



Property Tax Services Report

March 6, 2018
Statewide Annual Report for 2017



Date: March 6, 2018
To: County Assessors, Auditors, and Treasurers
From: Jon Klockziem, Acting Director
Subject: Property Tax Services Report

The Property Tax Division of the Minnesota Department of Revenue is pleased to provide the 2017 Property Tax Services Report. This second publication of the report includes comparisons to last year's report in the summary page.

The Report's Brief History

We created the Property Tax Services Report from feedback at statewide listening sessions in 2015. Counties told us about their work that depends on information and services from the department. In turn, much of our work depends on counties. This interdependent relationship means we must all collaborate – as partners – to ensure we are serving taxpayers well and complying with state law. This report captures several aspects of this partnership by tracking County and State results.

Additions and Changes to the Report

After the 2016 baseline report, we asked for your feedback. Many of you said that you did not receive the report. We are making sure this year's report receives a broader distribution. We also ask that you share this report with your colleagues.

You also said you were interested in our progress as partners. With each year's report, we will have more state and county information to determine trends. You can see state and county changes from last year in the Summary Report section. If the methodology for reporting an item changed from last year, it is noted in the item's detail.

We also added one new metric this year, Sales Verification.

Notes on Trends from the Baseline Report the Report

We hope the trends provide additional perspective on your county's work. We know it provided valuable insight on the work we do here at Revenue.

For instance, increasing PTCO visits to counties was a top priority for us over the past year – and we show improvement in this area. This is one example of how we used the report to improve our service to you.

Who can I contact with questions?

Contact Annie Overfors, Management Analyst, at 651-556-6144 or annie.overfors@state.mn.us

We look forward to working with you to continue building on our collaboration and making progress towards our collective goals.

Sincerely,

Jon Klockziem, Acting Director
Property Tax Division

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Summary Report

County Items

Item	Target	2016	2017
Proposed Local Government Levies	Oct. 8	67/87	73/87
Certified Local Government Levies	Jan. 15	87/87	73/87
Property Tax Levy Report	Dec. 30	87/87	71/87
County PRISM File Submission 2	Sep. 1		51/87
Property Tax Refund Homestead File Submissions (Real & Personal)	Apr. 30	67/87	70/87
Duplicate Homestead File Submissions	July 31	68/87	65/87
County Board of Appeal and Equalization Submissions	5 days after meeting		72/87
County Board of Appeal and Equalization Training	Feb. 1	87/87	87/87
Property Tax Statement Draft	Prior to Sending	84/87	82/87
Tax Calculation Certification	1 person/county	78/87	86/87
Quintile Reassessment (84/87 Counties Reported)	100.0%	89.5%	91.3%
Assessor Staffing Levels (Median Parcels/Assessor)		3,423	4,027
Study Period Sales (eCRVs edited after Nov. 10)	0.0%	1.1%	1.4%
eCRV Buyer Submission to County Acceptance		4.4 days	4.5 days
eCRV County Acceptance to County Finalization		43.9 days	43.8 days
Sales Verification for Class 2a, 2b, 3a, and 4a	Compliance		76/87

Department of Revenue Items

Item	Target	2016	2017
Study Period Sales (eCRVs edited after Dec. 7)	0.0%	0.23%	0.48%
eCRV County Submission to PTCO Finalization		14.7 days	7.1 days
Information/Education Question Response Time		9.3 days	14.1 days
Property Tax Law Summary	July 15		✓
Green Acres Valuation and Instructions	Jan. 3	sent Jan. 20	✓
Sales Ratio Trend Appeal Determinations	Jan. 17	✓	✓
Valuation Notice Instructions	Sept. 30	✓	✓
Property Tax Compliance Officer (PTCO) visits	4 visits	16/87	75/87
State Board of Equalization Orders	June 30	✓	✓
State General Levy Tax Rate	Jan. 1	✓	✓
Final Adjusted Net Tax Capacities (ANTCs)	June 30	sent July 8	sent Aug. 1
Agricultural Homestead First Tier Valuation Limit	Jan. 2	✓	✓
Class 4d Property First Tier Valuation Limit	Nov. 1	✓	✓
County Aid, Local Aid, and Township Aid Certification	3/3	3/3	3/3
Sales Ratio Study Criteria	May 31	sent June 1	✓

County Items

Proposed Local Government Levies

What is this?

Every year local governments set proposed levies that reflect how much money they believe they will need in the coming year. The county auditor reports the proposed levies to the department, which shares the information with House and Senate research staff, the governor’s office, media, and the public.

Why is this important?

The proposed levy report provides the first look at property tax levies throughout the state. The department reviews all proposed levies to confirm they comply with levy limits and other requirements in state law, and to ensure that certified levies do not exceed the original amounts proposed.

How was the target determined?

Proposed levies are due October 8 under Minnesota Statutes, section 275.07, subdivision 4(a).

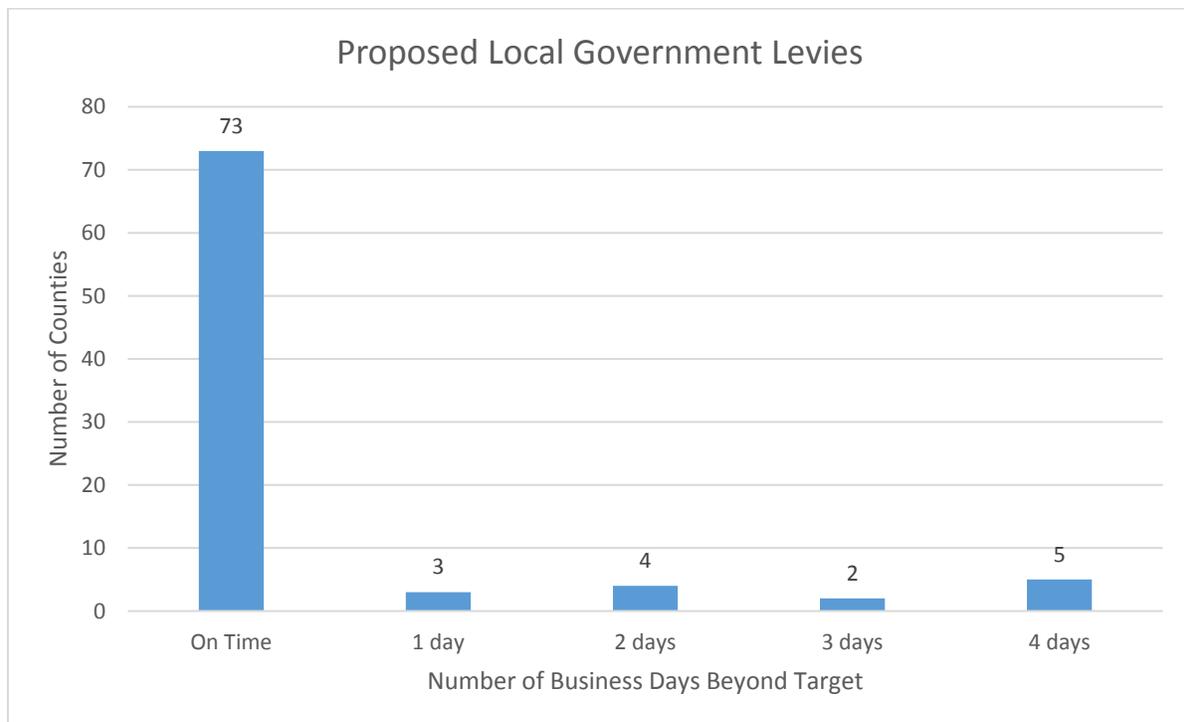
How are the results determined?

The results indicate the number of counties that met the deadline.

What is new in this report?

The methodology for measuring this item remains the same as last year.

Statewide results: 73/87 counties on time



Certified Local Government Levies

What is this?

After proposed levies are set, local governments may change their levy amounts. The county auditor reports the certified amounts to the department, which shares this information with House and Senate research staff, the governor’s office, media, and public.

Why is this important?

The certified levy report provides the final property tax levies throughout the state. The department reviews certified levies to ensure that tax jurisdictions are within their taxing authority.

How was the target determined?

Certified levies are due January 15 under Minnesota Statutes, section 275.07, subdivision 4(b).

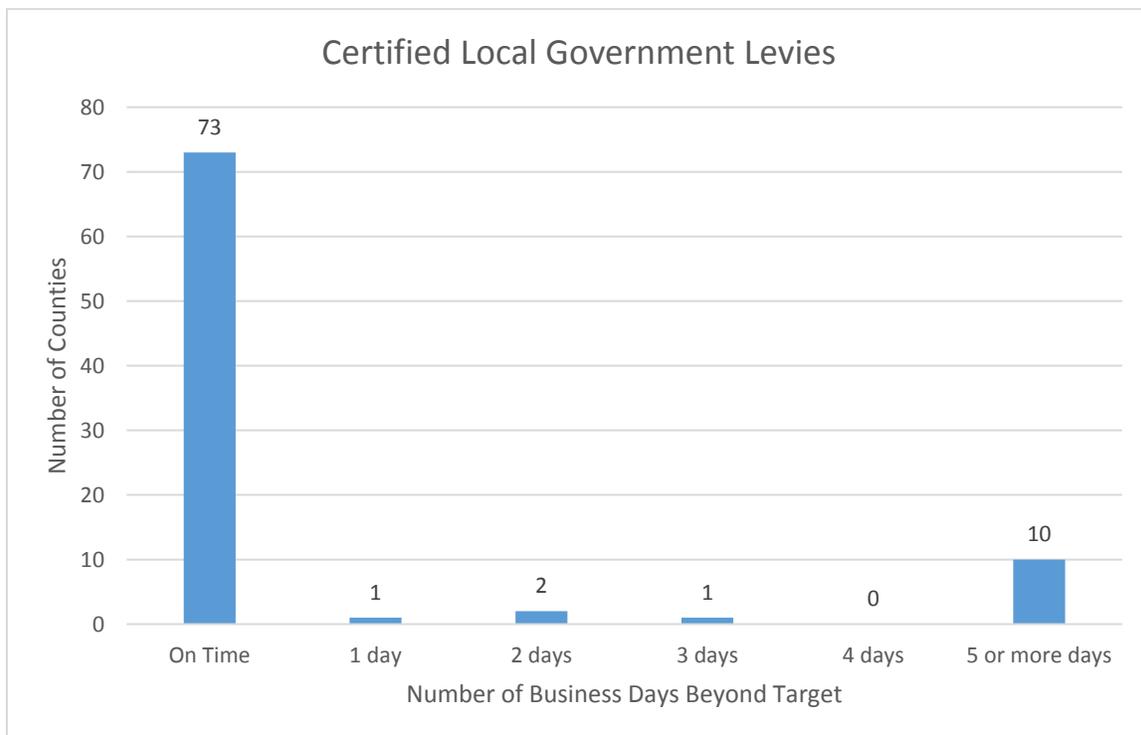
How are the results determined?

The results indicate the number of counties that met the deadline.

What is new in this report?

Data in the 2016 report indicated whether this item was on time or not. This year we collected the dates Certified Local Government Levies were received to provide more detailed information.

Statewide results: 73/87 counties on time



Property Tax Levy Report

What is this?

The county auditor is required to submit a detailed property tax levy report to the department. The report includes financial information used to determine levy limit amounts when limits are in effect. The Report is due December 30. A penalty is applied when property tax levy reports are submitted after January 30.

Why is this important?

The property tax levy report models the effects of levy limits on local governments. If a county submits its report after January 30, state law requires a 5 percent reduction in its County Program Aid. The property tax levy report provides the department with the data needed to ensure compliance with levy limits and to model the effects of levy limits on local governments.

How was the target determined?

Property tax levy reports are due December 30 under Minnesota Statutes, section 275.62, subdivision 1. The penalty for late reporting is found under Minnesota Statutes, section 275.62, subdivision 4.

How are the results determined?

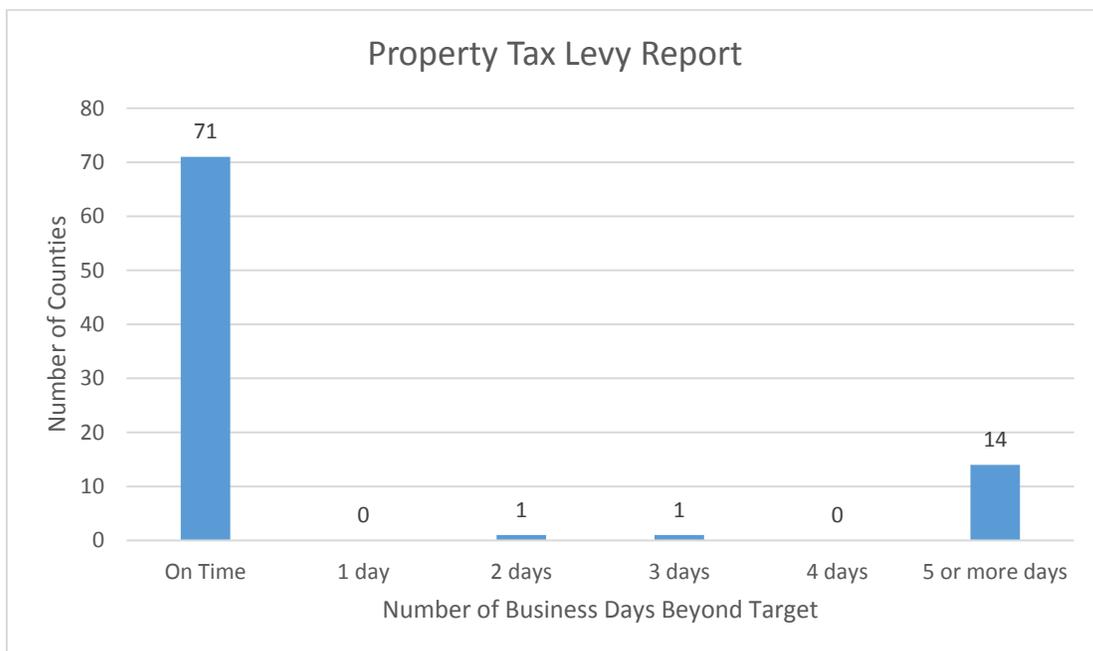
The results indicate the number of counties that met the deadline of December 30. If a county missed the deadline, the results show how many business days the file was late.

What is new in this report?

The 2016 report indicated if counties submitted their property tax levy report by January 30. The 2017 report indicates if counties met the December 30 deadline.

Statewide results: 71/87 counties on time (December 30)

All counties submitted their Property Tax Levy Reports before January 30.



PRISM File Submissions

What is this?

Property Record Information System of Minnesota (PRISM) is a centralized database the Minnesota Department of Revenue uses to collect, track, and analyze property tax data received from counties. PRISM replaced many of the data files and abstracts counties were previously required to submit. Counties send PRISM data in four submissions, twice a year.

Why is this important?

PRISM data accounts for most of property tax data received by the department. The data is used for State Board of Equalization, Tax Court, Adjusted Net Tax Capacities, Economic Market Value studies, and to calculate state aid for local governments. It is also used to track how the property tax system is working, and analyze how proposed changes would affect it.

How was the target determined?

Submission #	Replaces these Abstracts	Submission Deadline	Corresponding Statute
2	Assessment Abstract, Fall Mini, Exempt Real Property/Payment in Lieu of Taxes	September 1	M.S. 273.18 M.S. 270C.89

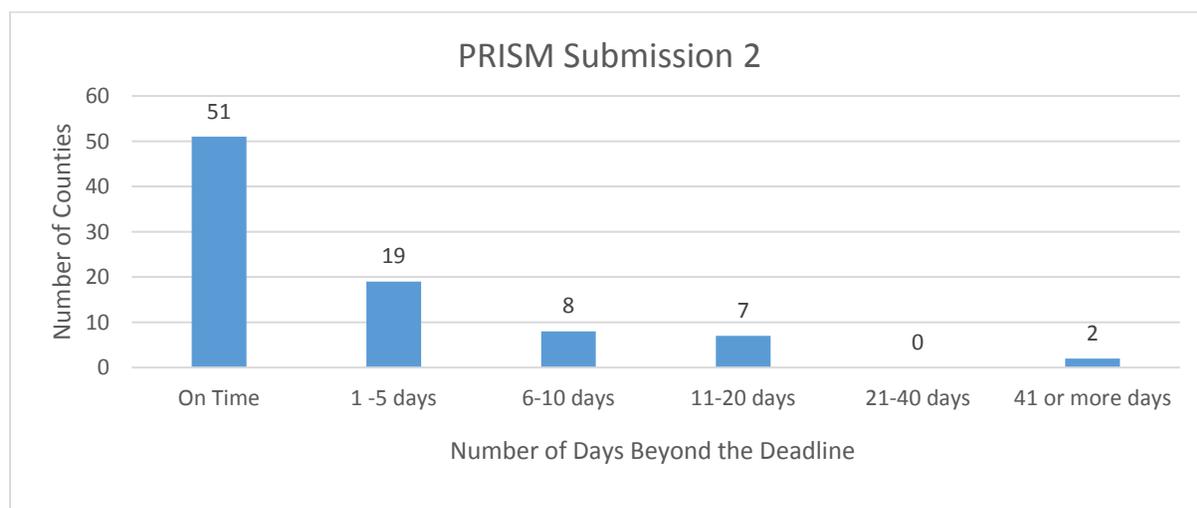
How are the results determined?

The results indicate how many counties submitted the PRISM file on time.

What is new in this report?

PRISM implementation began on September 1, 2016 with submissions 2. The first year of submissions were considered part of the implementation process and were not analyzed in the 2016 report. PRISM submission 2 timeliness is included in this year’s report, other submissions will be included in the future.

Submission 2 File: 51/87 counties on time



Property Tax Refund Homestead and Duplicate Homestead File Submissions

What is this?

The Property Tax Refund (PTR) Homestead File and Duplicate Homestead File report the homesteads in each county and are used to verify property tax refunds and identify improper homestead claims. Counties submit these files each year.

The PTR Homestead File – Real & Personal (due April 30) reflects ownership and homestead status as of January 2. The PTR Homestead File – Manufactured Homes (due July 31) reflects ownership and homestead status for the current year.

The Duplicate Homestead File (due July 31) reflects ownership and homestead status as of January 2. The department uses this data to identify possible improper homestead claims by checking for invalid Social Security numbers or individuals claiming more than one homestead; we send this information to County Assessors for investigation.

Why is this important?

The department relies on timely submission of these files to verify eligibility for property tax refunds and to ensure taxpayers are not claiming homestead in multiple counties. Without these files, refunds may be delayed or some taxpayers may receive more than their fair share of homestead benefits.

How was the target determined?

- The PTR Homestead File – Real & Personal is due April 30 under Minnesota Statutes, section 273.124, subdivision 13(d).
- The PTR Homestead File – Manufactured Homes is due July 31.
- The Duplicate Homestead File is due July 31 under Minnesota Statutes, section 273.124, subdivision 13(a).

How are the results determined?

The results indicate the number of counties that submitted final (approved) files by the deadline:

- PTR Homestead Files for real and personal property by the deadline of April 30.
- PTR Homestead Files for manufactured home property and Duplicate Homestead Files by the deadline of July 31. The chart on the next page shows how late counties submitted their files.

What is new in this report?

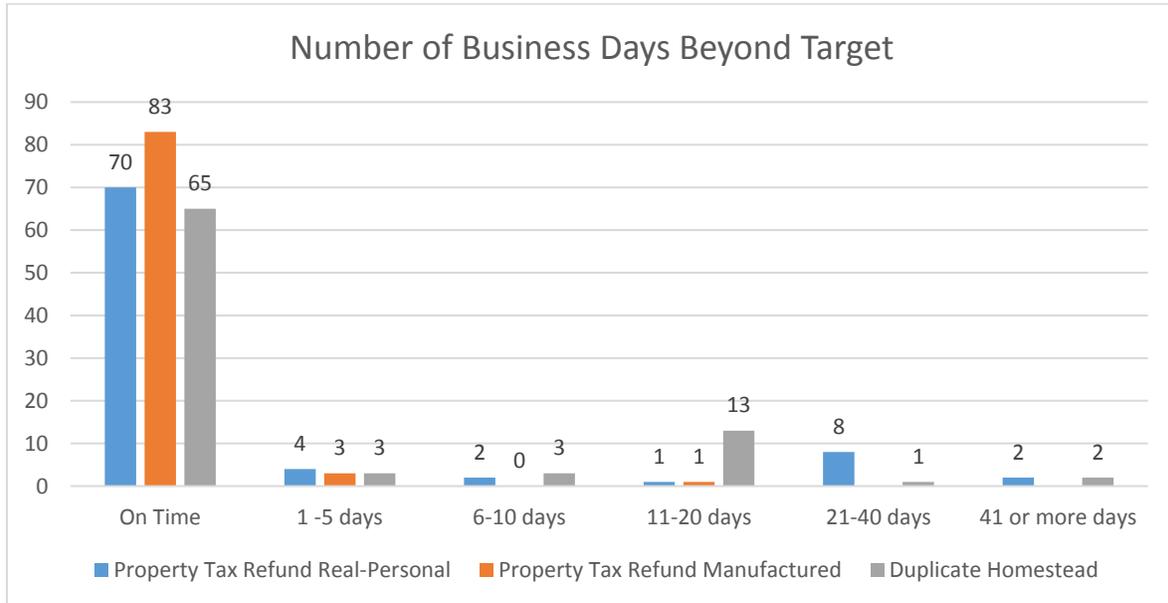
The 2017 report includes the property tax refund homestead file submissions for manufactured home. The duplicate homestead file submissions were measured as part of the abstract file submissions in the 2016 report.

Statewide results:

Property Tax Refund Homestead File– Real and Personal Property: 70/87 counties on time

Property Tax Refund Homestead File – Manufactured Homes: 83/87 counties on time

Duplicate Homestead File: 65/87 counties on time



County Board of Appeal and Equalization Submissions

What is this?

Local and County Boards of Appeal and Equalization provide a fair and objective forum for property owners to appeal their property’s assessed value or classification. Property owners must first appeal to the Local Board of Appeal and Equalization (LBAE). If they are not satisfied with the LBAE’s decision, they can appeal to the County Board of Appeal and Equalization (CBAE).

County assessors must submit any changes made by the CBAE to the department within five business days after the CBAE’s final action. The department reviews the changes to ensure they comply with state law.

Why is this important?

CBAE decisions affect the values and classifications of individual properties. Changing the value of one property affects the taxes paid by all taxpayers in a jurisdiction, because tax rates are determined by the jurisdiction’s levy amount and total tax base. CBAE decisions are an important part of keeping property taxes fair and equitable for all taxpayers.

How was the target determined?

The due date for submitting changes is five business days after the CBAE’s final action under Minnesota Statutes, section 270C.89, subdivision 1, and section 274.14. CBAEs can meet through June 30.

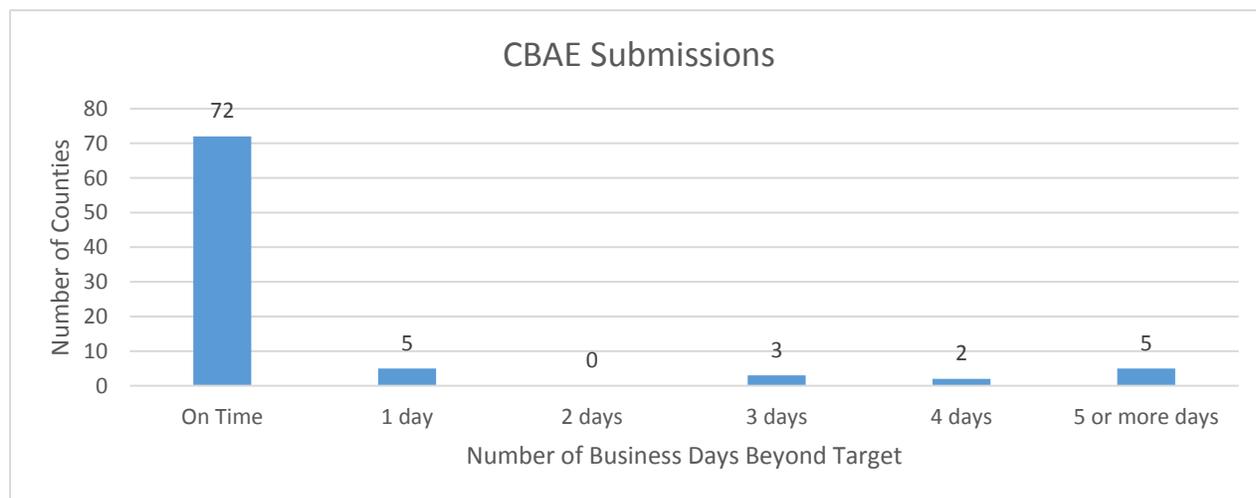
How are the results determined?

The results indicate the number of counties that met the final deadline of five working days after the CBAE’s final action. The chart shows the number of business days late counties submitted changes.

What is new in this report?

The 2016 report indicated days late beyond the June 30 deadline. The 2017 report indicates the days late beyond the deadline of five business days after the last meeting of the board.

Statewide results: 72/87 counties on time



County Board of Appeal and Equalization Training Certification

What is this?

Since 2009, state law requires each County Board of Appeal and Equalization (CBAE) meeting to include at least one voting member who has completed a department training course within the last four years. This course trains board members on CBAE policies and procedures.

Why is this important?

CBAEs provide a fair and objective forum for property owners to appeal the assessed value or classification of their property. The required training ensures that CBAEs meet their obligations under state law and make decisions based on a uniform process throughout the state.

How was the target determined?

CBAEs must certify they have a trained member by February 1 each year under Minnesota Statutes, section 274.135, subdivisions 2 and 3.

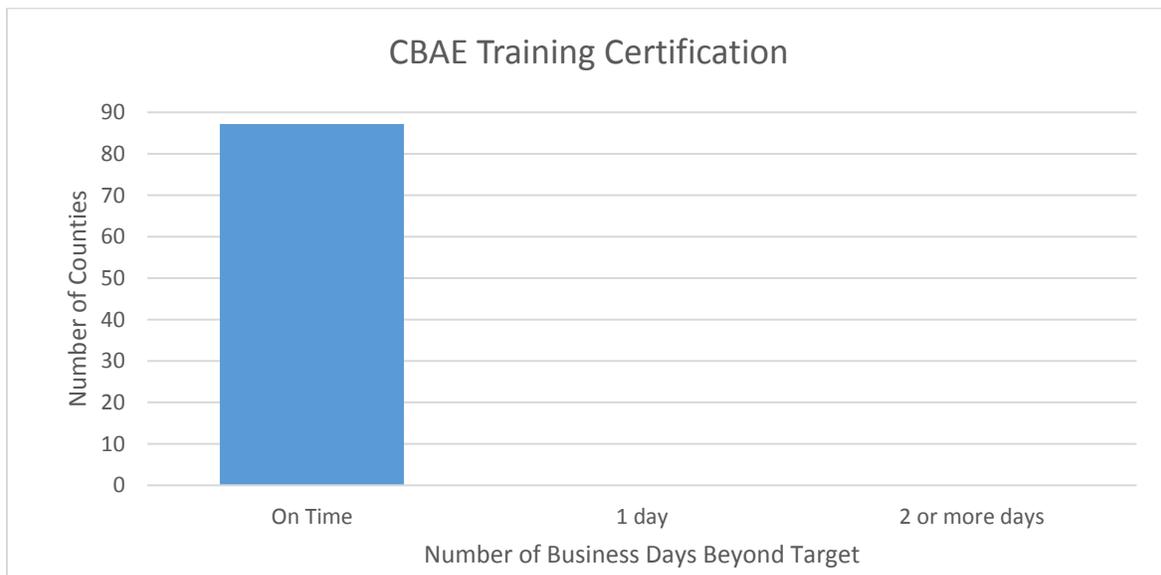
How are the results determined?

The results indicate the number of counties that certified they had a trained member by February 1. The chart shows the number of business days late counties certified their trained members.

What is new in this report?

The methodology for measuring this item remains the same as last year.

Statewide results: 87/87 counties on time



Property Tax Statement Draft

What is this?

Under state law, the department stipulates the “form and content” of county property tax statements. Each county must send the department a draft of its property tax statement before sending it to taxpayers. The department reviews the statement to verify the county is using the proper form and providing the required information.

Why is this important?

The department standards and review process ensures property tax statements are consistent statewide.

How was the target determined?

Counties must submit a draft property tax statement for review before sending it to taxpayers. They must mail statements to taxpayers by March 31 under Minnesota Statutes, section 276.04, subdivision 2.

How are the results determined?

The results indicate the number of counties that submitted a draft property tax statement for review before sending it to taxpayers.

What is new in this report?

The methodology for measuring this item remains the same as last year.

Statewide results: 82/87 counties on time

Tax Calculation Certification

What is this?

Each county must have at least one officer or employee certified in property tax calculation by the department. Individual certifications expire after four years.

Why is this important?

The department-run training and exam ensures taxpayers can consult with a county official who can explain how their property tax amounts are calculated.

How was the target determined?

The department may require each county to have an officer or employee who is certified in property tax calculation under Minnesota Statutes, section 273.0755, subdivision (b)(ii). The department has set a target of one employee per county office.

How are the results determined?

The department:

- Records each person who passes the Property Tax Calculation Exam with a score of 85 percent or higher.
- Tracks whether a county has at least one person certified in property tax calculation and when certifications are due to expire.
- Publishes a list of certified people on the department website.

This report reflects the number of counties that had at least one certified officer or employee as of December 31, 2017.

What is new in this report?

The methodology for measuring this item remains the same as last year.

Statewide results: 86/87 counties have at least one certified officer/employee

Quintile Reassessment

What is this?

State law requires counties to physically inspect each taxable parcel of property at least once every five years, and to appraise at least one-fifth of their parcels each year to meet this quintile requirement.

Why is this important?

Accurate property data forms the basis of fair and equitable assessments. The quintile requirement ensures property characteristics are accurate and up-to-date. The department's goal is to identify and help counties meet their statutory obligation to ensure fair and equitable assessments statewide.

How was the target determined?

Counties must review all parcels in each five-year interval (quintile) under Minnesota Statutes, section 273.08, and must appraise at least one-fifth of their parcels each year to meet this requirement under Minnesota Statutes, section 273.01.

How are the results determined?

The department requested an electronic report with the number of parcels reviewed within the quintile from each county. The number on this report was divided by the number of taxable parcels in each county to calculate the percentage of parcels not reviewed.

Property Tax Compliance Officers reviewed the quintile results for each county. The statewide results reflect the average and median of the percentage of all taxable parcels reviewed by each county in the previous quintile period (May 16, 2012—May 15, 2017).

What is new in this report?

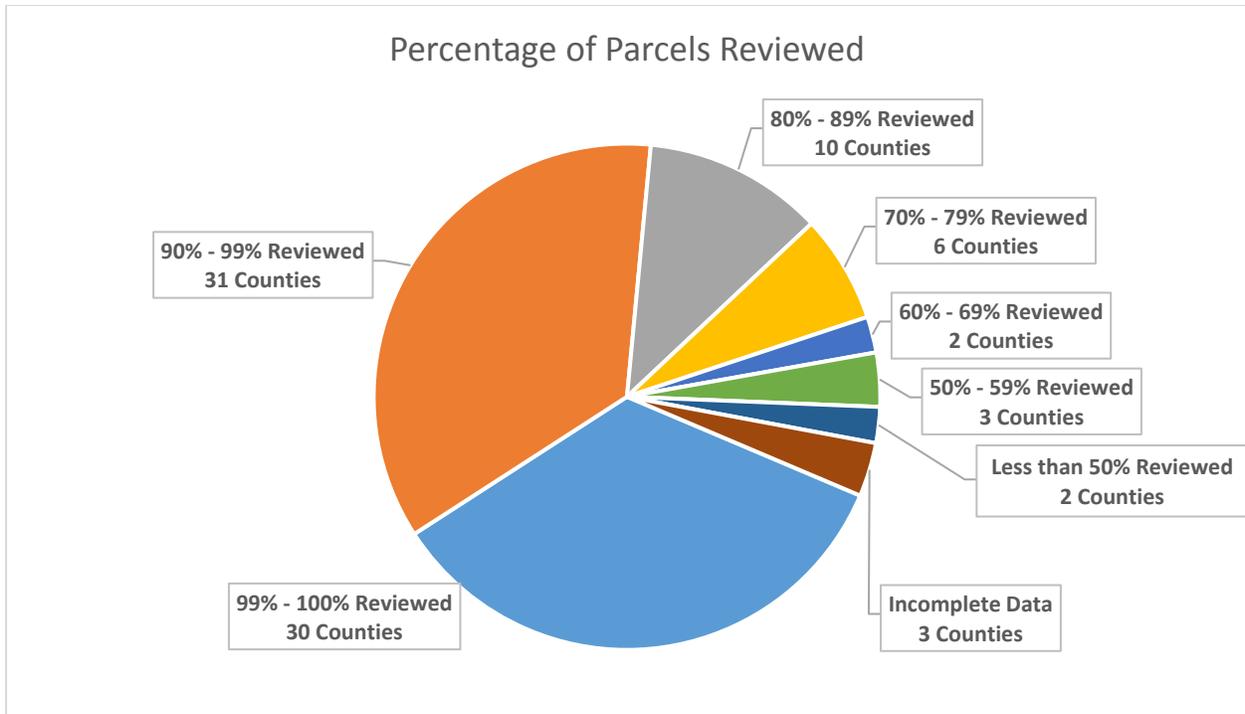
This year the county percent reviewed includes unimproved parcels. Additionally, chart groupings were modified. Instead of having a 100% group, there is a 99%-100% group.

Statewide County average: 91.3%

Statewide County median: 96.8%

Statewide numbers:

- Over 90% of parcels were reviewed in 61 counties
- 3 counties had incomplete data



Assessor Staffing Levels

What is this?

Each county has a different number of property parcels and licensed assessors. The department looked at the number of parcels in each county and compared that to the list of licensed assessors maintained by the State Board of Assessors. The department used this information to determine how many parcels a county has per licensed assessor. This information allows the counties to see how well they are staffed relative to other counties.

Why is this important?

The department wants to partner with counties to seek adequate staffing and more efficient assessment practices, while maintaining assessment quality and meeting statutory obligations. The information reported can help counties create a dialogue about appropriate staffing levels. It also helps the department anticipate when counties may face challenges in meeting their obligations due to staffing.

How was the target determined?

No target has been set.

How are the results determined?

The total parcel count for each county was determined. Exempt and manufactured home counts were removed from the total. The parcels per appraiser calculation subtracted parcels assessed by the County Assessor, the Deputy Assessor and local assessors from the parcel count and dividing that result by the number of appraisers. In counties where the County Assessor and/or the Deputy Assessor assessed more parcels than the average per appraiser, the average parcel count per appraiser and appraiser number included the County Assessor or Deputy in the average.

Are there considerations with this data?

- The average does not include the properties assessed by local assessors.
- The average does not include property assessed by County Assessors and Deputy Assessors unless the amount of properties assessed by County Assessors and Deputy Assessors was greater than their staff appraisers' average.
- The average also does not include County Assessors or Deputy Assessors as appraisers unless the amount of properties assessed by County Assessors and Deputy Assessors was greater than their staff appraisers' average.
- Some Counties utilize Local Assessors to appraise some or nearly all their parcels.
- The average does not specify the differences in parcel composition and complexity.

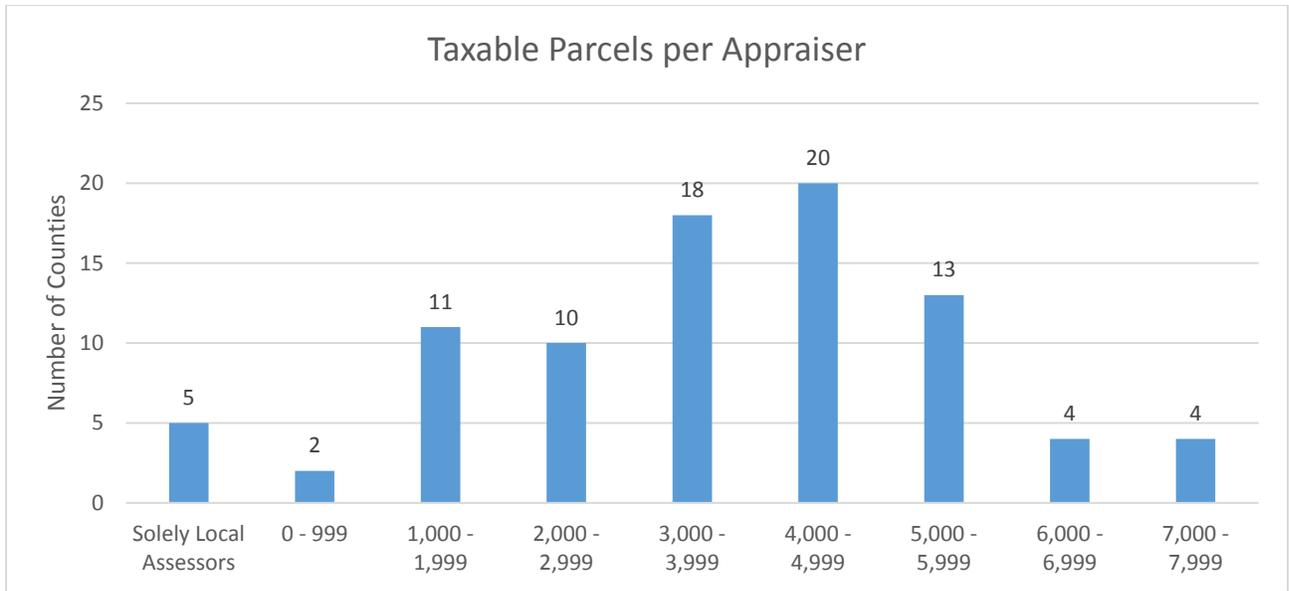
What is new in this report?

Last year, data was gathered from a list maintained by the State Board of Assessors, this year data was gathered by the Department's Regional Representatives.

State median parcels per assessor: 4,027

Highest county parcels per assessor: 7,667

Lowest county parcels per assessor: 298



Study Period Sales (eCRVs edited after November 10)

What is this?

Property sales data is gathered through electronic Certificates of Real Estate Value (eCRVs). The counties should submit all eCRVs for sales that occur between October 1 and September 30 to the department by November 10. Between November 10 and December 7, the department reviews and verifies the eCRVs. The department uses this data for the Sales Ratio Study, which tracks market trends and analyzes the accuracy of county property appraisals.

Why is this important?

Submitting and editing eCRVs for the study period by November 10 is an important step in completing the Sales Ratio Study. Late editing increases the chance of inaccurate information and delays the Sales Ratio Study, which could lead to less accurate trends and ratios.

How was the target determined?

Counties should verify that all eCRVs for the study period are submitted and accurate by November 10. This gives department sufficient time to review and verify the eCRVs before the December 7 deadline and helps ensure accurate information is used in the Sales Ratio Study.

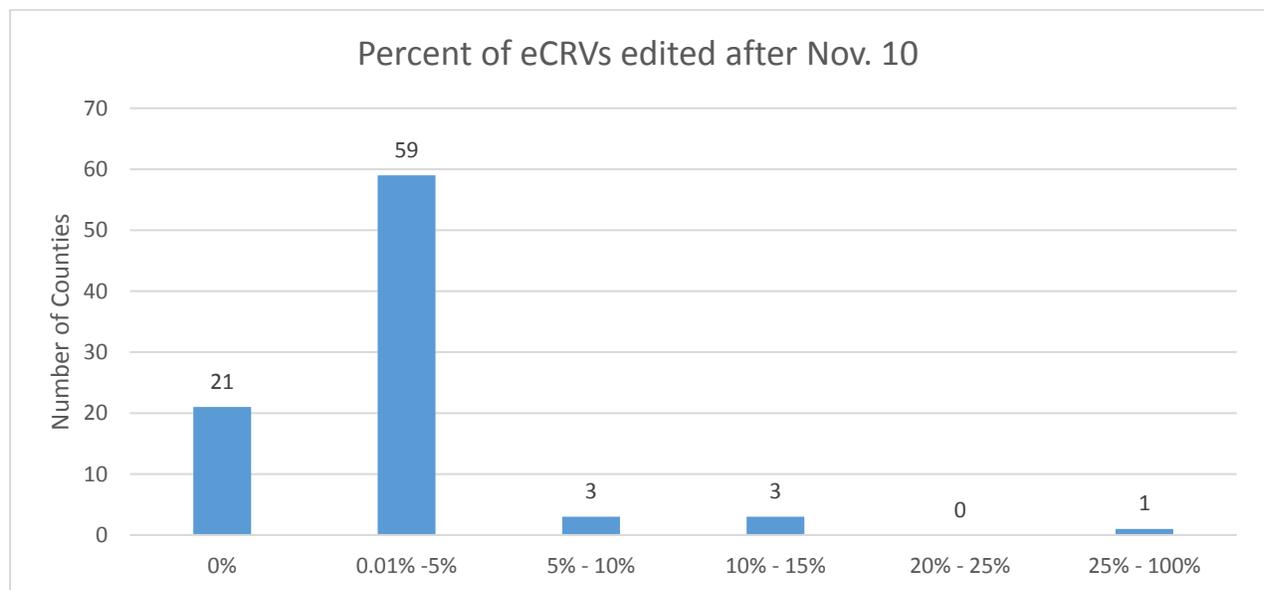
How are the results determined?

The results and the chart show the percentage of eCRVs that were included in the sales ratio study edited after November 10.

What is new in this report?

The methodology for measuring this item remains the same as last year.

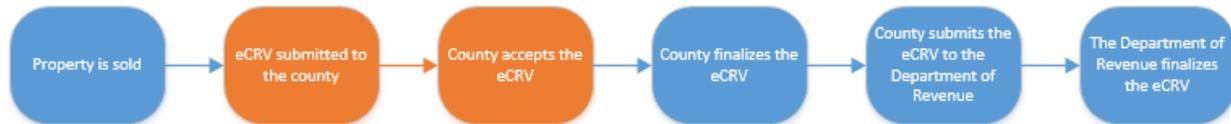
State percentage: 1.43%



eCRV Buyer Submission to County Acceptance

What is this?

Electronic certificates of real estate value (eCRVs) are documents used by counties and the department to record the sale of a property. There are three steps from when an eCRV is submitted to when it is finalized. This item tracks the first step: when the buyer or seller submits an eCRV to when the county accepts it.



Why is this important?

Each year, the department analyzes all qualified real estate sales to determine sales ratios and Green Acres property values. Due to the volume of sales, it is crucial that counties and the department process sales data efficiently and consistently.

How was the target determined?

No target has been set.

How are the results determined?

The results indicate the statewide median and average number of business days it takes to accept eCRVs that were included in the sales ratio study after submission. State results are calculated as follows:

- State median = median of the county medians
- State average = median of the county averages

The sales period is October 1 through September 30.

What is new in this report?

The methodology for measuring this item remains the same as last year.

State median number of days: 3.0 days

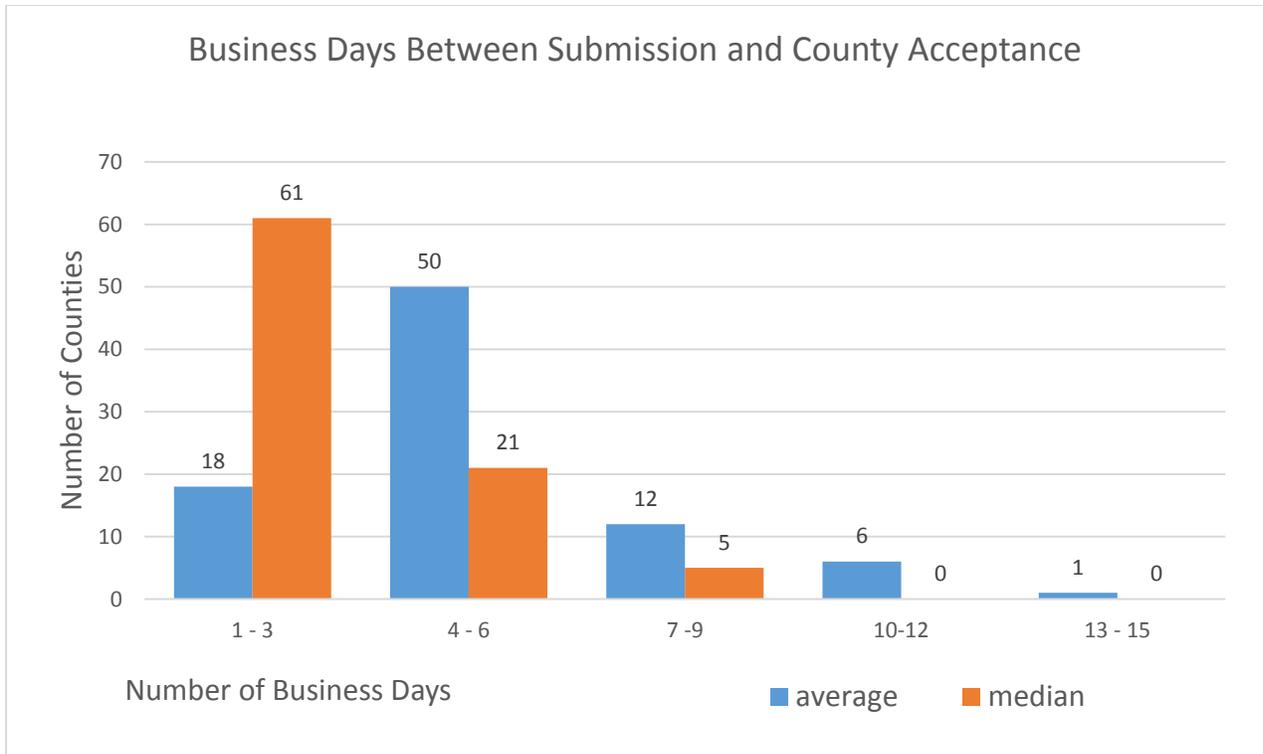
State average number of days: 4.5 days

Highest county median: 8.0 days

Lowest county median: 1.0 day

Highest county average: 12.5 days

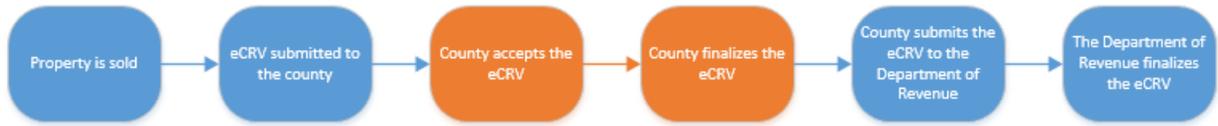
Lowest county average: 1.9 days



eCRV County Acceptance to County Finalization

What is this?

Electronic certificates of real estate value (eCRVs) are documents reviewed by counties and the department to record the sale of a property. There are three steps from when an eCRV is submitted to when it is finalized. This item tracks the second step: when the county accepts it to when the county finalizes it.



Why is this important?

Each year, the department analyzes all qualified real estate sales to determine sales ratios and Green Acres property values. Due to the volume of sales, it is crucial that counties and the department process sales data efficiently and consistently.

How was the target determined?

No target has been set.

How are the results determined?

The results indicate the statewide median and average number of business days it takes to finalize eCRVs that were included in the sales ratio study after acceptance. State results are calculated as follows:

- State median = median of the county medians
- State average = median of the county averages

The sales period is October 1 to September 30.

What is new in this report?

The methodology for measuring this item remains the same as last year.

State median: 32.0 days

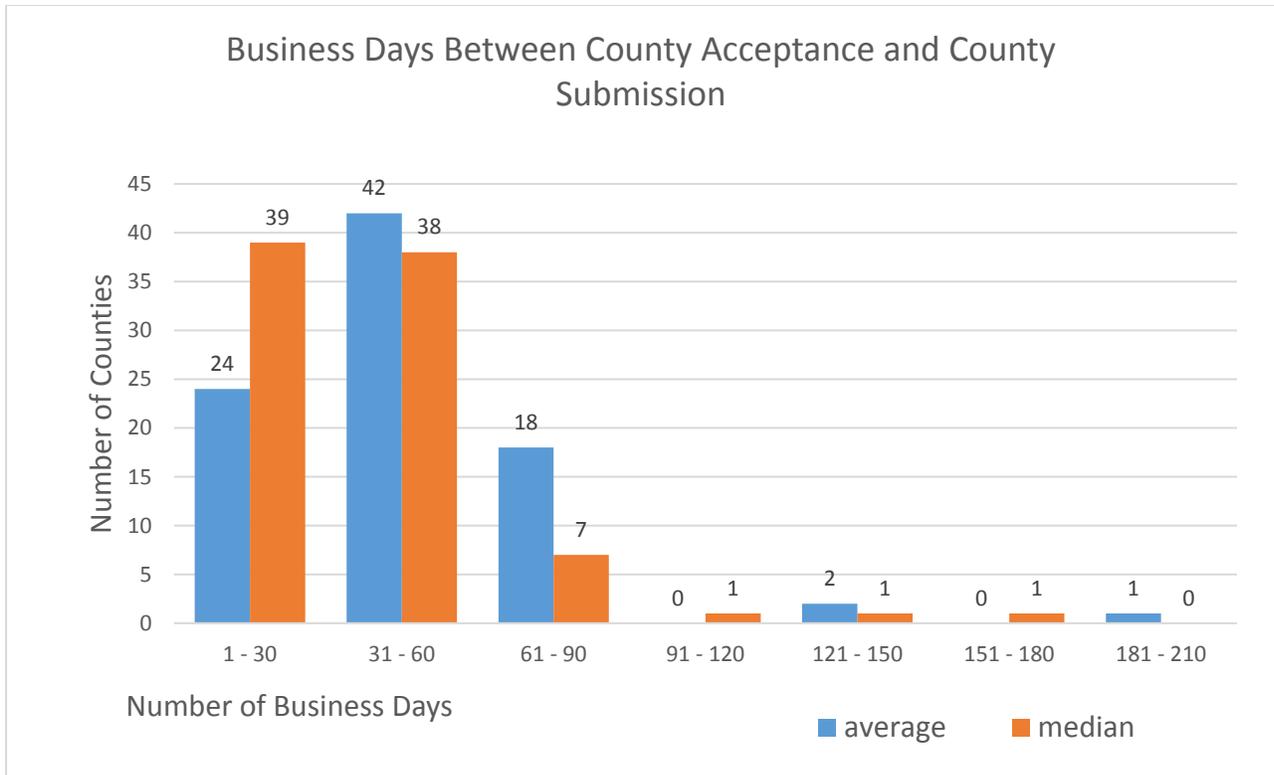
State average: 43.8 days

Highest county median: 173.0 days

Lowest county median: 3.0 days

Highest county average: 188.9 days

Lowest county average: 4.3 days



Sales Verification

What is this?

All sales of agricultural, rural vacant land, commercial, industrial, and apartment property are verified by the counties.

Why is this important?

Assessment decisions are based on market data. Proper appraisal conclusions require reliable market data and sufficient understanding of the circumstances surrounding sale data. A structured sale verification process provides more accurate appraisals and enables the assessor to correctly match the market.

How was the target determined?

The target is based on the standards set by the International Association of Assessing Officers (IAAO), which states that property sales data should be collected and verified, as a verified sale is more reliable than an unverified sale.¹

How are the results determined?

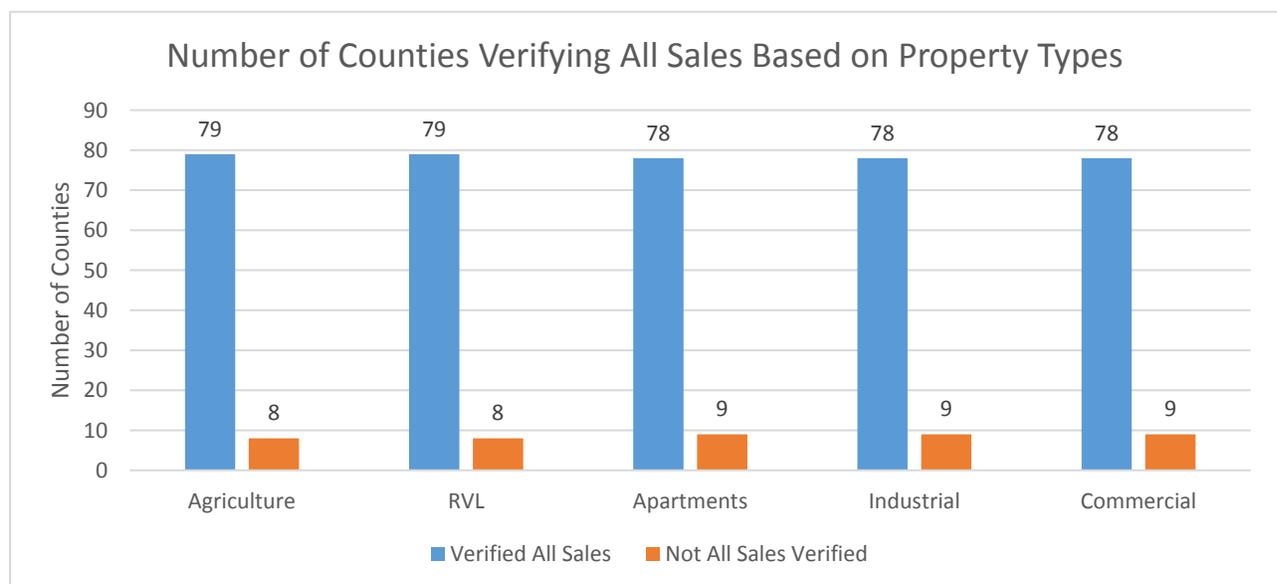
The results indicate the counties that complied with verification standard set by the department.

What is new in this report?

Sales Verification is a new item for 2017.

Statewide results: 76/87 counties verified sales in all categories

Statewide average number of submissions: 4.5/5



¹ Standard on Verification and Adjustment of Sales, International Association of Assessing Officers, available at http://www.iaao.org/media/standards/Verification_Adjustment_of_Sales.pdf.

Department of Revenue Items

Study Period Sales (eCRVs edited after December 7)

What is this?

Property sales data is gathered through electronic Certificates of Real Estate Value (eCRVs). The counties should submit all eCRVs for sales that occur between October 1 and September 30 to the department by November 10. Between November 10 and December 7, the department reviews and verifies the eCRVs. The department uses this data for the Sales Ratio Study, which tracks market trends and analyzes the accuracy of county property appraisals.

Why is this important?

Reviewing and verifying eCRVs for the study period by December 7 is an important step in completing the Sales Ratio Study. Late editing increases the chance of inaccurate information and delays the Sales Ratio Study, which could lead to less accurate trends, and ratios.

How was the target determined?

The department must review all submitted eCRVs by December 7 to calculate market condition trends and preliminary ratios accurately.

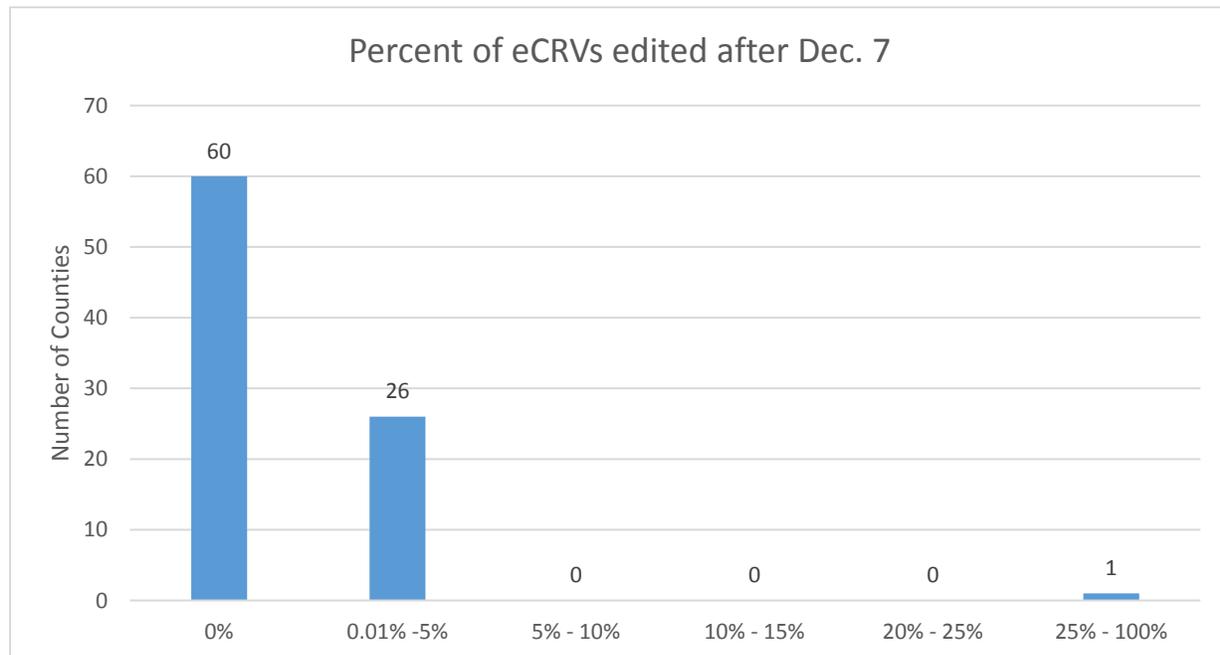
How are the results determined?

The results and the chart show the percentage of eCRVs that were included in the sales ratio study in the study period edited by the state after December 7.

What is new in this report?

The methodology for measuring this item remains the same as last year.

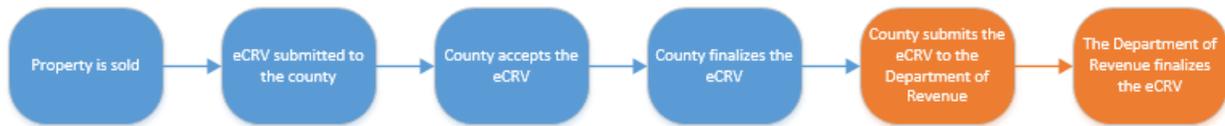
State percentage: 0.48%



eCRV County Submission to PTCO Finalization

What is this?

Electronic certificates of real estate value (eCRVs) are documents used by counties and the department to record the sale of a property. There are three steps from when an eCRV is submitted to when it is finalized. This item tracks the third step: when the county submits the certificate to the department to when the department finalizes it.



Why is this important?

Each year, the department analyzes all qualified real estate sales to determine sales ratios and Green Acres property values. Due to the volume of sales, it is crucial that counties and the department process sales data efficiently and consistently.

How was the target determined?

No target has been set.

How are the results determined?

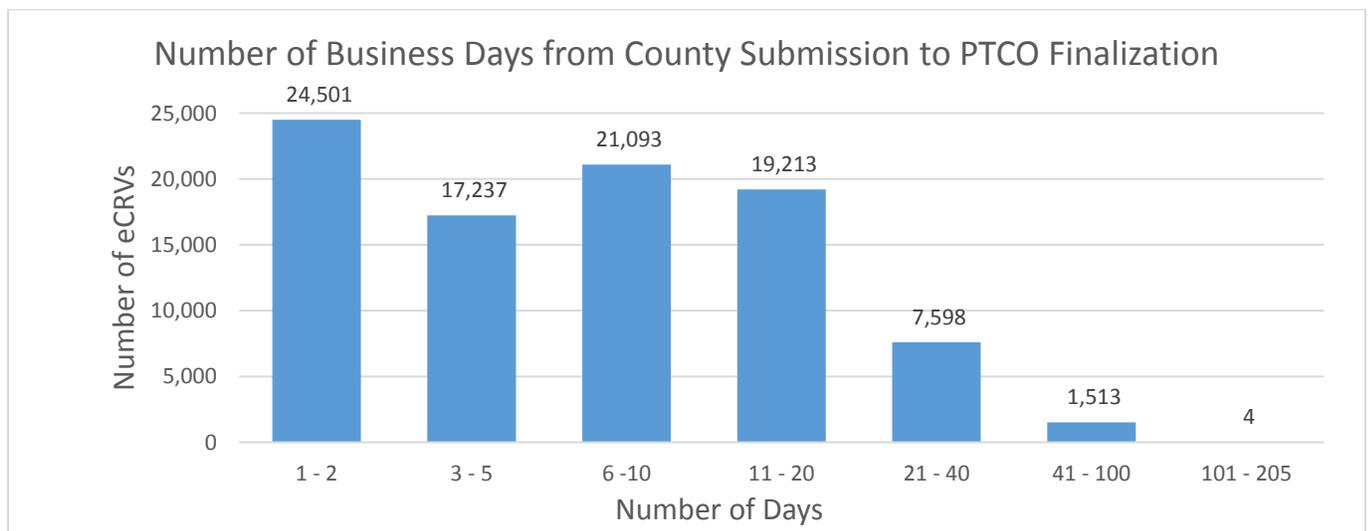
The state results are the median and average number of business days between when an eCRV is sent from a county to the department and when the department finalizes it for eCRVs that were included in the sales ratio study. The sales period is October 1, 2016, through September 30, 2017.

What is new in this report?

The methodology for measuring this item remains the same as last year.

State median number of days: 5.0

State average number of days: 7.1



Property Tax Information & Education Question Response Times

What is this?

The Property Tax Information and Education (Info/Ed) section receives questions on various topics from county staff, property owners, and attorneys. The section then researches and responds to the questions.

Why is this important?

Customer service is a central part of our mission at the Department of Revenue. We want to make sure we are responsive to our customers and provide timely information. Measuring how long it takes to respond to questions will help the department continually improve our response time. Providing the needed information to stakeholders improves the efficiency and uniformity of the property tax system.

How was the target determined?

No target has been set. The Info/Ed section typically responds to questions within a few weeks. Complex questions take more time to discuss with other property tax staff or review with department legal staff.

How were the results determined?

The results show how many business days it takes the department to respond after questions are assigned to a member of Info/Ed through the section's tracking system.

What is new in this report?

The methodology for measuring this item remains the same as last year. However, the questions the Information & Education Section received last year decreased in volume and increased in complexity. Almost a quarter of the total questions required section meeting review, special review or multiple contacts with the county for clarification.

Number of Questions: 127

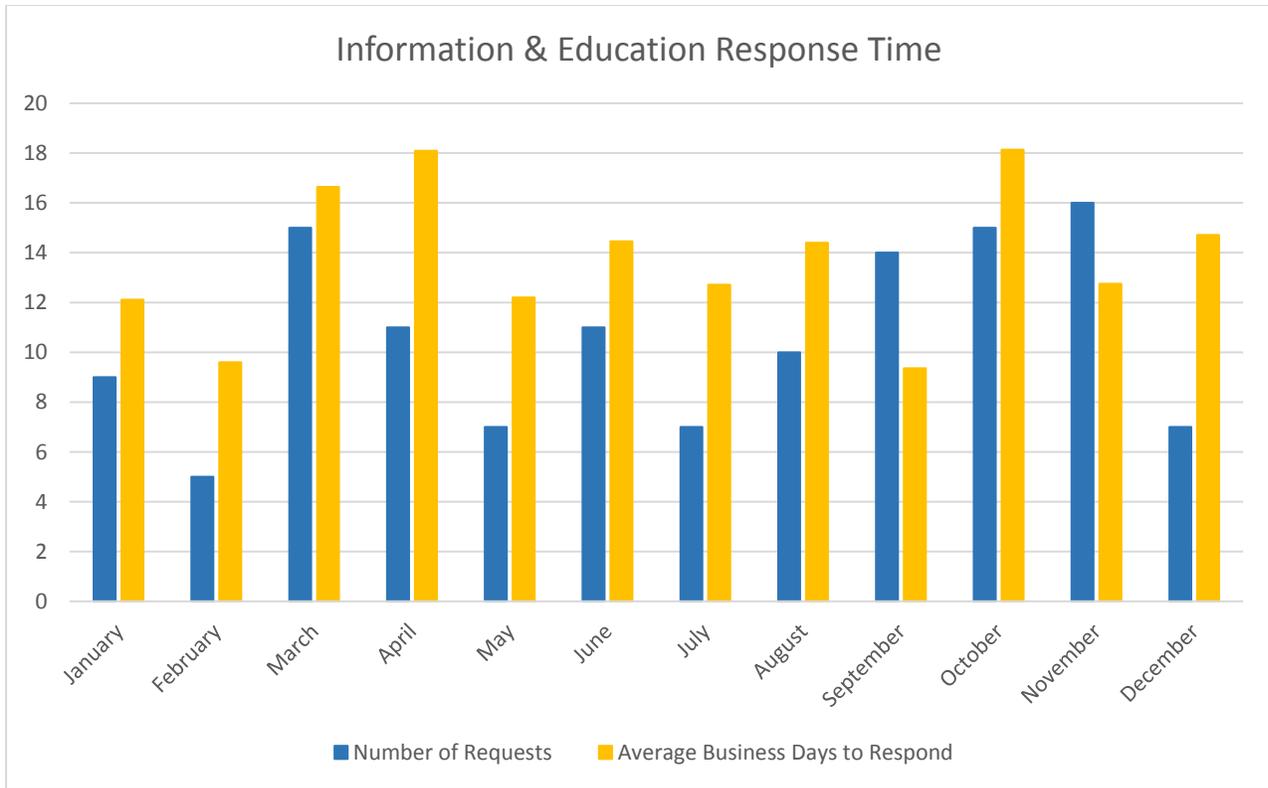
Top Question Topics

1. Homesteads
2. Special Agricultural Homesteads
3. Exempt Properties
4. Classification
5. Exclusions for Veterans with a Disability

Department Target: N/A

State Average: 14.13 days

State Median: 10.0 days



Property Tax Law Summary

What is this?

The department compiles annual summaries of property tax law changes to inform and educate property tax administrators and other stakeholders.

Why is this important?

The Property Tax Law Summary provides tax administrators and service organizations with an organized and condensed source of information about each year's property tax law changes. The summary helps tax administrators implement law changes efficiently and uniformly.

How was the target determined?

The target dates for publishing a Property Tax Law Summary are July 15 for the regular legislative session and six weeks after a special session. The department set these dates to give property tax administrators and other stakeholders sufficient time to learn about law changes and prepare their property tax systems.

How were the results determined?

The results show if the law summary was completed by the deadline of July 15 (regular session) or six weeks after passage (special session). In years without a tax bill, the results are "not applicable."

What is new in this report?

The methodology for measuring this item remains the same as last year.

Department Regular Session Target: July 15

Department Special Session Target: 6 weeks after passage **Results:** On time; sent July 13, 2017

Green Acres Valuation and Instructions

What is this?

The Green Acres program lowers the taxable market value subject to property taxes for farmers whose estimated market values for agricultural land are influenced by non-agricultural pressures, such as nearby development or recreational land uses. The department sends each county tillable and non-tillable per-acre values, which they use to administer the Green Acres program.

Why is this important?

The Green Acres program reduces the tax impacts from the competitive pressures for land uses that farms face from residential and commercial markets. The department must communicate the tillable and non-tillable values to the counties in a timely way so they can efficiently administer the program, contributing to the mission of encouraging and preserving farms in Minnesota.

How was the target determined?

Based on county feedback, the department set a target of issuing Green Acres values to counties by the first working day in January.

How are the results determined?

The result shows if the department sent Green Acres values to counties by the deadline (January 3, 2017, for this report).

What is new in this report?

The methodology for measuring this item remains the same as last year.

Department Target: January 3

Results: On time; sent on December 16, 2016

Sales Ratio Trend Appeal Determinations

What is this?

Once a year, the department analyzes and publishes market trend data for select property types in certain areas. Counties have the right to appeal these trends. After hearing appeals, the department must communicate its decisions to the counties in a timely way.

Why is this important?

For counties to set their estimated market value for the year, they need to know what trends the department will use to calculate their sales ratios. The state needs to respond to counties by a certain deadline for trend appeal determinations.

How was the target determined?

The target for sending the appeal results is mid-January, to ensure counties have enough time to set their values.

How are the results determined?

The department tracks which counties submitted appeals and when the department sent appeal determinations to those counties. The results indicate if the department met the January 17, 2017 deadline.

What is new in this report?

The methodology for measuring this item remains the same as last year.

Statewide Appeals: 16

Department Target: January 17

Statewide Results: On time; sent November 29, 2016 through January 17, 2017

Valuation Notice Instructions

What is this?

Each year, the county assessor notifies all property owners of the estimated market values and classification of their properties. The department sends valuation notice instructions to counties to ensure that valuation notices are uniform statewide. The deadline for sending instructions is September 30.

Why is this important?

The county assessor must notify all property owners of the estimated market values and classification of their properties each year. The notice must contain specific information about the assessor's office, appeal meetings, and the property itself.

How was the target determined?

County assessors must mail valuation notices at least 10 calendar days before the Local Board of Appeal and Equalization or open book appeal meeting. LBAE or open book appeal meetings must occur between April 1 and May 31. The September 30 deadline allows ample time for assessors to ensure their valuation notices meet state requirements before sending the notice to property owners.

How were the results determined?

The results show if the department sent valuation notice instructions by the September 30 deadline.

What is new in this report?

The methodology for measuring this item remains the same as last year.

Department Target: September 30

Results: On time; sent September 19, 2017

Property Tax Compliance Officer County/City Visits

What is this?

Property Tax Compliance Officers (PTCOs) are each assigned counties across the state. Part of the PTCO role is to visit counties – and some cities – to provide guidance and oversight of the administration of the property tax system.

Why is this important?

PTCOs play a critical role as the primary liaison between the department and local property tax administrators. The counties value their knowledge and experience, and appreciate having access to them electronically and in-person.

How was the target determined?

In 2015, the department conducted regional listening sessions across the state. The county consensus was that, ideally, the PTCOs would visit each county quarterly, so the target was set at four visits per year.

How were the results determined?

The results show the statewide average and median number of visits per county between July 2016 and June 2017.

What is new in this report?

The methodology for measuring this item remains the same as last year. However, this year we added data to show the number of counties visited at least four times.

Department Target: 4 visits a year

Number of Counties visited at least 4 times: 75/87

Average Visits per County: 4.17

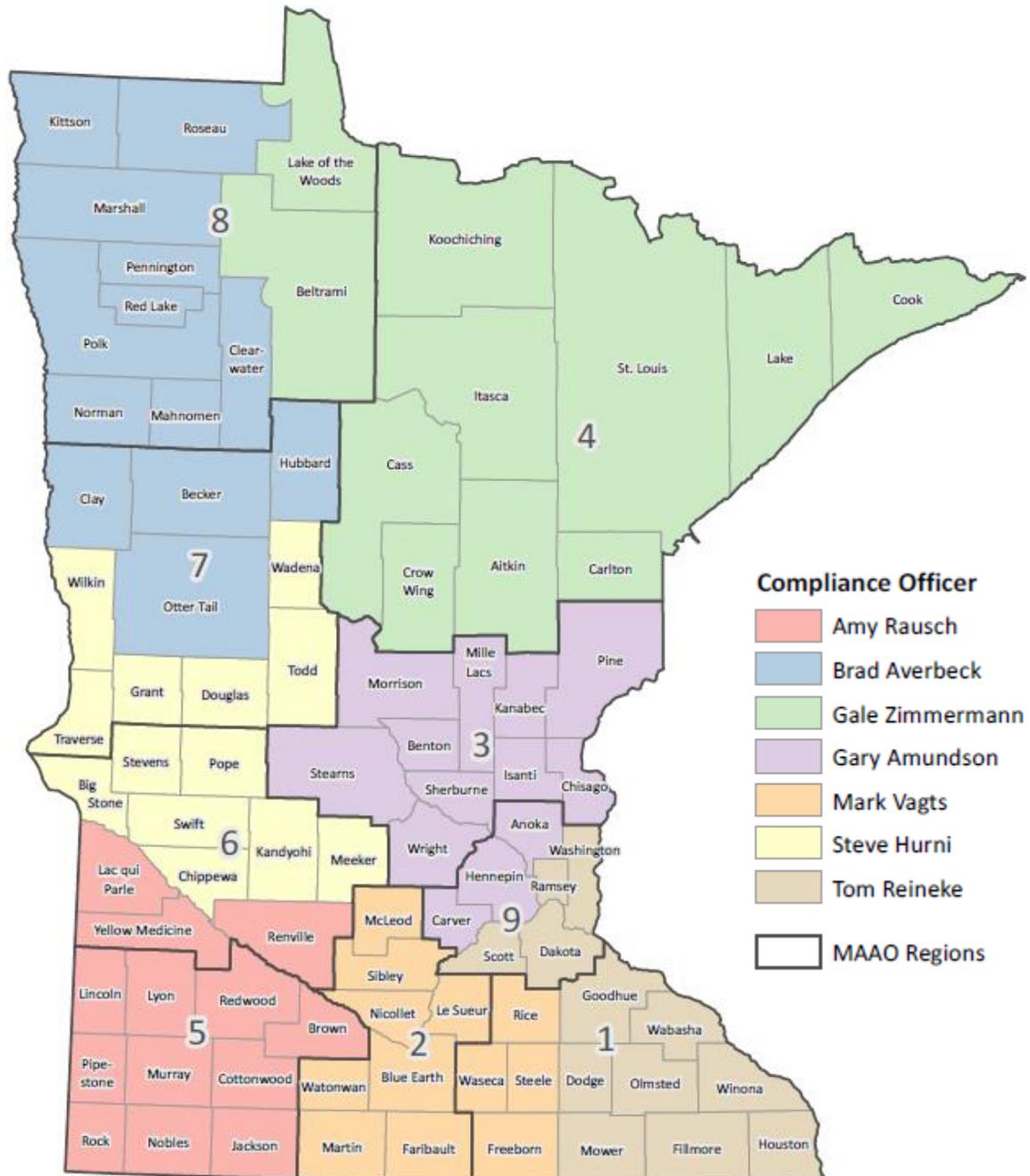
Median Number of Visits: 4

Most Visits to a County: 7

Least Amount of Visits: 3

PTCO and MAAO Regions Map

This map correlates to the time period of this report (July 2016 – June 2017)



State Board of Equalization Orders

What is this?

The State Board of Equalization issues corrective orders for market values when the median sales ratio for a property type is outside the acceptable range. The department is required to notify counties of any corrective orders issued by the State Board of Equalization.

Why is this important?

Uniform assessment levels are essential to ensure even distribution of tax burdens between property types and taxing jurisdictions. When the department, acting as the State Board of Equalization, changes assessments for a jurisdiction, it must notify counties in a timely way so they can calculate property taxes and rates.

How was the target determined?

The department must communicate State Board of Equalization Orders to counties by June 30 of each year under Minnesota Statutes, section 270.12, subdivision 3.

How are the results determined?

The results show if the department communicated State Board of Equalization decisions to counties by the June 30 deadline.

What is new in this report?

The methodology for measuring this item remains the same as last year.

Department Target: June 30

Results: On time; sent June 30, 2017

State General Levy Tax Rate

What is this?

The State General Levy is a property tax applied to certain properties, including commercial/industrial and seasonal residential recreational (cabins). Revenue goes to the state general fund. Each year, the department must certify preliminary state general tax rates by October 1 and final rates by January 1.

Why is this important?

County auditors prepare notices of proposed property taxes for the following year. Certifying the preliminary state general tax rate by October 1 allows county auditors to complete the notices in a timely way. Similarly, certifying the final state general tax rate by January 1 allows county auditors to accurately calculate property taxes.

How was the target determined?

The department must certify preliminary state general tax rates by October 1 and final rates by January 1 under Minnesota Statutes, section 275.025, subdivision 4.

How were the results determined?

The results show if the department certified preliminary rates by October 1 and final rates by January 1. The results are for levies certified for the payable year of this report.

What is new in this report?

The methodology for measuring this item remains the same as last year.

Department Target – Preliminary Rates: October 1

Results: On time; sent September 29, 2017

Department Target – Final Rates: January 1

Results: On time; sent December 29, 2017

Final Adjusted Net Tax Capacities

What is this?

Final Adjusted Net Tax Capacities (ANTCs) are used to measure discrepancies among county property valuations and to calculate school and local government aids. ANTCs normalize net tax capacities using sales ratio trends.

Why is this important?

The department uses ANTCs to calculate school and local government aid amounts and for a variety of other aid calculations. Reporting the final ANTCs in a timely way allows the department to calculate and pay these aids by their respective deadlines.

How was the target determined?

The department must file its final report on ANTCs by June 30 under Minnesota Statutes, section 273.1325, subdivision 1.

How are the results determined?

The results show if the department filed its final ANTCs report by the June 30 deadline.

What is new in this report?

The methodology for measuring this item remains the same as last year. However, the 2017 final report on ANTCs was delayed while we continued to gather PRISM data from our county partners.

Department Target: June 30

Results: Late; sent on August 1, 2017

Agricultural Homestead First Tier Valuation Limit

What is this?

Various types of property are classified differently depending on their use. Each classification has a corresponding class rate used to calculate a property's net tax capacity. Some property types have different class rates if a property's total value exceeds a certain amount (the "valuation limit").

For agricultural homesteads (Class 1a), the first tier of value – up to the valuation limit – receives a lower class rate. The department must certify the first-tier limit for agricultural homestead property by January 2 each year.

Why is this important?

Certifying the first-tier valuation limit for agricultural homestead property in a timely manner helps counties complete their assessments on time. The first tier has a lower classification rate than the second tier, so the valuation limit affects the net tax capacity of a property. This in turn affects how taxes are spread among properties throughout a jurisdiction.

How was the target determined?

The department must set the agricultural homestead first-tier valuation limit by January 2 under Minnesota Statutes, section 273.11, subdivision 23.

How were the results determined?

The results show if the department certified the agricultural homestead first-tier limit by January 2.

What is new in this report?

The methodology for measuring this item remains the same as last year.

Department Target: January 2

Results: On time; sent December 30, 2016

Class 4d Property First Tier Valuation Limit

What is this?

Various types of property are classified differently depending on their use. Each classification has a corresponding class rate used to calculate a property's net tax capacity. Some property types have different class rates if a property's total value exceeds a certain amount (the "valuation limit").

For low-income rental properties (Class 4d), the first tier of value – up to the valuation limit – receives a lower class rate. The department must certify the first-tier limit for low-income rental property by November 1 each year.

Why is this important?

Certifying the first-tier valuation limit for low-income rental properties in a timely manner helps counties complete their assessments on time. The first tier has a lower classification rate than the second tier, so the valuation limit affects the net tax capacity of a property. This in turn affects how taxes are spread among properties throughout a jurisdiction.

How was the target determined?

The department must set the low-income rental property first-tier valuation limit by November 1 under Minnesota Statutes, section 273.13, subdivision 25.

How were the results determined?

The results show if the department certified the low-income rental property first-tier limit by November 1.

What is new in this report?

The methodology for measuring this item remains the same as last year.

Department Target: November 1

Results: On time; sent November 1, 2017

County Aid, Local Aid, and Township Aid Certification

What is this?

County Program Aid, Local Government Aid, and Township Aid are paid by the state to local governments.

Why is this important?

State law requires the department to certify the following year's aid amounts before August 1 each year. The timing ensures local governments have the information they need to make budget and levy decisions in August and September.

How was the target determined?

The department must notify taxing authorities of their aid amounts before August 1 under Minnesota Statutes, section 477A.014, subdivision 1.

How are the results determined?

The results show if the department certified county, local, and township aid amounts before August 1.

What is new in this report?

The methodology for measuring this item remains the same as last year.

County Program Aid Certification

Department Target: July 31

Results: On time; sent July 31, 2017

Local Program Aid Certification

Department Target: July 31

Results: On time; sent July 31, 2017

Township Program Aid Certification

Department Target: July 31

Results: On time; sent July 28, 2017

Sales Ratio Study Criteria

What is this?

The Sales Ratio Study Criteria outline the conditions and procedures the department will use to conduct the year's Sales Ratio Study.

Why is this important?

Publishing the criteria several months in advance gives counties time to consider the impacts of changes to the criteria, and to make changes to their internal programming before the study begins in October. The Sales Ratio Study informs counties about trends in property values that can affect valuations.

How was the target determined?

The department deadline for publishing the criteria for the current study year is May 31.

How are the results determined?

The result shows if the department sent out the Sales Ratio Criteria by the deadline.

What is new in this report?

The methodology for measuring this item remains the same as last year.

Department Target: May 31

Results: On time; sent May 30, 2017

Glossary

Agricultural Homestead First Tier Valuation Limit

For agricultural homesteads (Class 1a), the first tier of value – up to the valuation limit – receives a lower class rate. The department must certify the first-tier limit for agricultural homestead property by January 2 each year.

Assessor Staffing Levels

County assessing staff levels are measured by dividing the number of taxable parcels in the county by the number of assessors who work in the county. Higher numbers indicate more parcels per assessor. The statewide result is the median value for all 87 counties.

Certified Local Government Levies

After proposed levies are set, local governments may change their levy amounts. The county auditor must report the certified amounts to the department by January 15 each year.

Class 4d Property First Tier Valuation Limit

For low-income rental properties (Class 4d), the first tier of value – up to the valuation limit – receives a lower class rate. The department must certify the first-tier limit for low-income rental property by November 1 each year.

County Aid, Local Aid, and Township Aid Certification

County Program Aid, Local Government Aid, and Township Aid are aid programs paid by the state to local governments. The department must notify taxing authorities of their aid amounts before August 1 of the year preceding the aid distribution year. The result indicates how many of the three aid program deadlines were met.

County Board of Appeal and Equalization Submissions

County assessors must submit any changes made by the County Board of Appeal and Equalization (CBAE) to the department within five working days after final action of the county board.

County Board of Appeal and Equalization Training Certification

Each County Board of Appeal and Equalization (CBAE) meeting must include a voting member who has completed a department training course within the last four years. Each board must certify by February 1 every year that the board has a trained member.

eCRV Buyer Submission to County Acceptance

Electronic certificates of real estate value (eCRVs) are documents used by counties and the department to record the sale of a property. The statewide result indicates the median number of days between when an eCRV is submitted to the county and when the county accepts the eCRV for all 87 counties.

eCRV County Acceptance to County Finalization

The county reviews the eCRV submission before finalization. The statewide result indicates the median number of days between when an eCRV is accepted by the county and when the county sends the eCRV to the state for all 87 counties.

eCRV County Submission to PTCO Finalization

The state reviews eCRV submissions from counties before finalization. The state result is the median number of days between an eCRV being sent to the state and PTCO finalization for all eCRVs.

Final Adjusted Net Tax Capacities (ANTCs)

ANTCs are used to measure discrepancies among county property valuations and to calculate school and local government aids. ANTCs normalize net tax capacities using sales ratio trends. The department must publish ANTCs by June 30.

Green Acres Valuation and Instructions

The Green Acres program lowers the taxable market value subject to property taxes for farmers whose estimated market values for agricultural land are influenced by non-agricultural pressures. The department must issue Green Acres values for each county by the first working day in January.

PRISM

PRISM, Property Record Information System of Minnesota, is a centralized database the Minnesota Department of Revenue uses to collect, track, and analyze property tax data received from counties. PRISM replaced many of the data files and abstracts counties were previously required to submit. Counties send PRISM data in four submissions, twice a year.

Property Tax Compliance Officer (PTCO) County/City Visits

Property Tax Compliance Officers (PTCOs) are each assigned counties across the state. Part of the PTCO role is to visit counties – and some cities – to provide guidance and oversight of the administration of the property tax system. The department goal is at least four visits by a PTCO to each county every year. The statewide results reflect the average number of visits each county received.

Property Tax Information & Education Question Response Times

The Property Tax Information and Education (Info/Ed) section receives questions on various topics from county staff, property owners, and attorneys. The section then researches and responds to the questions. The results indicate the median number of business days taken to respond after the question is recorded in the section's tracking system.

Property Tax Law Summary

The department compiles annual summaries of property tax law changes to inform and educate property tax administrators and other stakeholders. The target for publishing the law summary is July 15 for regular session and six weeks after a special session.

Property Tax Levy Report

The county auditor is required to submit a detailed property tax levy report to the department. The report includes financial information used to determine levy limit amounts when limits are in effect. The deadline is December 30. The results indicate submissions made by this deadline.

Property Tax Refund Homestead File Submissions

Counties are required to submit the property tax refund homestead file and duplicate homestead file to the department each year. The property tax refund file requires counties to submit two separate files: the property tax refund homestead file for real and personal property and the supplemental file for

manufactured home homesteads. The files are used to verify property tax refunds and identify improper homestead claims. Each county must submit the file to the department by April 30 of each year.

Property Tax Statement Draft

Under state law, the department stipulates the “form and content” of county property tax statements. Each county must send the department a draft of its property tax statement before sending it to taxpayers. The department reviews the statement to verify the county is using the proper form and providing the required information.

Proposed Local Government Levies

Every year local governments set proposed levies that reflect how much money they believe they will need in the coming year. The county auditor must report the proposed levies to the department on or before October 8 of each year.

Quintile Reassessment

State law requires counties to physically inspect each taxable parcel of property at least once every five years, and to appraise at least one-fifth of their parcels each year to meet this quintile requirement. The statewide result indicates the median percentage of parcels reviewed by each county.

Study Period Sales (eCRVs edited after November 10)

Property sales data is gathered through electronic Certificates of Real Estate Value (eCRVs). The counties should submit all eCRVs for sales that occur between October 1 and September 30 to the department by November 10. Between November 10 and December 7, the department reviews and verifies the eCRVs. The department uses this data for the Sales Ratio Study, which tracks market trends and analyzes the accuracy of county property appraisals. The statewide result is the percentage of all counties’ edits and submissions after November 10.

Study Period Sales (eCRVs edited after December 7)

Property sales data is gathered through electronic Certificates of Real Estate Value (eCRVs). The counties should submit all eCRVs for sales that occur between October 1 and September 30 to the department by November 10. Between November 10 and December 7, the department reviews and verifies the eCRVs. The department uses this data for the Sales Ratio Study, which tracks market trends and analyzes the accuracy of county property appraisals. The statewide result is the percentage of all counties’ edits and submissions after December 7.

Sales Ratio Study Criteria

The Sales Ratio Study Criteria outline the conditions and procedures the department will use to conduct the year’s Sales Ratio Study. The department deadline for publishing the criteria for the current study year is May 31.

Sales Ratio Trend Appeal Determinations

Once a year, the department issues property trends for select property types in certain areas. Counties have the right to appeal these trends. After hearing appeals, the department must communicate its decisions to the counties by January 15.

Sales Verification

A method for substantiating the information about a property including the conditions and motivations under which it was sold.

State Board of Equalization Orders

Once a year, the department analyzes and publishes market trend data for select property types in certain areas. Counties have the right to appeal these trends. After the appeals, the department is required to notify counties of any corrective orders issued by the State Board of Equalization by June 30.

State General Tax Levy Rate

The State General Levy is a property tax applied to certain properties, including commercial/industrial and seasonal residential recreational (cabins). Revenue goes to the state general fund. Each year, the department must certify preliminary state general tax rates by October 1 and final rates by January 1.

Tax Calculation Certification

Each county must have an officer or employee who is certified by the department in tax calculations. Individual certifications expire after four years.

Valuation Notice Instructions

Each year, the county assessor notifies all property owners of the estimated market values and classification of their properties. The department has a deadline of September 30 to distribute valuation notice instructions to counties.