

Property Assessments and Equity Impacts

April 16, 2024



Outcomes

- Understanding Assessor's Office
- Understanding property valuation residential, commercial and industrial
- Efforts for equity and the assessor's role

Presenters Today

Pat Chapman

-County Assessor, Director County Assessor Department

Corey Erickson

-Deputy Director, County Assessor Department

Judy Lazar

-Manager Residential Unit, County Assessor Department

Overview

Property Assessments

- Market value per Minnesota Statute.
- Assessor office
- Computer Assisted Mass Appraisal (CAMA) model.
- Value extremes.
- Valuation methods Residential and Commercial.

Equity Impacts

- Modeling and Equity.
- Price Related Differential (PRD).
- Racial covenants work.
- Affinity Group.
- Property Tax Refund.

Property Assessments





Market Value

Minnesota is a 100% market value state per Minnesota Statute 273.03.

All property values are assessed as of January 2nd of each year.

\$75 Billion in taxable market value for 2024.



Assessor's Office

3 Business Units and Management Team

Residential (23) Staff

Commercial (16) Staff

Assessing Services (12) Staff

Management Team (2) Staff

Ramsey County Assessor Qualifications

- All assessors licensed by the Minnesota State Board of Assessor's.
- Pre-licensing education 120 hours for Certified Minnesota Assessor (CMA) level.
- Continuing education requirements 50-60 hours every 4 years.
- Education and license progression throughout the career.
- Accredited Minnesota Assessor (AMA) after 5 years as Certified Minnesota Assessor (CMA).



Computer Assisted Mass Appraisal

Enterprise Assessment & Tax (Tyler Technologies)

Several models are available:

- Market model
- Depreciated cost
- Income model
- Weighted estimates
- Trend valuation
- Weighted value

Market Model Residential

- Vast majority of residential property utilize market model.
- Property information is kept current by our appraisal staff.
- The CAMA system selects 5 market comparable sales and develops values.
- Values are verified by the appraisal staff.
- Values are finalized and published to the residents via the valuation notices.
- Assessor's Report is published open data portal.
- Market modeling is the most equitable way to value the vast majority of residential properties.
- Per Minnesota Statute, a 90% to 105% sales ratio must be met.

Reasons for Significant Value Increases or Decreases

- New construction
- Remodel or repair
- Review for quintile (5-year property review)
- Building removal

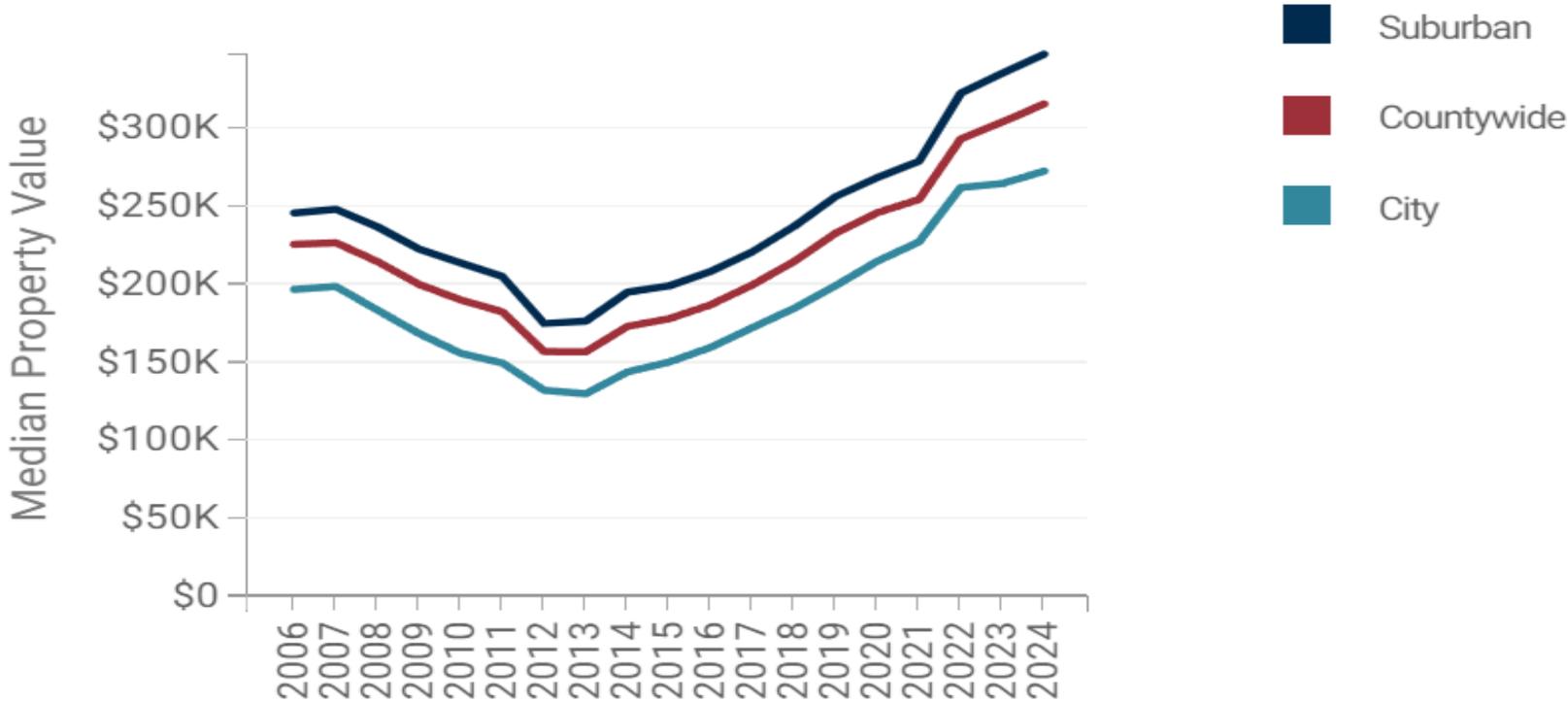
Example timeline:

- Value \$231,900 as of January 2, 2023.
- Building torn down May of 2023.
- Taxes will be paid against the pre-tear down value for assessment 2023 payable 2024.
- Vacant land value of \$79,900 for assessment 2024 payable 2025.

Ramsey County Residential Median Value since 2006

Median Property Value Over Time (Residential) 2006-2024

Median values exclude added improvement values, leased public property and vacant land.



Commercial Property Income Model

- The Income Approach is the primary way commercial real estate property is valued:
 - Valuation approach converts property's income stream into an indicator of value.
 - Income Model in computer assisted mass appraisal system (or CAMA system) is used to value the majority of CIA property.
 - Allows for better quality, more accurate and more equitable assessment.
 - Gives less experienced appraisers greater confidence in assigning values.

Commercial Value Trends

Commercial Median Property Value Trends 2006-2024

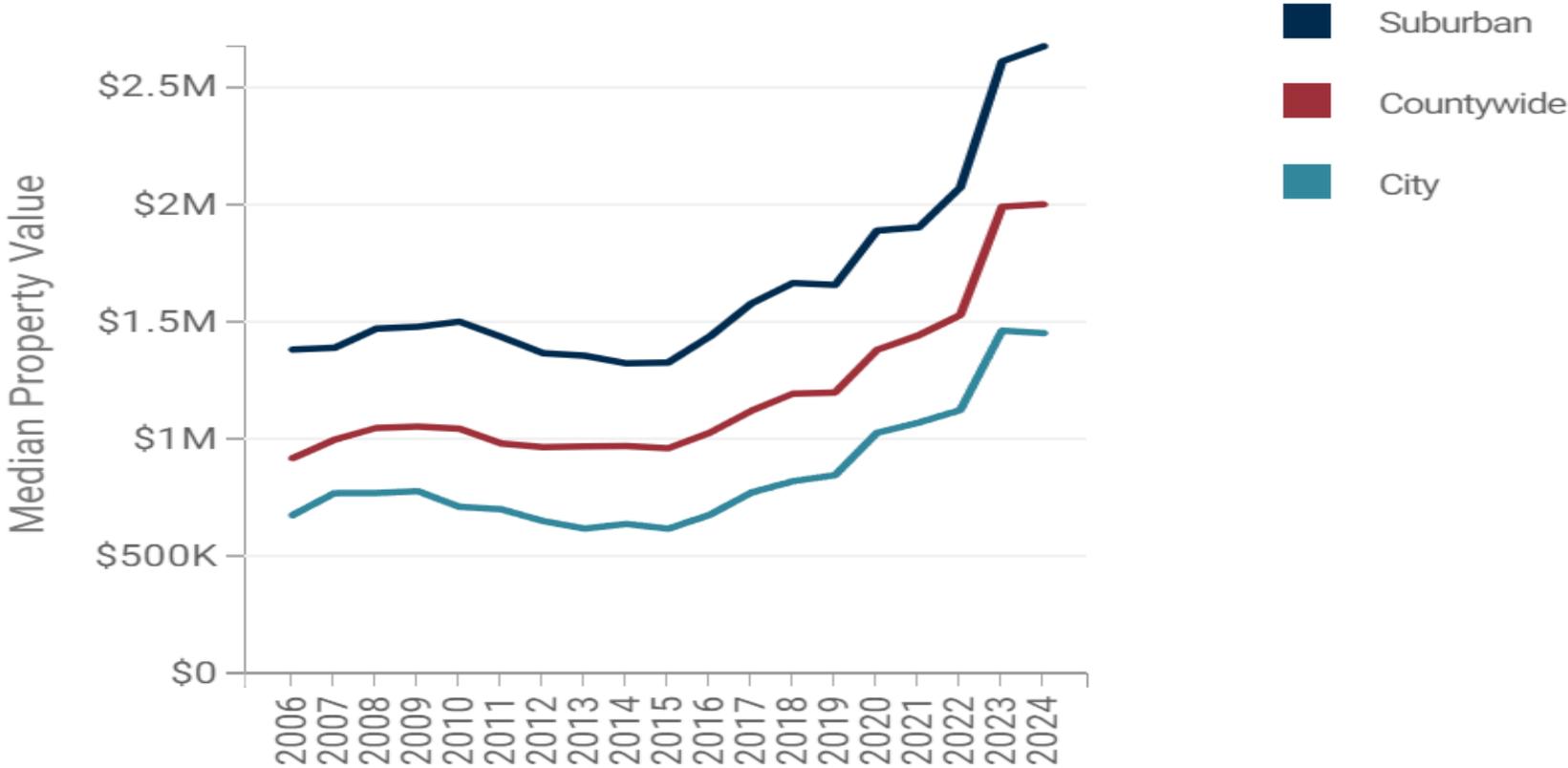
Median values exclude added improvement values, leased-public property and vacant land.



Industrial Value Trends

Industrial Median Property Value Trends 2006-2024

Median values exclude added improvement values, leased public property and vacant land.



Equity Impacts



Modeling and Equity

- Mass appraisal models limit regressivity.
- Produce equitable valuations in all property types.
- Provide fair assessment for the majority of properties.

Performance Measure PRD

Price Related Differential/Assessment Equity Measurement: The mean (average) sales ratio divided by the weighted mean sales ratio. Price related differentials above 1.03 tend to indicate assessment regressivity; price related differentials below 0.98 tend to indicate assessment progressivity.

Price Related Differential (PRD)

2022 Study FINAL Ratio Print. Run on March 23, 2023

State Board of Equalization 12-Month Ratios

Minnesota Department of Revenue, Property Tax Data & Analysis

District Type	City/Town	PT Aggregation Name	Median Ratio	Coefficient of Dispersion	Price Related Differential	Sale Count	Trended Sale Count
County		Residential	97.72%	6.2515	1.01247	6206	6215
St Paul	St. Paul	Residential	97.69%	6.6320	1.01365	3452	3458
Suburbs		Residential	97.80%	5.7718	1.01100	2754	2757

Preliminary Ratios = 2022 EMV / Sale Price Trended to 2023

Final Ratios = 2023 EMV / Sale Price Trended to 2023

Racial Covenants

- Working to remove all racial covenants on Torrens property.
- Partnership with Just Deeds and Mapping Prejudice Project.
- Partnership with many departments in the county.
- Assessor's office will be the county's conduit in the field to its impacted residents.
- Focus on the neighborhoods most impacted.
- 5,000 plus exist in Ramsey County.

Affinity Group

- The Assessor's Department is piloting an Affinity group.
- Promote Assessor work in underserved areas.
- Mentor people of color in the assessor's office.

Claiming the Property Tax Refund

Filing information: www.revenue.state.mn.us/filing-property-tax-refund or 1-800-652-9094

How to file

- Homeowner refund: online, software provider, or by paper
- Renter refund: software provider or by paper

Final deadline to claim 2023 refund: 8/15/2024

Questions?



