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*Informational Presentation:*

Explanation of Limited Market Value and  
Discussion of Valuation Trends

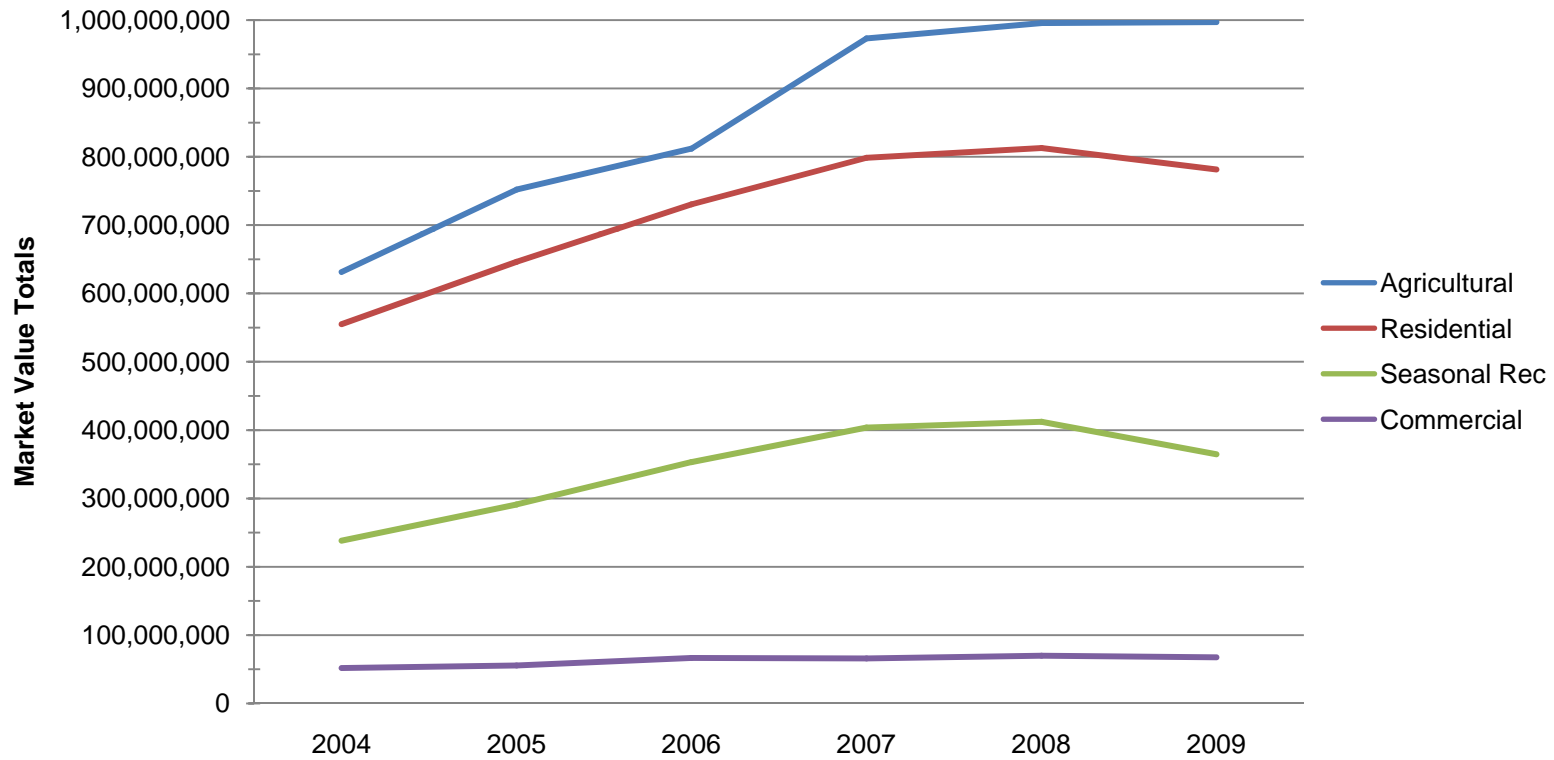
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Presented by:

Chuck Pelzer, Todd County Assessor

December 1, 2009

# Todd County Market Value Trends



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# Sales Study Period Statute

- 270.12 Subd (8) In equalizing values pursuant to this section, the board shall utilize a 12-month assessment/sales ratio study conducted by the Department of Revenue containing only sales that are filed in the county auditor's office under section [272.115](#), by November 1 of the previous year and that occurred between October 1 of the year immediately preceding the previous year and September 30 of the previous year.

State Link: <https://www.revisor.mn.gov/statutes/?id=270.12>

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# Sales Study Period Statute – What this means:

- When we established the 2009 market values for taxes payable in 2010, we used the sales that took place between October 1, 2007 through September 30, 2008 to establish those values, for all classes of property. We use historical data, by law, to determine market values.
  - On January 2, 2010, the same process will be used to determine market value for all classes of property. The market values will be based on sales that took place between October 1, 2008 through September 30, 2009.
  - You will receive a notice of valuation and classification of your property by mail in the spring of 2010. You have the opportunity to appeal or ask questions of this value or classification at your local boards of review meeting.
  - All values in Todd County are reviewed by the MN Department of Revenue at the annual State board of equalization meeting held in June in St. Paul. This review conducted by the Commissioner of Revenue ensures that all values are equalized within each county of the state.
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# Local Board of Review Statute:

- **274.01, 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.

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# Limited Market Value

- **273.11, Subd. 1a.Limited market value.**
  - In the case of all property classified as agricultural homestead or nonhomestead, residential homestead or nonhomestead, timber, or noncommercial seasonal residential recreational, the assessor shall compare the value with the taxable portion of the value determined in the preceding assessment.
  - For assessment years 2004, 2005, and 2006, the amount of the increase shall not exceed the greater of (1) 15 percent of the value in the preceding assessment, or (2) 25 percent of the difference between the current assessment and the preceding assessment.
  - For assessment year 2007, the amount of the increase shall not exceed the greater of (1) 15 percent of the value in the preceding assessment, or (2) 33 percent of the difference between the current assessment and the preceding assessment.
  - For assessment year 2008, the amount of the increase shall not exceed the greater of (1) 15 percent of the value in the preceding assessment, or (2) 50 percent of the difference between the current assessment and the preceding assessment.
  - This limitation shall not apply to increases in value due to improvements. For purposes of this subdivision, the term "assessment" means the value prior to any exclusion under subdivision 16.
  - ***The provisions of this subdivision shall be in effect through assessment year 2008 as provided in this subdivision.***
  - For purposes of the assessment/sales ratio study conducted under section [127A.48](#), and the computation of state aids paid under chapters 122A, 123A, 123B, 124D, 125A, 126C, 127A, and 477A, market values and net tax capacities determined under this subdivision and subdivision 16, shall be used.
  - State Link: <https://www.revisor.mn.gov/statutes/?id=273.11>
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# Limited Market Value – What MS 273.11, Subd 1a means for 2009 and forward

- **273.11, Subd. 1a.Limited market value:** *The provisions of this subdivision shall be in effect through assessment year 2008 as provided in this subdivision.*
- *For previous years, the limited market value was determined by a phase in process. It was determined by a percentage of the previous year taxable value.*
- *Example:*

Assessment Year	Estimated Market Value	Limited Market Value	Determination
2005	\$60,000	\$50,000	15% increase or 25% of value difference between current assessment and preceding assessment
2006	\$70,000	\$57,500	15% increase or 25% of value difference between current assessment and preceding assessment
2007	\$80,000	\$66,000	15% increase or 33% of value difference between current assessment and preceding assessment
2008	\$80,000	\$76,000	15% increase or 50% of value difference between current assessment and preceding assessment
2009	\$80,000	\$80,000	No limit, full value, per MN Statute 273.11, subd 1a

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# Agricultural Homestead Market Value Credit Explained

## **Agricultural Homestead Market Value Credit**

Property classified as class 2a agricultural homestead is eligible for an agricultural credit. The credit is equal to 0.3 percent of the first \$115,000 of the property's market value of land and structures beyond the house, garage and first acre.

The agricultural homestead market value credit is limited to \$345 for each homestead. The credit is reduced by .05 percent of the market value in excess of \$115,000, subject to a maximum reduction of \$115. The following table illustrates the reduction effect for properties valued at more than \$115,000.

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## Agricultural Homestead Market Value Credit Table

<b>Total market value of land</b>	<b>Discount of 0.05%</b>	<b>Max credit (\$345) minus discount</b>
\$ 115,000	NA	\$ 345.00
\$ 125,000	\$ 5	\$ 340.00
\$ 150,000	\$ 18	\$ 327.50
\$ 175,000	\$ 30	\$ 315.00
\$ 200,000	\$ 43	\$ 302.50
\$ 225,000	\$ 55	\$ 290.00
\$ 250,000	\$ 68	\$ 277.50
\$ 275,000	\$ 80	\$ 265.00
\$ 300,000	\$ 93	\$ 252.50
\$ 325,000	\$ 105	\$ 240.00
\$ 330,000	\$ 108	\$ 237.50
\$ 335,000	\$ 110	\$ 235.00
\$ 340,000	\$ 113	\$ 232.50
\$ 345,000	\$ 115	\$ 230.00
\$ 350,000	\$ 115	\$ 230.00
\$ 400,000	\$ 115	\$ 230.00

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# Todd County Assessor Website - Property Tax Information

- Visit

[www.co.todd.mn.us/html\\_files/departments/assessor.html](http://www.co.todd.mn.us/html_files/departments/assessor.html)

for the following information and articles of interest:

- ❑ News Articles
  - ❑ Forms
  - ❑ Property Tax Fact Sheets from State of MN Department of Revenue
  - ❑ Link to State of MN Department of Revenue Property Tax site
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# Questions? Need more information?

- Contact the Todd County Assessor's office at 320-732-4431
  - Email Chuck Pelzer, Todd County Assessor at [chuck.pelzer@co.todd.mn.us](mailto:chuck.pelzer@co.todd.mn.us)
  - Office Hours: 8:00 a.m. – 4:30 p.m., Monday through Friday
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