



ALBERTVILLE CITY COUNCIL

May 3, 2010

BOARD OF REVIEW

MINUTES

ALBERTVILLE CITY HALL

5:30 PM

ROLL CALL

PRESENT: Board Chair Ron Klecker, Board members Larry Sorensen, Tom Fay, and Dan Wagner

OTHERS PRESENT: City Administrator Larry Kruse, Wright County Assessor Wally Peterson, Wright County Assessor Lori Thingvold, and City Clerk Bridget Miller

ABSENT: Board member John Vetsch

BOARD OF REVIEW

Presentation by the Wright County Assessor(s)

Wright County Assessor Thingvold began by explaining the purpose of having and holding a Local Board of Review and Equalization meeting. As Thingvold continued, she reported that property taxes are collected throughout the US. Minnesota taxes are split in many ways to provide most of the funding for local government. A portion of the taxes that are collected are distributed between the county, cities, townships, school districts and special districts. Each property's share of taxes is determined according to its value, use, and the property tax levies. Assessors are responsible for estimating property values and setting property classification for tax purposes.

Thingvold noted that the Minnesota property tax law provides certain credits or forms of special tax relief, one of the more common being the Homestead Credit. Applications for Homestead Classification; Application for Tax Exemption; Application for Agricultural Tax and Special Assessment Deferment; Applications for Special Disability Classification are among programs of interest to property owners.

Thingvold reminded the Board of Review with the comment that the Board cannot adjust prior year's market value. The market value is calculated from data collected from property sales that took place from September 2008 to October 2009.

Wright County Assessor Peterson proceeded by bringing to the Council's attention the a Value Notice is mailed each spring to every property owner in Wright County. The assessment on January 2 forms the basis for the following year's real estate taxes. That is, the value and classification set by the Assessor on January 2, 2009, is used to calculate the taxes payable in the year 2010.

Peterson explained very briefly that the Minnesota Statute 272.03 defines "market value" as "the usual selling price . . . at the time of assessment". It is "the price that could be obtained at a private sale or an auction sale, if the assessor determines that the price from an auction sale represents an arms-length transaction. The price obtained at a forced sale shall not be considered".

Peterson noted that the law specifically requires that assessors view each parcel of real estate to appraise its market value. Property values change continuously with changing economic conditions. In addition to market changes, numerous physical changes affect the value of land and buildings. All factors that may influence value must be considered when estimating the value of property. This task requires a physical inspection of all property subject to assessment.

Peterson brought up the simple fact that the assessor determines the classification or use of each parcel. For instance, property may be residential Homestead (owner-occupied), relative residential homestead (relative of owner is occupant), residential non-homestead, agricultural, or commercial/industrial. Each classification is taxed and receives credits at a different percentage of market value. These percentages are set by the State Legislature.

In conclusion, Peterson's last comment was that 2010 has been a rather quiet year for the County in receiving questions from owners or other activity as it relates to the sale of property. The other area that has been and may pose a problem is the new First Time Homebuyer Credit, which will throw a curve ball in calculating next year's taxes.

CITIZENS OPEN FORUM

There were no property owners present to dispute the market value or amount of the Property Tax being calculated for the 2011 Property Tax Collection.

Mayor Klecker asked Peterson if any residents contacted the County regarding their proposed Property Taxes.

Peterson confirmed there was one property owner, Oakland Construction Company of St. Louis Park, MN with number of parcels within the Hunters Pass Estates that sent a letter to

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acknowledge an appeal to the Albertville Local Board of Appeal and Equalization regarding the value or classification of the parcels; Lots 1, 3, and 4 Block 1 Hunters Pass Estates, and Lots 1-5 Block 2 Hunters Pass Estates from an estimated value of \$50,000 to \$40,000 for taxes payable in 2011; totally \$80,000. Peterson continued with reducing the values on Lots 6-8, and Lots 10-19 Block of the Hunters Pass Estates from \$70,000 to \$60,000 for a total estimated value of \$130,000. Peterson recommended that the Council consider a motion to either approve reducing the market value or leave the calculated market value as set.

BM's Fay/Sorensen **motioned** to reduce the fair market value as recommended by the Wright County Assessor's Department as noted below:

PID	Legal Description	Proposed Market Value Amount	Reduced Market Value Amount
101-110-001010	Lot 1, Block 1 Hunters Pass Estates	\$50,000	\$40,000
101-110-001030	Lot 3, Block 1 Hunters Pass Estates	\$50,000	\$40,000
101-110-001040	Lot 4, Block 1 Hunters Pass Estates	\$50,000	\$40,000
101-110-002010	Lot 1, Block 2 Hunters Pass Estates	\$50,000	\$40,000
101-110-002020	Lot 2, Block 2 Hunters Pass Estates	\$50,000	\$40,000
101-110-002030	Lot 3, Block 2 Hunters Pass Estates	\$50,000	\$40,000
101-110-002040	Lot 4, Block 2 Hunters Pass Estates	\$50,000	\$40,000
101-110-002050	Lot 5, Block 2 Hunters Pass Estates	\$50,000	\$40,000
101-110-006060	Lot 6, Block 6 Hunters Pass Estates	\$70,000	\$60,000
101-110-006070	Lot 7, Block 6 Hunters Pass Estates	\$70,000	\$60,000
101-110-006080	Lot 8, Block 6 Hunters Pass Estates	\$70,000	\$60,000
101-110-006100	Lot 10, Block 6 Hunters Pass Estates	\$70,000	\$60,000
101-110-006110	Lot 11, Block 6 Hunters Pass Estates	\$70,000	\$60,000
101-110-006120	Lot 12, Block 6 Hunters Pass Estates	\$70,000	\$60,000
101-110-006130	Lot 13, Block 6 Hunters Pass Estates	\$70,000	\$60,000

PID	Legal Description	Proposed Market Value Amount	Reduced Market Value Amount
101-110-006140	Lot 14, Block 6 Hunters Pass Estates	\$70,000	\$60,000
101-110-006150	Lot 15, Block 6 Hunters Pass Estates	\$70,000	\$60,000
101-110-006160	Lot 16, Block 6 Hunters Pass Estates	\$70,000	\$60,000
101-110-006170	Lot 17, Block 6 Hunters Pass Estates	\$70,000	\$60,000
101-110-006180	Lot 18, Block 6 Hunters Pass Estates	\$70,000	\$60,000
101-110-006190	Lot 19, Block 6 Hunters Pass Estates	\$70,000	\$60,000

Motion carried unanimously.

ADJOURNMENT

BMs Sorensen/Fay **motioned** to adjourn the Monday, May 3, 2010 Board of Review meeting at 5:55 p.m. Motion carried unanimously.

Bridget Miller, City Clerk (recording secretary)