

Appealing the Value or Classification of Your Property

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Property Tax Fact Sheet 1

Fact Sheet

Each spring your county sends you a property tax bill. Three factors that affect your 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, and
3. the **classification** of your property (how it is used).

The assessor determines the last two factors. You may appeal the value or classification of your property. This fact sheet discusses **estimated market value** and **classification** as shown on your **Notice of Valuation and Classification**. On the back, it tells you what you can do if you and the assessor disagree.

Estimated market value



Estimated market value is the amount the assessor estimates a buyer would pay for your property if it were offered for sale. Each year the assessor reviews the market valuation of your property to determine if changes in the real estate market or improvements to your property require a change in the estimated market value.

Classification and class rates



All property is classified by the assessor according to its use. Each class of property (home, apartment, cabin, farm, business) is taxed at a different percentage of its value. This percentage, or class rate, is determined by the state legislature. Like market value, the class rate of your property plays a significant role in how much property tax you pay.

Valuation and classification notice



Each spring, the assessor will mail you a **Notice of Valuation and Classification** informing you of the value and classification of your property. If you believe the classification or the estimated market value of your property is incorrect, you have several appeal options. The first step is to do some research.

Do your research



Begin by contacting the assessor's office.

- Verify information about your property, such as its dimensions, age and condition of its structures.
- Review records to determine the market value of similar property in your neighborhood.
- Review sales data to find out what similar property in your area is selling for.
- Check real estate ads in your newspaper to get an idea of the asking price of local properties.
- Ask the assessor to explain the criteria used for classifying your property. You may also review the classification of other property used in the same manner as yours.

Appealing your assessment



You have the right to appeal your market value estimate and/or property classification if you feel your property is:

- Classified improperly.
- Valued at an amount higher than you could sell your property for.
- Valued at a level different from similar property in your area.

First, **talk to the assessor** to discuss changing your assessment. If you and the assessor are unable to agree on your valuation or classification, more formal methods of appeal are available.

See reverse for formal appeal information →

Appeals

You can appeal to your local and county **Boards of Appeal and Equalization** or you can take your appeal directly to the **Minnesota Tax Court**. Or you can choose both options, in which case begin with the Local Board of Appeal and Equalization.

Local Board of Appeal and Equalization



If you choose to appeal to your boards of appeal and equalization, first meet with your Local (city or town) Board of Appeal and Equalization. These are usually the same people as your city or town council. The board meets on a specified day in April or May. The exact date is listed on your Notice of Valuation and Classification. **We strongly recommend that you call or write your city or town clerk to schedule your appearance.**

You may make your appeal in person, by letter, or have someone else appear for you. The assessor will be present to answer questions. **You must present your case to the city or town board before going to the County Board of Appeal and Equalization.**

Cities and towns have the option of transferring their board powers to the County Board of Appeal and Equalization. If your municipality has elected to do this, your Notice of Valuation and Classification will direct you to begin your appeal at the county level.

County Board of Appeal and Equalization



If you are not satisfied with the decision of the city or town board or if your city or town has transferred their powers to the county, you may appeal to the County Board of Appeal and Equalization.

This board meets in June. The exact date is listed on your Notice of Valuation and Classification. The members are usually the county board of commissioners or their appointees. **We strongly recommend that you call or write your county auditor or assessor to schedule your appearance before the board.**

You may make your appeal in person, by letter, or have someone else appear for you. The assessor will be present to answer questions. If you are not satisfied with the decision of the County Board of Appeal and Equalization, you may appeal to the Minnesota Tax Court.

Minnesota Tax Court



You have until April 30 of the year the tax becomes payable to appeal your assessment to the Minnesota Tax Court. In other words, you must appeal your 2005 valuation and classification on or before April 30, 2006.

The Tax Court has two divisions:

- A. The **small claims division** only hears appeals involving one of the following situations:
 - The assessor's estimated market value of your property is less than \$300,000.
 - Your entire parcel is classified as a residential homestead (1a or 1b) and the parcel contains no more than one dwelling unit.
 - Your entire property is classified as an agricultural homestead (1b or 2a).
 - Appeals involving the denial of a current year application for homestead classification of your property.

The proceedings of the small claims division are less formal and many people represent themselves. **Decisions made by the small claims division are final and cannot be appealed further.**

- B. The **regular division** will hear all appeals—including those within the jurisdiction of the small claims division. **Decisions made here can be appealed to a higher court.**

Most people who appeal to the regular division hire an attorney because the hearing is conducted according to the Minnesota rules of civil procedure.

You may obtain complete information on Tax Court appeals by writing or calling the court administrator in your county or by contacting:

Minnesota Tax Court
Minnesota Judicial Center
Suite 245
25 Reverend Dr. Martin Luther King, Jr. Boulevard
St. Paul, MN 55115
(651) 296-2806
www.taxcourt.state.mn.us