BLOCK 5 ANYWHERE ADDITION

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

It will be too late when proposed taxes are sent.

Owner(s): JOHN Q. RESIDENT

Property Address: 1234 ANYWHERE ST NE, FRIDLEY, MN 55432

Your Property's Classification(s) and Values		
	Taxes Payable In 2024 (2023 Assessment)	Taxes Payable In 2025 (2024 Assessment)
<i>The assessor has determined your property's classification(s) to be:</i>		
RES HSTD		RES HSTD
<input type="checkbox"/> <i>If this box is checked, your classification has changed from last year's assessment.</i>		
<i>The assessor has estimated your property's market value to be:</i>		
<b>Estimated Market Value (EMV)</b>	<b>\$377,000</b>	<b>\$371,600</b>
<i>Several factors can reduce the amount that is subject to tax:</i>		
Green Acres Value Deferral		
Rural Preserve Value Deferral		
Open Space Value Deferral		
Platted Vacant Land Exclusion		
Exclusion for Veterans with Disabilities		
Mold Damage Exclusion		
Homestead Market Value Exclusion	<b>\$3,310</b>	<b>\$13,106</b>
<b>Taxable Market Value (TMV)</b>	<b>\$373,690</b>	<b>\$358,494</b>
<i>The following values (if any) are reflected in your estimated and taxable market values:</i>		
New Improvement Value		
<i>The classification(s) of your property affect the rate at which your value is taxed.</i>		

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

<p><b>Local Board of Appeal and Equalization/Open Book</b> April 8, 2024 7:00pm - FRIDLEY - UPDATES AT CITY WEBSITE 7071 UNIVERSITY AVE NE, FRIDLEY, MN 55432 TO DISCUSS VALUES PLEASE CALL: MFG HOMES 763-324-1183 FOR REAL ESTATE PARCEL: 763-572-3537 OR 763-572-3536</p>	<p><b>County Board of Appeal and Equalization Meeting</b> June 17, 2024 6:00pm - Anoka County Government Center 2100 3rd Avenue, Anoka MN, 55303 Room #705 APPOINTMENTS ARE ENCOURAGED TO SCHEDULE AN APPOINTMENT PLEASE CALL - 763-324-1175</p>
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Print Date: 03/15/24



## Board of Equalization Meeting

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### Minnesota Statutes

#### 274.01 BOARD OF APPEAL AND EQUALIZATION.

##### Subdivision 1. **Ordinary board; meetings, deadlines, grievances.**

(a) The town board of a town, or the council or other governing body of a city, is the board of appeal and equalization except (1) in cities whose charters provide for a board of equalization or (2) in any city or town that has transferred its local board of review power and duties to the county board as provided in subdivision 3. The county assessor shall fix a day and time when the board or the board of equalization shall meet in the assessment districts of the county. Notwithstanding any law or city charter to the contrary, a city board of equalization shall be referred to as a board of appeal and equalization. On or before February 15 of each year the assessor shall give written notice of the time to the city or town clerk. Notwithstanding the provisions of any charter to the contrary, the meetings must be held between April 1 and May 31 each year. The clerk shall give published and posted notice of the meeting at least ten days before the date of the meeting.

The board shall meet at the office of the clerk to review the assessment and classification of property in the town or city. No changes in valuation or classification which are intended to correct errors in judgment by the county assessor may be made by the county assessor after the board has adjourned in those cities or towns that hold a local board of review; however, corrections of errors that are merely clerical in nature or changes that extend homestead treatment to property are permitted after adjournment until the tax extension date for that assessment year. The changes must be fully documented and maintained in the assessor's office and must be available for review by any person. A copy of the changes made during this period in those cities or towns that hold a local board of review must be sent to the county board no later than December 31 of the assessment year.

(b) The board shall determine whether the taxable property in the town or city has been properly placed on the list and properly valued by the assessor. If real or personal property has been omitted, the board shall place it on the list with its market value and correct the assessment so that each tract, or lot of real property, and each article, parcel, or class of personal property, is entered on the assessment list at its market value. No assessment of the property of any person may be raised unless the person has been duly notified of the intent of the board to do so. On application of any person feeling aggrieved, the board shall review the assessment or classification, or both, and correct it as appears just. The board may not make an individual market value adjustment or classification change that would benefit the property if the owner or other person having control over the property has refused the assessor access to inspect the property and the interior of any buildings or structures as provided in section [273.20](#). A board member shall not participate in any actions of the board which result in market value adjustments or classification changes to property owned by the board member, the spouse, parent, stepparent, child, stepchild, grandparent, grandchild, brother, sister, uncle, aunt, nephew, or niece of a board member, or property in which a board member has a financial interest. The relationship may be by blood or marriage.



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(c) A local board may reduce assessments upon petition of the taxpayer, but the total reductions must not reduce the aggregate assessment made by the county assessor by more than one percent. If the total reductions would lower the aggregate assessments made by the county assessor by more than one percent, none of the adjustments may be made. The assessor shall correct any clerical errors or double assessments discovered by the board without regard to the one percent limitation.

(d) A local board does not have authority to grant an exemption or to order property removed from the tax rolls.

(e) A majority of the members may act at the meeting and adjourn from day to day until they finish hearing the cases presented. The assessor shall attend, with the assessment books and papers, and take part in the proceedings, but must not vote. The county assessor, or an assistant delegated by the county assessor shall attend the meetings. The board shall list separately, on a form appended to the assessment book, all omitted property added to the list by the board and all items of property increased or decreased, with the market value of each item of property, added or changed by the board, placed opposite the item. The county assessor shall enter all changes made by the board in the assessment book.

(f) Except as provided in subdivision 3, if a person fails to appear in person, by counsel, or by written communication before the board after being duly notified of the board's intent to raise the assessment of the property, or if a person feeling aggrieved by an assessment or classification fails to apply for a review of the assessment or classification, the person may not appear before the county board of appeal and equalization for a review of the assessment or classification. This paragraph does not apply if an assessment was made after the local board meeting, as provided in section [273.01](#), or if the person can establish not having received notice of market value at least five days before the local board meeting.

(g) The local board must complete its work and adjourn within 20 days from the time of convening stated in the notice of the clerk unless a longer period is approved by the commissioner of revenue. No action taken after that date is valid. All complaints about an assessment or classification made after the meeting of the board must be heard and determined by the county board of equalization. A nonresident may, at any time, before the meeting of the board file written objections to an assessment or classification with the county assessor. The objections must be presented to the board at its meeting by the county assessor for its consideration.

### Subd. 2. **Special board; duties delegated.**

The governing body of a city, including a city whose charter provides for a board of equalization, may appoint a special board of review. The city may delegate to the special board of review all the powers and duties in subdivision. The special board of review shall serve at the direction and discretion of the appointing body, subject to the restrictions imposed by law. The appointing body shall determine the number of members of the board, the compensation, and expenses to be paid, and the term of office of each member. At least one



## Board of Equalization Meeting

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member of the special board of review must be an appraiser, realtor, or other person familiar with property valuations in the assessment district.

### Subd. 3. **Local board duties transferred to county.**

The town board of any town or the governing body of any home rule charter or statutory city may transfer its powers and duties under subdivision 1 to the county board, and no longer perform the function of a local board. Before the town board or the governing body of a city transfers the powers and duties to the county board, the town board or city's governing body shall give public notice of the meeting at which the proposal for transfer is to be considered. The public notice shall follow the procedure contained in section [13D.04, subdivision 2](#). A transfer of duties as permitted under this subdivision must be communicated to the county assessor, in writing, before December 1 of any year to be effective for the following year's assessment. This transfer of duties to the county may either be permanent or for a specified number of years, provided that the transfer cannot be for less than three years. Its length must be stated in writing. A town or city may renew its option to transfer. The option to transfer duties under this subdivision is only available to a town or city whose assessment is done by the county.

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**AFFIDAVIT OF PUBLICATION**



STATE OF MINNESOTA )  
COUNTY OF HENNEPIN )

650 3rd Ave. S, Suite 1300 | Minneapolis, MN | 55488

Terri Swanson, being first duly sworn, on oath states as follows:

1. (S)He is and during all times herein stated has been an employee of the Star Tribune Media Company LLC, a Delaware limited liability company with offices at 650 Third Ave. S., Suite 1300, Minneapolis, Minnesota 55488, or the publisher's designated agent. I have personal knowledge of the facts stated in this Affidavit, which is made pursuant to Minnesota Statutes §331A.07.
2. The newspaper has complied with all of the requirements to constitute a qualified newspaper under Minnesota law, including those requirements found in Minnesota Statutes §331A.02.
3. The dates of the month and the year and day of the week upon which the public notice attached/copied below was published in the newspaper are as follows:

<u>Dates of Publication</u>	<u>Advertiser</u>	<u>Account #</u>	<u>Order #</u>
StarTribune 03/28/2024	FRIDLEY CITY OF	1000019971	479368

4. The publisher's lowest classified rate paid by commercial users for comparable space, as determined pursuant to § 331A.06, is as follows: **\$63.20**

5. Mortgage Foreclosure Notices. Pursuant to Minnesota Statutes §580.033 relating to the publication of mortgage foreclosure notices: The newspaper's known office of issue is located in Hennepin County. The newspaper complies with the conditions described in §580.033, subd. 1, clause (1) or (2). If the newspaper's known office of issue is located in a county adjoining the county where the mortgaged premises or some part of the mortgaged premises described in the notice are located, a substantial portion of the newspaper's circulation is in the latter county.

FURTHER YOUR AFFIANT SAITH NOT.

*Terri Swanson*

Subscribed and sworn to before me on: 03/28/2024

*Diane E. Rak Kleszyk*



Notary Public

