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Assessment Review and Appeals

Assessment Review – Appeals and Equalization

Basic Overview

Property Tax Appeals and Equalization are two distinct processes which share the goal of fair and equitable assessments.

Appeals Process: narrowly refers to individual taxpayers taking issue with their individual valuations or classifications.

- **Local Boards of Appeal and Equalization** are predominantly focused on hearing individual appeals and are not authorized to make orders concerning entire classes of property.
- **County Boards of Appeal and Equalization** have a dual role: review and equalize values across local jurisdictions and also hear individual taxpayer appeals.

Equalization: refers to a more broadly construed concept which looks at the assessment from a broad spectrum of how the assessors' market values are keeping pace with local sale prices or how much consistency there is across jurisdictions, independent of a particular parcel.

- **County Boards of Appeal and Equalization** have a dual role: review and equalize values across local jurisdictions and also hear individual taxpayer appeals.
- The **State Board of Equalization** concerns itself mostly with the review and equalization process while very rarely dealing with individual appeals.

Why is the appeals process important?

- The integrity of an *ad valorem* (value-based) property tax system rests upon an equitable and reliable process for establishing market values.
- The property tax is unique in the fact that it has provisions for local review to help ensure its integrity.

What is the process for appeals and equalization?

- The **first step** in this process is **notifying taxpayers of their valuations and classifications** as determined by the assessor.
- Next, taxpayers are able to review their assessments and engage in the **appeals process** if necessary, which may include:
 - informally appealing either the market value or classification by contacting the assessor,
 - attending a more organized review at an open book meeting,
 - formal appeals to the local, county and/or special boards of appeal and equalization, or
 - appealing to Minnesota Tax Court.
- In addition to hearing individual taxpayer appeals, each **County Board of Appeal and Equalization** reviews and examines assessments in general and can make changes to the assessment on a broader scope if necessary.

Assessment Review and Appeals

- The **State Board of Equalization** also performs an important review and equalization function and issues orders to ensure equity within and across counties.

What else is important to know about the appeals process?

- The assessment review and appeal process can become adversarial in nature.
- While assessors do not directly affect the amount of property tax an individual property pays, taxpayers often view the assessor as the face of the property tax system and may be critical of their work.
- When a property's value or classification is appealed, or when the assessment level of a jurisdiction is being reviewed, everyone involved must remain professional.
 - People are entitled to have differences of opinion, and much of what is done throughout the assessment process is based on an opinion.
 - The very definition of an appraisal is "an opinion of value..."
 - That opinion is based on market evidence, professional judgment, experience, and expertise, but in the end, it is still an "opinion."
 - The assessment review and appeal process is designed to allow for adequate consideration of different opinions with the goals of fairness, consistency, and equalized assessments so that every property paying taxes pays its fair amount.
- The assessor has a responsibility to maintain a professional image throughout the assessment review and appeal process.
 - This requires effective communication skills as well as positive and proactive public relations strategies.
 - Assessors should be able to clearly explain the assessment process and issues at hand in an understandable and concise manner to taxpayers.

Equalization: Sales Ratios and other Measures

- **Sales ratios** are key tools in the review and equalization of market values.
- The Department of Revenue conducts several sales ratio studies each year to assist in assessment review and equalization as well as to aid the Tax Court. The Department produces three formal sales ratio studies:
 - a 12-month study for the State Board of Equalization for equalization purposes
 - a 9-month and a 12-month study used by the Tax Court
 - a 21-month study used to produce equalized values for aid calculation purposes
- Many county and local assessors also perform their own in-house sales ratio analyses to judge their own assessments.

Assessment Review and Appeals

- Sales ratio studies are used by assessors to determine their valuation levels, by the Tax Court in adjudicating appeals, by the State Board of Equalization in measuring assessment levels and uniformity, and by various aid formulas which utilize measures of equalized values.
- [Module 7](#) includes much more detailed information on Sales Ratios.
- **Measures of assessment uniformity** measure the overall quality of the assessment.
 - Such statistical measures include the range of sales ratios, the median assessment level, coefficients of dispersion, price related differentials, and price related bias.
 - Measures of uniformity falling outside of Department of Revenue guidelines within a jurisdiction may indicate a potential for some sort of assessment review or correction.

Notice of Valuation and Classification

Notice of Valuation and Classification

- The process of assessment review and appeals begins with the annual **Notice of Valuation and Classification**.
- Each year, the County Assessor is responsible for notifying all property owners of the market value and classification of their properties.
- The notice must be mailed at least ten calendar days before the meeting of the Local Board of Appeal and Equalization or open book meeting. If this requirement is not met the county must mail an additional valuation notice and convene a supplemental Local Board of Appeal and Equalization meeting or local review session. This supplemental meeting or session cannot be held earlier than ten calendar days after mailing the additional notice.
- Upon written request by property owners, the assessor may send notice electronically. Local boards meet between April 1 and May 31 each year.
- By law, the notice of valuation and classification must include the following information:
 1. The assessor's **estimated market value** for the current and prior assessment years;
 2. The market value subject to taxation after subtracting the amount of any qualifying improvements for the current assessment year (this is referred to as the "**Taxable Market Value**");
 3. The **classification** of the property for the current and prior assessment years;
 4. The assessor's **office address, phone number, and email address**;
 5. The dates, places, and times for meetings of the local and county boards of appeal and equalization and/or open book meetings;
 6. A specific and prominently listed note if the classification of the property has changed between the current and prior assessments;
 7. Where property information is available, the times when the information may be viewed by the public, and the county's Web site address.
- The Commissioner of Revenue is charged with specifying the form of the notice. In recent years, the Department of Revenue has requested the following additional information be included with the value notice so that it may be more readily understandable to taxpayers:
 1. The property's location and parcel identification
 2. The taxpayer's mailing address
 3. Reductions from the estimated market value that result in lowering the taxable market value, including Green Acres, Rural Preserve, plat deferment, JOBZ exempted values, Homestead Exclusion for Veterans with a Disability, Homestead Market Value Exclusion, etc.
 4. Specific and detailed information regarding the appeal options, especially if appointments are requested for the County Board of Appeal and Equalization.
 5. Definitions of some of the terms included on the notice.

Notice of Valuation and Classification

- Valuation notices should ideally be sent separately from tax statements so that they receive independent attention from taxpayers. However, the notices may be mailed in the same envelope with tax statements as a cost saving measure, provided that they are not combined on a single document.
- Assessors should have a review process in place to assure the content and format of the notice is accurate before it is mailed to taxpayers.

Note: It is our opinion that any **state-assessed structure and machinery values** for operating property should be zeroed out at the beginning of each assessment. This is to avoid confusing taxpayers for this type of property as deadlines for notification and appeals differ for these properties than locally assessed properties. If you have any questions regarding this, please direct them to sa.property@state.mn.us.

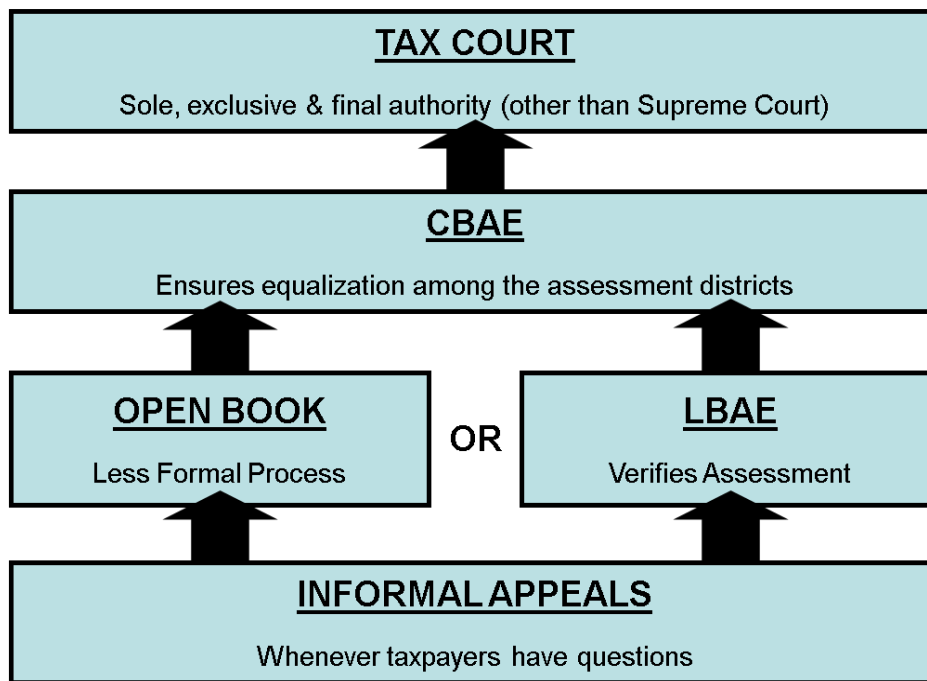
Primary Statutory Reference: [273.121](#)

Boards of Appeal and Equalization

The Assessment Appeal Process

If a property owner disagrees with the assessed value or classification of their property, they have the right to appeal. For general appeal information see [Appealing Property Value and Classification page](#). More detailed information regarding the assessment appeals process is covered in this module.

The following graph shows the progressive steps in the appeal process:



Informal Appeals

- Property owners should be encouraged to contact the assessor's office whenever they have questions or concerns about their market value, classification, or the assessment process. Almost all questions can be answered during this informal type of appeal process.
- When taxpayers call to question the market value, every effort should be made by appraisers to make appointments to inspect properties that have not been recently inspected to ensure that property records are correct.
- If all data on the property is considered to be correct by the appraiser, the appraiser should be able to show the property owner other sales that have taken place within the market that support the appraiser's estimated market value.

Boards of Appeal and Equalization

- If errors are found during the inspection, or other factors indicate a value reduction is warranted, the appraiser can make these changes at this time or recommend them to an appeals board.
Note: If the reduction is determined within ten calendar days of a formal board convening, the assessor may not make the change themselves. They must recommend the change to the board, so they may act on the change.
- If the property owner is not satisfied after talking with the assessor, they can explore formal appeal options including:
 - open book meetings,
 - local and county boards of appeal and equalization, and/or
 - Minnesota Tax Court.
- The property owner is not required to take part in an informal appeal, but it is often more efficient for everyone involved to begin the appeal process with this step.

Open Book Meetings

As an alternative to the Local Board of Appeal and Equalization, a jurisdiction may turn their meeting over to the county to hold an open book meeting. This version of appeal is an organized approach to address individual appeals in a less formal manner than the Local Board of Appeal and Equalization.

The assessor sets aside a time and place to meet with property owners individually to discuss their specific concerns about their properties. These meetings must take place during April and May.

If the taxpayer and assessor continue to disagree after the open book meeting, the taxpayer may choose to proceed to the County Board of Appeal and Equalization (CBAE) meeting. As with all appeals, the taxpayer may choose to pursue an appeal to Tax Court at any point.

What are the benefits of open book meetings?

- Taxpayers often find them less intimidating than presenting their appeal to the Local Board of Appeal and Equalization.
- They often appreciate the fact that they can have their questions answered in a more private setting and not have to be apprehensive about making a presentation in front of their friends and neighbors.
- In a one-on-one setting, property owners may spend as much time with the appraiser as they need. They can compare the value of their home with the values of similar homes and review similar homes that have sold.
- The process is efficient because concerns and questions are often resolved immediately. Property owners can see that the appraiser applies the same criteria to all properties,

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reassuring them that the process is the same for everyone, and they have not been singled out for a value increase.

Open Book Meeting Procedures

While Local Board of Appeal meetings have many requirements outlined in statute, open book meetings do not. Minnesota Statutes 274.13, subd. 1(c) describes open book meetings as an “alternative” to meetings of the local board, indicating that it is a different process with different procedures.

Open Book Meeting Dates

- Minnesota Statutes 274.014 subd. 3 states that any alternate review process to the LBAE must take place in April and May. Therefore, **all open book meetings must be scheduled in April and May.**
 - Before a scheduled open book meeting, assessors may make changes based on informal appeals in the same way they can more than 10 days before LBAE meetings.
- Counties may elect to hold open book meetings for a specific time and date (similar to a LBAE meeting), or over a span of time up to the entirety of April and May.
- Some counties hold countywide open book meetings at one or more locations over a set time period, often during both daytime and evening hours.
 - The dates, times, and locations of all meetings appear on the valuation notices.
 - Taxpayers can attend any of the locations at any time during scheduled hours and meet with an appraiser to discuss their valuations and/or classifications.
 - Property records and value information is brought to any offsite meetings or accessed via laptop computers.
- Other counties hold open book meetings for specific jurisdictions.
 - Taxpayers in these jurisdictions are notified of the date and time of the meeting on their valuation notices.
 - These meetings may take place at a public facility in that jurisdiction or at the county offices.
 - All the property information is brought to the meeting or accessed via laptop computers if the meeting is held offsite.
- If the taxpayer and assessor continue to disagree on the market value or classification after meeting at the open book meeting, the taxpayer may appeal at the County Board of Appeal and Equalization or the Minnesota Tax Court.
- Assessors may establish an end date for open book meetings before the end of May. If so, the end date must be clearly published on the valuation notice.

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- After open book meetings have concluded, a property owner who wishes to appeal must do so at the County Board of Appeal and Equalization or the Minnesota Tax Court.

What is the assessor's role at the open book meeting?

- The assessor must handle every appeal presented at the open book meeting.
- County assessor offices may choose to show each taxpayer a short presentation about the assessment and property tax process, how the assessor arrives at the estimated market value and how values have changed in the jurisdiction over the past year.
- The office should have **documentation procedures** in place so taxpayer appeals can be recorded and addressed uniformly.
 - In cases where changes are made, the assessor will need to document these changes, their rationale, and make sure the changes are reflected for that assessment.
 - The office should also have procedures in place for notifying taxpayers of any changes that result from the open book meeting. This notification is important because any changes to the assessment made during the open book process may be further appealed by the taxpayer to the county boards, or to Tax Court.
- If a taxpayer comes to the open book meeting to discuss issues and the **property has not been recently inspected** by someone in the assessor's office, an appointment to view the property (both interior and exterior) should be scheduled.
- The ultimate role for the assessor at the open book meeting is to be sure all questions are addressed, and that clear information is shared with property owners. The open book meeting can be used as an avenue to improve public relations.

Boards of Appeal and Equalization

Local Board of Appeal and Equalization

What is the purpose and function of the local board of appeal and equalization?

- The purpose of the Local Board of Appeal and Equalization (LBAE) is to provide a fair and objective forum for property owners to appeal their valuations and/or classifications.
- The local board often serves as the first formal step to the appeals process.
- Effective actions taken by the local board may potentially make a direct contribution to attaining assessment equality.
- The local board must address property owners' issues efficiently, fairly, and objectively. They can only make changes that are substantiated by facts and that meet statutory guidelines.
- Any changes must be justified because they have the effect of shifting the tax burden to other properties in the jurisdiction.

Primary Statutory References: [274.01](#); [274.014](#); [274.03](#)

Can an assessor make a change before the LBAE meets?

- Assessors should not make changes to property within the **ten-day** "window" between notices of valuation and classification being sent and the date of Local Board of Appeal and Equalization meeting.
 - **Note:** these are calendar days and includes the tenth day. Meaning if the LBAE is scheduled for April 11, the assessor may not make any changes from April 1 onwards.
- If an assessor feels that a change to valuation or classification needs to be made between the time that notices are sent out and the board convenes, the assessor must notify the property owner at least **ten calendar days** before bringing the issue before the board, thereby to give the property owner a chance to appear before the board as well.

Primary Statutory References: [274.01](#); [274.014](#); [274.03](#)

Who makes up the LBAE?

- Ordinarily, the LBAE is made up of the city council or township board; but it can also be a specially appointed board if a city charter provides for one.
- Some jurisdictions choose to transfer their local board duties to the County Board of Appeal and Equalization and hold open book meetings in lieu of LBAE meetings.

Primary Statutory References: [274.01](#)

Boards of Appeal and Equalization

Who decides when the meeting is held?

- The county **assessor** sets a day and time for each LBAE meeting and each jurisdiction must be notified in writing on or before February 15 of each year.
- The **clerk** is responsible for giving published and posted notice of the meeting **at least ten calendar days before** the meeting.
 - The publishing typically occurs in the local newspaper of the jurisdiction and posting typically occurs in the city or town hall.
 - An example of such notice is included at the end of this section.
- Meetings must be held **between April 1 and May 31** of each year.

Primary Statutory References: [274.01](#); [274.014](#); [274.03](#)

What are the basics of the LBAE meeting?

- The LBAE meets at a **centralized location** within the county where the jurisdiction is located, **or at the office of the clerk** to review the valuations and classifications of properties within the jurisdiction.
- The LBAE must hear all appeals regardless of when those appeals were presented to the board. There are **no deadlines to make an appeal as long as the board is convened**. The board should make a decision on those appeals. The decision may be that an informed decision cannot be reasonably made, and they may choose to vote for no change to the property's valuation or classification allowing the taxpayer to continue to the County Board of Appeal and Equalization. The assessor should act on the board's request for information and should respond reasonably to all appeals initiated at any time prior to the LBAE's adjournment.
- The LBAE may not make an individual market value adjustment or classification change that would benefit the property if the owner or other person having control over the property has **refused the assessor access** to inspect the property and the interior of any buildings or structures. The inspection must be **explicitly requested by the assessor and denied by the property owner**. While it is important for assessors to have accurate property information to provide support to the LBAE, if access is not requested by the assessor, then there is no access denial and the board may consider a valuation or classification change that benefits the property owner. When determining if a property owner has denied access for the current appeal season, that denial would be any time

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after the last board meeting, until the current board adjourns. In the case where a property owner has refused access at any time after the last appeal season, but subsequently allows the assessor to inspect the property, the board may act on the appeal.

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- An assessor must be present to answer any questions and present evidence supporting their values and/or classifications.
 - **Note:** it is important that the assessor does not direct how the board should rule on each appeal. The assessor should limit their feedback to giving explanations as to why the property was assessed the way it was and other relevant technical information.
- To appeal to the County Board of Appeal and Equalization, a property owner must first appeal to the Local Board of Appeal and Equalization, if one is held.
 - For the LBAE meeting to be valid, a quorum of voting members must be present. In addition to a quorum, there must also be at least one trained voting member present at the meeting.
 - If a local board holds a LBAE meeting but fails to meet the training and/or quorum requirement, the assessor should immediately take over the meeting as an open book meeting, and the local board will lose its LBAE meeting as detailed [below](#).

What will happen if a local board has a quorum for an initial meeting, but does not have a quorum for a reconvene?

- It is illegal for the board to conduct a meeting without a quorum.
- If the board does not have a quorum present at a reconvene, the assessor should take over the meeting and **change it to an open book** format. For failing to be in compliance with the quorum requirement, the board would **lose its LBAE** duties as described [below](#).
- The board's decision on any appeals completed and voted upon in the **initial meeting** will stand.
 - However, any unfinished business would have to be addressed by the assessor in the open book meeting.
 - If the property owner and the assessor cannot agree, the property owner can appeal to the County Board of Appeal and Equalization and/or Tax Court.
- The LBAE may recess from day to day until they finish hearing the cases presented but must adjourn **within 20 calendar days**.
 - A longer period may be approved by the Commissioner of Revenue. The board must apply in writing for an extension; and the commissioner's approval is necessary to legalize any proceedings subsequent to the expiration of the 20-day period.
 - The commissioner will not extend the time for LBAEs to convene beyond May 31st.

Boards of Appeal and Equalization

- **No action may be taken by the board after May 31.** All taxpayer concerns heard after the initial 20-day period (unless extended by the commissioner) or any concerns brought forth after May 31 must be appealed to the County Board of Appeal and Equalization.
- These meetings are public and must adhere to [open meeting laws](#).
- Board members may not participate in any actions of the board which result in market value adjustments or classification changes to property owned by the board member, the board member's spouse, parent, stepparent, child, stepchild, grandparent, grandchild, brother, sister, uncle, aunt, nephew, or niece, or to any property in which the board member has a financial interest. Any relation may be by blood or by marriage.
 - If such **conflict of interest** arises, the remaining board may elect to hear the appeal, if a quorum and trained member remain.
 - If a recusal would negate a quorum or leave no trained member, then no change should be made to the property. The property owner would then be able to appeal to the County Board of Appeal and Equalization.
 - In cases where the board lacks a trained member or quorum, but makes a change, the Commissioner may null and void those changes.
- Taxpayers may appeal in person, in writing, or by representative.
 - If a taxpayer fails to appeal in person, in writing, or by representative to appeal the valuation and/or classification of property, that person may not appeal to the County Board of Appeal and Equalization.
 - This does not apply if an assessment was made after the local board meeting or if the taxpayer can establish not having received the notice of market value at least five days before the meeting.

Primary Statutory References: [274.01](#); [274.014](#); [274.03](#)

What is the assessor's role with the LBAE?

- Give notice to the clerk of the date and time of the Local Board of Appeal and Equalization meeting by no later than February 15.
- Give the board information concerning the state of the real estate market.
- Attend the meeting with assessment books and papers, but do not vote.
- Attend the meeting with maps and tables relating particularly to land values for guidance.
- Raise objections received in writing for review to the local board.
- Provide an alternative review option (open book meeting) as described above, when necessary.
- Provide the Commissioner of Revenue with a record form from the proceedings of the LBAE within ten business days of final action of the board.

Primary Statutory Reference(s): Minnesota Statutes, section [274.01](#); [274.014](#); [274.03](#); [274.12](#).

Boards of Appeal and Equalization

Local Board of Appeal and Equalization Training

What are the training requirements for boards of appeal and equalization?

- Minnesota law requires that **at least one member of each board** must have completed training provided by the Department of Revenue **within the last four years**. Though, the department recommends that all members of the board complete training.
- The training is offered online through the Department of Revenue [website](#). A board member must complete the training by February 1 of the year in which appeals will be heard.
- Board members seeking a certificate of completion will need click the “Report Button” at the end of the video. A certificate of completion will be e-mailed to the board member.

Primary Statutory References: [274.01](#); [274.014](#); [274.03](#).

What else do board members need to know about the training?

- To find the training, board members can enter “BAE” in the search function on the department’s website: revenue.state.mn.us. Select the “Board of Appeal and Equalization Training,” from the generated search list.
- The online training is posted on the department’s website so board members may take the course at their convenience.
- The training is prepared by property tax administrators from the department and is about 30 minutes in length.
- It includes an educational video reviewing the procedures and responsibilities of the board.
- Attendees must certify completion of the training. Instructions are located at the end of the course.
- To successfully complete the training and receive a completion certificate, we recommend that you use with Google Chrome or Microsoft Edge browsers. To avoid complications during training and when receiving your certificate, take the training on a desktop or laptop computer (not on a mobile device).
- For boards that were **in compliance on February 1** but lost their trained member due to elections or other limited circumstances after that date, “catch up” training may be allowed. Contact the department at proptax.bae@state.mn.us to inquire if the board is eligible for this option.

Boards of Appeal and Equalization

What is included in the training?

- The handbook and course developed by the department includes information related to:
 - the **role** of the board in the assessment process,
 - the **legal and policy** reasons for fair and impartial appeal and equalization hearings,
 - board **meeting procedures** that foster fair and impartial assessment reviews and other best practices recommendations,
 - **quorum requirements** for boards, and
 - explanations of **alternate methods of appeal**.

What happens if a LBAE does not have a trained member on February 1st?

- Statute requires that each LBAE that intends to hold a local board of appeal and equalization meeting for the current assessment year must have a trained member by February 1 of that current assessment year.
- If the LBAE does not have a trained member on February 1 of the current assessment year, the board will lose their appeal powers as described [below](#).

Primary Statutory Reference: [274.01](#); [274.014](#)

What happens if a LBAE is forced to transfer their appeals powers?

- If the local board is forced to transfer their powers to the county board for any of the reasons listed above, they will lose their appeal powers at minimum of the current appeals year and the following year.
 - Example: if a quorum is not present at the start of the LBAE meeting in April 2019, the board will lose its powers for the 2019 and 2020 appeals year.
- For the local board to be **reinstated**, it must prove compliance with the requirements and present the county assessor with a resolution by February 1 of the assessment year that they wish to hold their LBAE meeting.
 - If the board does not reinstate their powers, the board powers stay with the county until the board reinstates their powers.
 - Example: Board loses their powers in 2019 for non-compliance, they can reinstate their powers by February 1, 2021, to hold a meeting in the spring of 2021.

Boards of Appeal and Equalization

LBAE Roles and Duties
What are the recommendations for board members?

- It is recommended that assessors prepare board members ahead of the LBAE meeting to allow them to become familiar with local market activity for the year.
- The assessor should also provide sales information in advance of the meeting.
- Other helpful information may include sales ratio studies by type of property, valuation schedules for land types, valuation information for the district, statutory classification information and corresponding class rates, or review of value changes by property type in the district.

What are the LBAE Powers and Duties?

Generally, a local board determines whether all taxable property in the city or town has been properly placed on the **current** assessment rolls and property valued and classified by the assessor. Specifically, LBAEs have the following duties:

- Reduce the value of a property if market evidence warrants a reduction. The board may not make an individual market value adjustment that would benefit the property owner if the property owner has refused access to the assessor to inspect the property (both interior and exterior);
- Increase the value of a property if market evidence warrants an increase or if improvements are missing from the property record, provided that the taxpayer is notified of the board's intent to increase the value so that they may be allowed an opportunity to appeal;
- Correct the classification of a property;
- Add omitted properties to the assessment rolls;
- Personal property assessments are also within the board's jurisdiction. Personal property includes manufactured homes, storage sheds, or similar improvements located in a manufactured home park, structures on leased public land, and railroad operating right-of-way;
- Consider and act upon any complaints or objections by taxpayers. Complaints may be made via letter, in person, or by representative.
- No changes in valuation or classification which are intended to correct **errors in judgment** by the county assessor may be made by the county assessor after the board has adjourned.
- The county assessor may continue to correct errors that are **clerical in nature** after the board adjourns up until the tax extension date of that assessment year.

Boards of Appeal and Equalization

- There are also **several restrictions and limitations** placed on LBAEs. A local board:
 - Cannot consider any prior year assessments;
 - Cannot act on individual tax amounts;
 - Cannot order changes to entire classes of property (by a blanket percentage);
 - Cannot make individual reductions that would reduce the aggregate assessment of a jurisdiction to decrease by more than one percent. If the total reductions would lower the aggregate assessments made by the assessor by more than one percent, none of the adjustments made by the board are valid. (The assessor shall correct any clerical errors or double assessments discovered by the board without regard to the one percent limitation.);
 - Cannot increase a parcel's market value without duly notifying the owner of the intent and allowing the taxpayer an opportunity to appeal;
 - Cannot exempt property;
 - Cannot make changes benefitting a property owner who refuses access to the property by the assessor;
 - Cannot continue a meeting beyond 20 calendar days from the time it convenes without specific approval from the Commissioner of Revenue;
 - Individual board members cannot participate in changes to property owned by relatives or property in which the member has a financial interest;
 - Cannot grant inclusion into special programs such as Green Acres, Open Space, Homestead Exclusion for Veterans with a Disability, etc.

Primary Statutory References: [274.01](#); [274.014](#); [274.03](#)

What are the duties of the clerk?

The town or city clerk has the following duties relating to LBAEs:

- work with the county assessor to establish meeting dates for the board
- coordinate with the board to ensure a quorum and trained member will be present
- publish and post notice of meetings at least ten calendar days prior to the date of the meeting
- have a sign-in sheet for all appellants
- take minutes as part of town or city record
- return all necessary records to the county assessor in a timely manner

Boards of Appeal and Equalization

An example of published/posted notice for local boards of appeal and equalization is such:

Important Information Regarding Assessment and Classification of Property
This may affect your [#YEAR#] property tax payments.

Notice is hereby given that the Board of Appeal and Equalization of the [City/ Township Name] shall meet on [date], [time], at [location]. The purpose of this meeting is to determine whether taxable property in the jurisdiction has been properly valued and classified by the assessor, and also to determine whether corrections need to be made.

If you believe the value or classification of your property is incorrect, please contact your assessor's office to discuss your concerns. If you are still not satisfied with the valuation or classification after discussing it with your assessor, you may appear before the local board of appeal and equalization. The board shall review the valuation, classification, or both if necessary, and shall correct it as needed. Generally, an appearance before your local board of appeal and equalization is required by law before an appeal can be taken to your county board of appeal and equalization.

Special Board of Appeal and Equalization**What is a Special Board of Appeal and Equalization?**

- The council or governing body of any city may appoint a special board of appeal and equalization to which it may delegate all of the powers and duties of a local board of appeal and equalization.
- The special board serves at the direction and discretion of the appointing body, subject to the rules and restrictions as any other LBAE.
- The appointing body determines the number of members, the compensation and expenses to be paid, and the term of office of each member.
- **At least one member of the special board must be an appraiser, Realtor, or other person familiar with property valuation in the assessment district.**
- At least one member must also have met the **training requirements** for LBAE members.

Primary Statutory References: [274.01](#)

Boards of Appeal and Equalization

LBAE Documentation and Reporting Requirements

The department requires that two forms be completed for each local board.

1. The **Certification Form** must be completed and signed by all members present to ensure that the quorum and trained member requirements were met, even if no taxpayers attended the meeting.
 - The county assessor, or delegate, must certify that the trained member and quorum requirements were met or certify that they took over the meeting and changed the format to an open book meeting.
 - All board members must also certify that they made no changes to property owned by a board member, a relative or family member of a board member, or to any property in which a board member has a financial interest.
 - A Certification Form must be completed and signed for each LBAE meeting, including any reconvenes.
 - At the end of the meeting, the assessor must take possession of the Certification Form.
 - The original Certification Form shall be kept at the assessor's office so it is accessible if it needs to be reviewed by a Department of Revenue Property Tax Compliance Officer.
2. Only one **Record Form** needs to be returned to the Department of Revenue. However, it must reflect all board actions. Therefore, it must list:
 - assessments of property added to the tax rolls with the market value for each;
 - appeals brought before the board, indicating the action taken by the board (including all appeals for which the board voted "no change");
 - assessments that have been increased or decreased with the market value for each;
 - all class changes; and
 - all changes that the county assessor brought to the board for action, indicating the action taken by the board even if it was "no change."
- Minnesota law requires the county assessor to submit any changes made at LBAE meetings (**the Record Form**) to the Commissioner of Revenue **within ten business days following the final action** of the board.

Boards of Appeal and Equalization

What are some important requirements for the record form?

- The local board must keep accurate and detailed records of appeals on the Record Form.
- The form is an online form:
 - All required information will be identified on the form.
 - For more information on how to use the form, please visit our [website](#).

Primary Statutory References: [274.01](#); [274.014](#)

FAQ's

A local board is one member short of a quorum. One of the missing members called and is running late. Should we wait for the missing board member or should the meeting change to an open book meeting?

- It depends on the situation. Some criteria for consideration include:
 - Are people waiting?
 - How many people are waiting?
 - Are these people willing to wait longer or are they under time constraints?
 - What is the expected time frame before the quorum requirement is will be met?
- The assessor will have to use his/her judgment to decide if the meeting should change to an open book format.
- The department understands that many varied circumstances are certainly going to come into play.
- If a situation should arise where the board cannot start at the scheduled time, good judgment, common sense, and professional courtesy should prevail in decision making.
- The *Board of Appeal and Equalization Handbook* indicates that it is “very important that the board members and all required attendees arrive at the meeting on time and the meeting begins as scheduled. This shows respect for the people who are appealing to the board, and also shows that you value their time.”
- There is no “hard line” in setting an acceptable or reasonable time to wait before an official determination of a quorum is made. The department cannot advise any specific time frame that is appropriate to wait (10 minutes, 30 minutes, etc.).
- There is not a specific number of constituents that can be kept waiting before a change in format is appropriate.

Boards of Appeal and Equalization

- The decision to change the format to an open book meeting is an important one, and it should only be made with due cause. Keep in mind, once the assessor has changed the format to an open book meeting for lack of having a quorum, **it cannot be changed back even if a quorum is formed later.**

An individual shows up at the local board meeting and asks, “How did you come up with my value?” He was not appealing his value. Should we list his appearance on the Record Form?

- Everyone that **appears** before the board should be listed on the Record Form. For consistency purposes, we recommend noting the person’s appearance before the board and selecting no change if a change wasn’t made by the board. This will allow the taxpayer to appeal to the county board if they choose to do so.

How might LBAE duties be transferred to the county?

- The board may voluntarily transfer its powers and duties to the county board and no longer perform the function of a local board.
- Before a board transfers its duties, the jurisdiction’s governing body must give **public notice** of the meeting at which the proposal for transfer is to be considered.
- A transfer of duties must be **communicated to the county assessor**, in writing, before December 1 of any year to be effective for the following year’s assessment.
- The transfer may either be permanent or for a specified number of years, provided that the transfer **cannot be for less than three years.**
 - The length of the transfer must be stated in writing or it will be deemed **permanent.**
 - A town or city **may renew** its option to transfer its duties to the county board after the time limit has expired.
- The option to transfer is only available to a town or city whose assessment is done by the county. This means that in order to exercise this option, the **local jurisdiction must give up its local assessor.**
- Property owners in jurisdictions that have chosen this option would be provided with an open book meeting option in lieu of a Local Board of Appeal and Equalization. Property owners who are not satisfied with the results of the open book meeting may appeal to the County Board of Appeal and Equalization and/or Tax Court.
- If a LBAE fails to meet quorum and/or training requirements, the board must transfer its duties to the county for a minimum of two assessment years. In this situation, the jurisdiction would lose the right to hold its local board of appeal, but it would be able to retain its local assessor.

Boards of Appeal and Equalization

- Property owners in a jurisdiction that has chosen to transfer its Local Board of Appeal and Equalization duties to the county would be provided with an open book meeting in place of the local board. Property owners who are not satisfied with the outcome of the open book meeting may appeal to the County Board of Appeal and Equalization and/or Tax Court.
- The local board can be reinstated by resolution of the governing body of the city or town and upon proof of compliance with training requirements. The resolution and proof of compliance must be provided to the county assessor by February 1 to be effective for the same assessment year.

Primary Statutory Reference(s): Minnesota Statutes, section [274.01](#)

County Boards of Appeal and Equalization

What is the purpose and function of the CBAE?

- The County Board of Appeal and Equalization (CBAE) is the **second** avenue in the appeals process.
- A property owner must first appeal to the Local Board of Appeal and Equalization if one is held before being eligible to appear at the county board.

When does the CBAE meet?

- The board may meet on any **ten consecutive meeting** days in June **after the second Friday in June**.
- **“Meeting days”** typically means any day of the week excluding Sunday. (The board may elect to consider Saturday as a meeting day as well.)
- At least one meeting must be held **until 7:00 pm or on a Saturday**; i.e., if the county does not hold a meeting until 7:00 pm they must instead hold a meeting on a Saturday.
 - This is to ensure that property owners have ample time to present their appeals.
 - A board may convene on the first Monday after the second Friday in June at 6:00 p.m. and adjourn at 8:00 p.m. and these requirements will have been met.
 - The board may also convene on the Saturday immediately following the second Friday.
 - In any scenario, the board may not hold meeting beyond those ten meeting days without approval from the Commissioner of Revenue.
 - If the board chooses to consider Saturday a “meeting day,” it must consider a second Saturday as a meeting day if it falls within ten meeting days of the original Saturday meeting.

Boards of Appeal and Equalization

- All boards must adjourn **no later than June 30**. Any action taken after that date is considered invalid except corrections of clerical errors.
- The dates of the meetings must be contained in **valuation notices**.
- If a board completes its work before ten meeting days have transpired and has met the requirements to be present for a meeting not recessing/adjourning prior to 7:00 p.m. or has met on a Saturday, it is not necessary for the board to continue to meet for each of the ten meeting days.

What are the meeting time requirements for counties that request appointments?

- If a county requests appointments for CBAE appeals, the county must allow appointments until 7:00 p.m. to meet the requirement in Minnesota Statutes, section [274.14](#).
 - If the board requests appointments and allows for appointment times as late as 7:00 p.m., but those times go unfilled, the board does not need to physically meet at or until 7:00 p.m. The allowance of scheduled appeals until 7:00 p.m. is sufficient.
- However, if the CBAE does not request appointments, the board may not adjourn prior to 7:00 p.m. to meet statutory requirements.
- Additionally, if value notices sent to taxpayers show that the board will meet during a specific time frame, the assumption is that the board will be available during that time frame for walk-in appointments and therefore must meet.
 - For example, if the notices say the board will meet from 1 p.m.-7p.m., the board must be in attendance during that posted time for walk-ins.
- The department recommends that requests to schedule an appeal to a CBAE be clearly stated in Notices of Valuation and Classification, and if appointments are requested, rather than stating the specific time frame in which the board will be convened, list the time the board will begin only and be prepared to schedule appointments until 7:00 p.m. in order to comply with statute.

Who makes up the CBAE?

- The board is made up of the county commissioners (or a majority of them with the county auditor; or if the county auditor cannot be present, the deputy county auditor; or if there is no deputy, the court administrator of the county district court).
- A **quorum** (or majority) of the board must be present to take any action.
- Each member must take an oath to fairly and impartially perform duties as a board member.

Boards of Appeal and Equalization

What are the duties of the CBAE?

- The board's major duty is to compare the estimated market values of property in the towns or districts and equalize them so that each tract of real property and each article or class of a person's property is entered on the assessment list at its market value.
- In order to equalize property values, the board may raise or lower the value of any such property.
 - The board must give notice of its intent to raise the valuation of a property to the person in whose name it is assessed.
 - Such notice must fix a time and place for the hearing.
- The board may also raise or lower the value of a class of personal property ("blanket change").
 - Again, it must notify affected property owners of the intent to raise the value of a class of property, and the notice must contain a time and place for the hearing.
- The board **may not reduce the aggregate value** of all property in its county (as submitted to the CBAE) **by more than one percent** of its whole valuation.
 - A reduction in total assessed value for the county by more than one percent invalidates all actions taken by the board.
 - The board may raise values without limitation.
- The county board may also change the **classification** of any property for which it believes has an improper classification.
- The county board may not make an individual market value adjustment that would benefit the property owner if the property owner has refused access to the assessor to inspect the property (both interior and exterior)
- The board **does not have the authority to grant exemptions** or to remove property from the tax rolls.
- The board must make its decisions within statutory guidelines.
- The county board must also refrain from granting acceptance into property tax programs which require direct application to the assessor or the Department of Revenue (e.g. class 1b blind/disabled homestead, Green Acres, 2c Managed Forest Land class, etc.).

Boards of Appeal and Equalization

- Members cannot participate in any actions of the board which result in market value adjustments or classification changes to property owned by a board member, the board member's spouse, parent, stepparent, child, stepchild, grandparent, grandchild, brother, sister, uncle, aunt, nephew, or niece, or any property in which a board member has a financial interest. The relation may be by blood or by marriage. If such a property owner chooses to appeal before the board, remaining members may hear the appeal if the non-interested board members represent a quorum and contain a trained member.
- The county board is not responsible for making original assessments. Rather, its duties are restricted to reviewing and equalizing assessments already made.
- The State Board of Equalization may, in its review, overturn local and county board decisions which appear contrary to Minnesota Laws.

Primary Statutory Reference(s): Minnesota Statutes, section [274.13](#); [274.14](#); [274.01](#)

CBAE Quorum and Trained Member Requirements

- There must be at least one member of the County Board of Appeal and Equalization who has completed an appeals and equalization course developed or approved by the Commissioner of Revenue **within the last four board years**.
- This is **the same training as the LBAE training described previously**.
- Counties must meet this training requirement by **February 1** of each year to be in compliance for the following assessment year.
- Verification of a quorum of voting members at each meeting of the board of appeal and equalization is required on the CBAE Certification Form submitted to the commissioner following the hearing.
- A county that does not comply with these requirements will be deemed to have **transferred its board's powers to a special board of appeal and equalization for a minimum of two assessment years**. In such case, the county must notify taxpayers that a transfer to a special board of appeal and equalization has taken place.
- A county board which **fails to meet the training and quorum requirements**, for which its duties have been transferred to a special board, may be reinstated by resolution of the county board and upon proof of compliance to the Commissioner of Revenue. The resolution and proofs must be provided by February 1 to be eligible for the assessment year following the two year transfer to the special board of appeal and equalization.

Boards of Appeal and Equalization

- A **quorum and trained member** must be present at all meetings of the County Board of Appeal and Equalization. If the board recesses and/or reconvenes without a quorum or trained member, all actions that take place at that time are not legally valid and will be nullified.
- If a board attempts to convene but cannot because it does not have a quorum or trained member present, the taxpayers will be allowed to appeal to the Commissioner of Revenue so they are not disenfranchised. Pursuant to law, a fee of \$500 per tax parcel will be assessed to the county for these appeals.

Primary Statutory Reference(s): Minnesota Statutes, section [274.135](#)

CBAE Documentation and Reporting

- Two forms must be completed for County Board of Appeal and Equalization meetings. These are:
 1. **County Board of Appeal and Equalization Certification Form:** This must be completed and signed to verify that the quorum requirement was met and to provide a summary of board actions. A Certification Form must also be completed and signed for reconvene meetings as well as initial meetings if more than one meeting is held. The form also requires board members to verify that they have not made changes to properties owned by relatives or properties in which a board member has a financial interest, pursuant to Minnesota Statutes, section [274.01](#), subdivision 1, paragraph (b).
 2. **County Board of Appeal and Equalization Record Form:** This must be completed to provide a detailed report of the proceedings of the board. Changes made by the board at the initial meetings and any reconvene meeting(s) may be documented on the same form.
- Each year, the department will release instructions for completing and submitting all required county board forms.
- At **each meeting**, the county board must **sign a certification form** and maintain a record form.
 - All voting members must sign and date the certification form for each meeting (original and/or reconvene) to verify that a quorum was present.
 - Any meetings that are held without a quorum or a trained member are not legally valid meetings, and all actions taken will be nullified.
 - A new certification form must be signed at each meeting of the County Board of Appeal and Equalization.
- It is imperative that the county board keep accurate and detailed records of appeals on the **record form**.

Boards of Appeal and Equalization

- In the field marked “**explanation for change**” on the record form, the explanation is to be as detailed as possible.
- An example of a **good entry** would be a property owner requesting agricultural classification on a parcel previously classified as residential. It would be appropriate to enter information such as “8-acre parcel exclusively tilled and sold” with regards to such a classification change.
- An example of an **improper entry** would be “property owner requested change” as this does not give accurate information regarding why the change was made. Greater detailed information decreases the amount of overall time spent with these changes.
- The **record form** must reflect all board actions. Therefore, it must list:
 - assessments of property added to the tax rolls with the market value for each;
 - appeals brought before the board, indicating the action taken by the board (including all appeals for which the board voted “no change”);
 - assessments that have been increased or decreased with the market value for each;
 - all class changes;
 - all changes that the county assessor brought to the board for action, indicating the action taken by the board;
 - any “blanket changes” made by the board.
- Only one record form needs to be returned to the Department of Revenue. The record forms from each meeting may thus be compiled into one document before being submitted for Department of Revenue review.
- All documentation (certification forms, record forms) shall be submitted to the Department of Revenue **within 5 days of adjournment**.
 - County assessors should provide these forms to the county board, and work with the county board to ensure that the forms are properly completed.
 - A printed version of the Certification Form is required because the county board must sign the form.
 - During the meeting, assessors may choose to complete a handwritten version of the Record or assessors may input the changes directly into the electronic form.
 - Assessors should take possession of the completed forms at the end of the meeting

Boards of Appeal and Equalization

What is the role of the auditor at the CBAE?

- The auditor is a **voting member** of the County Board of Appeal and Equalization, per Minnesota Statutes, section [274.13](#).
- The auditor may be the trained member if they have taken an appeals and equalization course developed or approved by the Department of Revenue.
- In the case of a **special board of appeal and equalization**, the auditor is not a voting member, but is required to attend the meetings as a recorder of the board's actions.
- If the auditor cannot be present at either format board meeting, the deputy auditor shall take his/her place. If there is no deputy, the court administrator of the district court shall take the place of the auditor.

What are the county assessor's duties at the CBAE?

- Attend the meetings of the County Board of Appeal and Equalization.
- Provide copies of certification and record forms for the board to complete.
- Assist the board in every way possible, including making available to the board tables and charts relating to values in various districts of the county.
- Prepare a map showing a comparison of the average market values per acre (both with and without improvements) of all land in townships and also the bordering tier of townships of each adjoining county.
- Collect completed certification and record forms from the County Board of Appeal and Equalization to provide to the Department of Revenue.
- Maintain a record of sales of real property within the county.
- Enter all changes made by the board to the assessment books.
- Submit the CBAE record form to the Commissioner of Revenue within five days of the board's final adjournment.

Primary Statutory Reference(s): Minnesota Statutes, section [274.13](#); M.S. [274.12](#); M.S. [274.16](#); M.S. [274.175](#), M.S. [290C.89](#)

*****Find more information on the assessor's duties during the appeal season in the County Assessor's Office-Roles and Responsibilities during the Appeal Season section found later in this module.*****

Boards of Appeal and Equalization

Special Board of Appeal and Equalization

- The CBAE may appoint a special board of appeal and equalization and may delegate to it the powers and duties of the board.
- The special board shall serve at the direction and discretion of the appointing county board and is subject to the same rules and limitations provided by statute and described above.
- The special board of appeal and equalization must also meet **training and quorum** requirements.
- The appointing board may determine the number of members of the special board, compensation, and expenses to be paid, and the term of office.
- **At least one member of the board must be an appraiser, Realtor, or other person familiar with property values within the county.**
- The **county auditor** is a nonvoting member and serves as recorder for the special board.
- If a county appoints a special board of appeal and equalization, the special board must both hear appeals and vote on them.
- The same board which hears appeals is the board which is to take action.
- The county board may not elect to have a special board hear appeals while remaining the board which decides upon such appeals.

Primary Statutory Reference(s): Minnesota Statutes, section [274.13](#)

State Board of Equalization

State Board of Equalization

State Board of Equalization Duties

- The State Board of Equalization is a board of the Department of Revenue, under the direction of the Commissioner of Revenue.
- The board meets **annually between April 15 and June 30** with the Department of Revenue to examine and compare assessments between counties and equalizes assessments so that all taxable property in Minnesota is assessed at its market value.
- The board must adhere to the **following rules**:
 1. The board may adjust the aggregate valuation of an entire class of property within a county that has been overvalued or undervalued.
 2. The board must equalize values for all classes of property between counties, towns, or districts.
 3. The board may raise the value of a class of property in any county, city, or town believed to be undervalued by a percentage which would bring it to fair market value.
 4. The board may lower the value of any class of property in a county, city, or town believed to be overvalued by a percentage which would bring it to fair market value.
 5. The board may not reduce the aggregate valuation of all the property of the state by more than one percent of the whole valuation.
 6. The board may request information from county auditors and/or assessors to assure equalization of assessments.
 7. The board must notify individuals, firms or corporations of intent to raise value if their property appears to be undervalued.
 8. The board may not reduce an assessment below the value placed by the County Board of Appeal and Equalization.
 9. The board uses sales data between October 1 of the year before last and September 30 of the previous year. For example, if the board convenes in May 2024, they would use sales from October 1st 2022 through September 30th 2023.
 10. The board may issue supplemental orders to local or county boards within 60 days of final action of the board.

Primary Statutory Reference(s): Minnesota Statutes, section [270.11](#); [270.12](#); [270C.91](#)

State Board of Equalization

How does the State Board handle apportionment of levies?

- The board may order the apportionment of the levy if:
 - a) a taxing jurisdiction overlaps two or more counties and;
 - b) the sales ratio studies show that the average levels of assessment in the taxing jurisdictions in the different counties differ by more than five percent.
- If the sales ratio studies prepared by the Department of Revenue show that the average levels of assessment the taxing jurisdictions in the different counties differ by more than ten percent, the board shall order the apportionment of the levy unless:
 - a) the proportion of the total adjusted assessed value in one of the counties is less than ten percent of the total adjusted assessed value in the taxing jurisdiction, and the average level of assessment in that portion of the taxing jurisdiction differs by more than five percent from the assessment level in any one of the other portions of the taxing jurisdiction;
 - b) significant changes have been made in the level of assessment in the taxing jurisdiction which have not been reflected in the sales ratio study, and those changes alter the assessment levels in the portions of the taxing jurisdiction so that the assessment level now differs by five percent or less; or
 - c) commercial, industrial, mineral, or public utility property predominates in one county within the taxing jurisdiction and other class of property predominates in another county within the same taxing jurisdiction. If one or more of these factors are present, the board may order the apportionment of levy.
- The levy for the metropolitan mosquito control district, metropolitan council, metropolitan transit district, and metropolitan transit area must be apportioned without regard to the percentage difference.
- If the board apportions the levy, then that levy apportionment among the portions in the different counties should be the same proportion as the ratio of the adjusted assessed value in each portion and the total adjusted assessed value of the taxing jurisdiction.
- The aggregate assessment sales ratio is the average level of assessment in a taxing jurisdiction or a portion of the taxing district. Assessed values as determined by the Commissioner shall be the values as determined for the year preceding the year of which the levy is to be apportioned.
- Actions shall be commenced subsequent to the annual meeting on April 15 of the State Board of Equalization, but notice of the action must be given to the affected jurisdiction and the appropriate county auditors by the following June 30.

State Board of Equalization

- Apportionment of a levy shall be considered as a remedy to be taken after equalization, and when equalization within the jurisdiction would disturb equalization within other jurisdictions of which the several portions of the jurisdictions in question are a part.

Primary Statutory Reference(s): Primary Statutory Reference(s): Minnesota Statutes, section [270.11](#); [270.12](#); [270C.91](#)

What are the recording requirements for the State Board of Equalization?

- A record of all proceedings of the Commissioner of Revenue that affects any change in the net tax capacity of any property, as revised by the State Board of Equalization, must be kept by the Commissioner of Revenue.
- A certified copy must be mailed each year to the auditor of each county where the property is situated. The copy must be mailed on or before June 30 or 30 days after PRISM submission 1 required by M.S. [270C.89](#), whichever is later.
 - This record must specify:
 - the amounts added to or deducted from the net tax capacity of the real property of towns and cities, and of the real property not in towns or cities,
 - the percent or amount of both categories listed above that were added to or deducted from the several classes of personal property in each of the towns and cities, and
 - the amount added to or deducted from the assessments of individuals, co-partnerships, associations, or corporations.
- The **county auditor** must make the following changes:
 - changes to any real property in the county (the required percent or amount, or both), on the net tax capacity as it stood after equalized by the county board, rounded to the nearest dollar;
 - changes to any personal property in the county (the required percent or amount, or both), on the net tax capacity as it stood after equalized by the county board, rounded to the nearest dollar;
 - add to or deduct from the assessments of individuals, co-partnerships, associations, or corporations, as they stood after equalization by the county board, the required amounts to agree with the assessments as returned by the Commissioner of Revenue.

Primary Statutory Reference(s): Minnesota Statutes, section [270.11](#); [270.12](#); [270C.91](#)

What are the assessor's duties with the State Board of Equalization?

- Turn in all PRISM submissions as required by the Department of Revenue.
- Comply with all State Board orders and supplemental orders.

Tax Court

Minnesota Tax Court

- Taxpayers may appeal to Minnesota Tax Court even if they have not appealed to local and county boards of appeal and equalization.
- A taxpayer may appeal to Tax Court at any time during the assessment year, or **up to April 30** of the year in which taxes are due.
- The Tax Court is an administrative court that is part of the Executive Branch and has statewide jurisdiction.
- The principal office is in Saint Paul, but hearings may be held anywhere within the state so that taxpayers may be able to appear before it with as little inconvenience as practicable.
- The tax court is allowed to use the district court courtroom of any of the counties.
- Except for appeals to a higher court, such as the Supreme Court, the tax court is the final authority in all questions of law and fact arising from Minnesota tax laws.
- Tax court does not hear criminal cases.

Small Claims Division

- The small claims division within tax court is less formal than the regular division, and many appellants choose to represent themselves.
- Small claims hearings do not have a court reporter present and decisions are not published.
- The small claims division will only hear cases which either have first been heard by local and county boards of appeal and equalization, or if the case involves the valuation, assessment, or taxation of real or personal property where one of the following is true:
 1. The issue is a denial of a current-year application for the homestead classification for the taxpayer's property.
 2. Only one parcel is included in the petition, the entire parcel is classified as homestead class 1a or 1b, and the parcel contains no more than one unit.
 3. The entire property is classified as agricultural 2a or 1b homestead.
 4. The assessor's estimated market value is less than \$300,000.

For taxpayers whose local jurisdictions have transferred its duties to the County Board of Appeal and Equalization, the taxpayers will need only to appeal at the county level before pursuing an appeal with tax court (unless one of the four circumstances above is met). A taxpayer who appeals to the small claims division may not additionally appeal to the regular division of tax court.

Tax Court

Regular Division

- The regular division will hear all appeals, and its decisions may be appealed to a higher court.
- Most people who appeal to the regular division choose to hire an attorney, as hearings are conducted in accordance with Minnesota rules of civil procedure.
- A taxpayer who appeals to the regular division may not additionally appeal to the small claims division.

Primary Statutory Reference(s): Minnesota Statutes, section [271.06](#).

Tax Court Contact Information

<https://mn.gov/tax-court/>

What additional information might there be for appeals of income-producing properties?

- Petitioners appealing the value of income-producing property need to furnish the assessor various documentation by **August 1 of the taxes payable year** in accordance with Minnesota Statutes section 278.05, subd. 6.
- In cases where there has been an appeal of income-producing property, the following **information must be provided to the County Assessor by no later than August 1** of the taxes payable year:
 1. A year-end financial statement for the year prior to the assessment date;
 2. a year-end financial statement for the year of the assessment date;
 3. a rent roll on or near the assessment date listing the tenant's name, lease start and end dates, base rent, square footage leased, and vacant space;
 4. identification of all lease agreements not disclosed on the rent roll under item 3 above, listing the tenant's name, lease start and end dates, base rent, and square footage leased;
 5. net rentable square footage of the building(s);
 6. anticipated income and expenses in the form of a proposed budget for the year subsequent to the year of the assessment date;
- The information required to be provided to the assessor does not include leases. However, after August 1, if the assessor determines that the actual leases in effect on the assessment date are necessary to properly evaluate the property, then the assessor may require the petitioner to submit the leases. The leases must then be provided **within 60 days** of the assessor's request.

Primary Statutory Reference(s): Minnesota Statutes, section [278.05](#), subdivision 6

Tax Court

What happens with personal property appeals?

Personal property is treated differently than real property in terms of appealing to Minnesota Tax Court. The rules governing appeals of personal property assessments may be found in Minnesota Statutes, section [278](#).

Where can I find information related to Minnesota Supreme Court?

Minnesota Statutes, section [271.10](#) outlines the process for having the Minnesota Supreme Court review a final order of the Tax Court.

Abatements

Abatements

Power to Abate – County Boards

What is an abatement?

The Merriam-Webster dictionary definition of “abatement” states that it is the “act or process of reducing something.” According to [Minnesota Statutes Section 375.192, subdivision 2](#), an abatement refers to the **reduction of estimated market valuation or taxes and of any costs, penalties, or interest on them.**

Abatements may be granted for virtually any reason in the current tax year because of the county board’s discretionary authority to grant abatements. Abatements may be granted for up to two additional prior tax years but must be limited to the correction of clerical errors **or** for a property owner’s failure to file for a reduction due to hardship.

The statutory language defining abatements **does not** allow a property’s value or taxes to be increased.

Is an application required for abatements?

According to statute, all abatements must be applied for by “the owner of any property”. Neither the assessor nor auditor has any authority to initiate the abatement process on their own. The first step in the abatement process must always be the submission of an application by the property owner.

Who has the power to abate market value and tax?

For an abatement to be successful, it requires approval by the **county assessor** (or the city assessor in cities of the first or second class), **county auditor, and county board**. While the county board is the final authority on granting an abatement, the assessor, auditor or board each have the authority to deny an application. When that occurs, there is no further consideration required. The assessor and auditor must approve the application before the county board considers it.

In the case of cities of the second class, the county assessor remains responsible for investigating and making their recommendation to the county board on **all abatement applications** per [Minnesota Statutes Section 273.061 subdivision 9 \(7\)](#).

A county board has statutory authority to delegate their approval authority to the county auditor. In this case, the abatement application requires the approval of the assessor and

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auditor only. The county board may rescind their delegation at any time. In counties where the assessor and auditor are the same individual, authority delegation may not be granted in accordance with [Minnesota Statutes Section 273.061 subdivision 1a](#).

Abatements to provide an incentive for economic development or redevelopment may **only** be granted in the specifically defined situations for economic development abatements (discussed later in this section).

The county auditor must notify the Commissioner of Revenue of all abatements resulting from erroneous classification of real property as non-homestead property.

Abatements for **special assessments** are also at the discretion of the local taxing level, not the Commissioner of Revenue.

Primary Statutory Reference(s): Minnesota Statutes, section [375.192](#)

Why should counties have written abatement policies?

All counties should have a written policy regarding abatements. A written abatement policy will ensure that County Boards, County Auditors, and Assessors are treating all taxpayers who apply for abatements consistently, equitably, and fairly.

An abatement policy should address how and when abatements are to be granted.

The Department of Revenue recommends the following guidelines for written abatement policies (please note, these are recommendations only; any abatement policy should be agreed upon by the Assessor, County Auditor, and County Board):

- The policy should include a definition of "hardship" (and "hardship" should be based on the individual's inability to apply for property tax relief as required in statute, not the individual's inability to pay property taxes).
- The policy should include the requirement in law that abatements over \$10,000 require the county to give notice to the school board and municipality.
- Specific county policies should be outlined and defined (e.g., it is not the policy of the county to grant abatements if a survey not on record in the assessor's office adjusts acreage, lake frontage, or other land measurements).
- We do not recommend requiring a fee for filing abatements. If an individual does not pay the fee, the county must still accept and consider the request for abatement; approving the request is still at the discretion of the county, however. In limited circumstances (e.g., the taxpayer failed to file for homestead in a timely manner), the written policy could clearly state a processing fee amount for the abatement request and any applicable information.

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- Counties should include a policy for abatement on current taxes as an example if a payment is lost in the mail, and the taxpayer presents positive proof such as a copy of the check register, certified check, or other means of payment. Penalties shall not be abated because of failure to receive tax statements or if any parcel was omitted when making payment.
- For homestead abatements, the required December 31 date of ownership AND occupancy will be strictly adhered to. To be considered for abatement for homestead where no homestead application has been properly signed and returned, property owners may be required to provide two forms of proof of occupancy, e.g., electric and/or other utility services to the homesteaded address for the assessment year in question.
- Abatements allow counties the opportunity to correct assessment errors in valuation or classification. Abatements should not be used as a means to reduce conflict and/or controversy.
- Property is required to be valued at its market value. The county board, upon approval by the assessor and auditor, has discretionary authority to reduce a valuation or tax in the current tax year for almost any reason but should comply with the market value definition in statute as they make their decision. The market value definition is located in Minnesota Statutes Section 272.03, subdivision 8.
- In all cases, court rulings dictate that while abatements are discretionary, **it is a statutory requirement that counties must accept and consider *all* applications for abatement.**

Does the Commissioner of Revenue have authority to abate property taxes?

- Yes. Beyond the county's authority to grant abatements under section [375.192](#), the Commissioner of Revenue also has the power to grant abatements under section [270C.86](#).
- The Commissioner may grant abatement or reduce or refund any penalty or interest if it is the commissioner's opinion that the failure to pay the tax or failure to timely file a return is due to a reasonable cause.
- This authority has rarely been used. Typically, requests for abatements are appropriately handled at the level of the local taxing jurisdiction and based on the county's authority to grant abatements for up to two prior years.
- The department has administrative policies and procedures for granting abatements in very limited circumstances under Minnesota Statute [270C.86](#) for abatements that exceed the time limit of those granted by counties. For instance, the Department of

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Revenue will consider granting abatements in situations involving errors made by government officials or when there is no other method to rectify unjustly or erroneously applied property taxes.

- If your office believes that there is a situation that warrants the department's involvement concerning an abatement, please contact the Property Tax Division. The department has a written policy and an updated abatement form that we can provide to the county if it is determined that the abatement request is appropriate.

Economic Development Abatements

Definitions

Abatement: includes deferral of taxes with abatement of interest and penalties.

Governing body: for a city, this is the City Council; for a school district, this is the school board; for a county, this is a county board; and for a town this is the annual township meeting.

Municipality: statutory or home rule charter city or a town.

Political subdivision: statutory or home rule charter city, town, school district, or county.

Primary Statutory Reference(s): Minnesota Statutes, section [469.1812](#)

General Rules

- The governing body of a political subdivision may grant a current or prospective abatement (by contract or otherwise) for taxes imposed by the political subdivision on a parcel of property.
- The parcel may include personal property and machinery.
- Deferred payments of taxes and abatement of interest and penalty may also be granted.
- These abatement options apply if both
 1. it expects the benefits to the political subdivision of the proposed abatement agreement to at least equal the costs to the political subdivision of the proposed agreement or intends the abatement to phase in a property tax increase, as provided in clause (2)(vii); and
 2. it finds that doing so is in the public interest because it will:
 - a. increase or preserve the property tax base;
 - b. provide employment opportunities in the political subdivision;
 - c. provide or help acquire or construct public facilities;

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- d. help redevelop or renew blighted areas;
 - e. help provide access to services for residents of the political subdivision;
 - f. finance or provide public infrastructure;
 - g. phase in a property tax increase on the parcel resulting from an increase of 50 percent or more in one year on the estimated market value of the parcel, other than increase attributable to improvement of the parcel; or
 - h. stabilize the tax base through equalization of property tax revenues for a specified period of time with respect to a taxpayer whose real and personal property is subject to valuation under Minnesota Rules, [Chapter 8100](#).
- The governing body must adopt an abatement resolution, specifying the terms of the abatement. In the case of a town, the board of supervisors may approve the resolution.
 - A specific statement of the nature and extent of the public benefits which the governing body expects to result from the abatement must be included.
 - The abatement may reduce all or a part of the cost of acquisition or improvement of public infrastructure, whether or not located adjacent to the parcel receiving the abatement.
 - The governing body must hold a public hearing prior to granting the abatement. Notice of the hearing must be published 30 days prior to the date of the hearing.
 - The political subdivision may limit the abatement in any of the following ways:
 1. to a specific dollar amount per year or in total;
 2. to the increase in property taxes resulting from improvement of the property;
 3. to the increases in property taxes resulting from increases in the market value or tax capacity of the property;
 4. in any other manner the governing body of the subdivision determines is appropriate; or
 5. to the interest and penalty that would otherwise be due on taxes that are deferred.
 - The political subdivision may not abate tax attributable to the area-wide tax under chapter [276A](#) or [473F](#), except as provided in M.S. [469.1813](#), subdivision 2
 - School districts may grant abatements, but they are not considered abatements for purposes of state aid or local levy under Minnesota Statutes, sections [127A.40](#) to [127A.51](#).
 - Parcels located within a Tax Increment Financing (TIF) district may not enter into an agreement for abatement with the political subdivision.

Abatements

- The abatement may have a duration of no longer than 15 years, commencing with the first year in which the abatement is either paid or retained as provided in section [469.1815](#). The political subdivision may grant an abatement resolution for a shorter duration. If the resolution does not specify a duration, the abatement is for eight years.
- After an abatement has expired, the political subdivision may not grant another abatement for that parcel of property for eight years.
- A political subdivision proposing to abate taxes for a parcel may request in writing that the other political subdivisions in which the parcel is located grant an abatement for the property.
 - If one of the other political subdivisions declines, in writing, to grant an abatement or if 90 days pass after receipt of the request to grant an abatement without a written response from one of the political subdivisions, the duration limit for an abatement for the parcel by the requesting political subdivision and any other participating political subdivision is increased to 20 years.
 - If the political subdivision which declined to grant an abatement later grants an abatement for the parcel, the 20-year duration limit is reduced by one year for each year that the declining political subdivision grants an abatement for the parcel during the period of the abatement granted by the requesting political subdivision. The duration limit may not be reduced below the limit allowed by law.
- A political subdivision may grant an abatement for a period of up to 20 years, if the abatement is for a qualified business. To be a qualified business for this purpose, at least 50 percent of the payroll of the operations of the business that qualify for the abatement must be for employees engaged in one or more of the following lines (definitions are included in M.S. [469.1813](#)):
 1. manufacturing;
 2. agricultural processing
 3. mining;
 4. research and development;
 5. warehousing; or
 6. qualified high technology.
- Alternatively, a qualified business also includes a taxpayer whose real and personal property is subject to valuation under Minnesota Rules, [Chapter 8100](#) (utility property).
- When the tax is deferred and the interest and penalty abated, the political subdivision must set a schedule for repayments. The deferred payment must be included with the current taxes due and payable in the years the deferred payments are due and payable and must be levied accordingly.
- The political subdivision may provide in the abatement resolution that the abatement may not be modified or changed during its term. If the abatement resolution does not

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provide that the abatement may not be modified or changed, the governing body of the political subdivision may review and modify the abatement every second year after it was approved.

- In any year, the total amount of property taxes abated by a political subdivision under this section may not exceed
 1. ten percent of the net tax capacity of the political subdivision for the taxes payable year to which the abatement applies, or
 2. \$200,000, whichever is greater.
- The limit does not apply to an uncollected abatement from a prior year that is added to the abatement levy; or a taxpayer whose real and personal property is subject to valuation under Minnesota Rules, [Chapter 8100](#) (utility property).
- A political subdivision may abate the taxes on a parcel under the provisions of sections the economic development abatement sections without obtaining the consent of the property owner. This subdivision does not apply to abatements granted to a taxpayer whose real and personal property is valued under Minnesota Rules, [Chapter 8100](#) (utility property).
- Economic development abatements may be granted to existing buildings, as long as all other requirements for the abatement are met.

Bonding Authority

- The provisions for bonding authority for economic development abatements are covered in Minnesota Statutes, section [469.1814](#).
- The maximum principal amount of these bonds may not exceed the estimated sum of abatements granted for a property for the years authorized.
- The proceeds of bonds issued under this section may be used to
 1. pay for public improvements that benefit the property,
 2. to acquire and convey land or other property, as provided under this section,
 3. to reimburse the property owner for the cost of improvements made to the property, or
 4. to pay the costs of issuance of the bonds.

Primary Statutory Reference(s): Minnesota Statutes, section [469.1814](#)

Abatements

Administration

- The political subdivision must add to its levy amount for the current year under sections [275.065](#) and [275.07](#) the total estimated amount of all current year abatements granted.
- If all or a portion of an abatement levy for a prior year was uncollected, the political subdivision may add the uncollected amount to its abatement levy for the current year.
- The tax amounts shown on the proposed notice under section [275.065](#), subdivision 3, and on the property tax statement under section [276.04](#), subdivision 2, are the total amounts before the reduction of any abatements that will be granted on the property.
- The total property taxes shall be levied on the property and shall be due and payable to the county at the times provided under section [279.01](#).
- The political subdivision will pay the abatement to the property owner, lessee, or a representative of the bondholders or will retain the abatement to pay public infrastructure costs, as provided by the abatement resolution.

Primary Statutory Reference(s): Minnesota Statutes, section [469.1815](#)

Please note that information related to **disaster abatements** are covered in [Module 2: Valuation](#).

County Assessor's Office - Roles & Responsibilities during the Appeal Season

This section will go into further detail regarding the roles and responsibilities of the county assessor's office during the appeal season. Some of the information has already been covered in previous sections of this module, however this section will go into specific detail regarding the roles and responsibilities.

The Board of Appeal and Equalization Administration Process

February 1 of the assessment year

County assessor's office verifies that **each** LBAE has a trained **voting** member.

Shortly after February 1 the county assessor must verify that each local board of appeal and equalization has a current trained member. It's important to remember that anyone can take the online training and their names will appear on the attendance roster that is located on our website. When the county is verifying trained members, it is extremely important that the county verifies that the trained member is an **active, voting board member**.

What if there isn't a trained member on February 1?

Local Board of Appeal and Equalization	County Board of Appeal and Equalization
County assessor's office must notify the board immediately.	The county assessor's office must notify the board immediately.
The county assessor's office will change the board meeting to an open book meeting for a minimum of two assessment years, starting with the current assessment year.	The board must transfer its powers to the Special Board of Equalization a minimum of two assessment years, starting with the current assessment year.

Once the county has verified which boards have a trained member as of February 1, the county will need to know what to do if a local board does not have a trained voting member.

If a local board does not have a trained member, the county will need to change the meeting to an open book meeting for a minimum of two assessment years, starting with the current assessment year. The board should be contacted and notified that they will have an open book

County Assessor's Office - Roles & Responsibilities

meeting due to non-compliance. If the board wants to reinstate their powers after the second assessment year, they will need to pass a resolution and have a trained member by February 1.

County board of appeal and equalization members have the same training requirements and therefore the county assessor's office should also be verifying that the county board of appeal and equalization is meeting those requirements as of February 1.

If a county board of appeal and equalization does not have a trained member on February 1 the board must transfer its powers to the Special Board of Equalization for a minimum of two assessment years beginning with the current assessment year. A special board of appeal and equalization must also meet the training requirements of the regular board of appeal and equalization. If the county board of appeal and equalization wants to reinstate their powers after the second assessment year, they will need to pass a resolution and have a trained member by February 1.

You have verified a trained member, now what?

February

The county assessor sets the time, date, and location for each LBAE meeting.

February 15 - the logistics of the LBAE meetings must be set and reported to the LBAE clerk.

Meetings must be held between April 1 – May 31

Statute does not require a timeframe for LBAE meetings. It should be based on board policy and/or timeframe listed on notice.

Once the county assessor has verified a trained member for each local board of appeal and equalization, they will need to schedule the local board of appeal and equalization meetings and communicate those details with the local board clerks no later than February 15. Local board meetings are held between April 1 and May 31. All LBAE meetings must be adjourned by May 31.

Valid meeting days are Monday – Friday, there are no time constraints for local board meetings provided in statute, however the timeframe should be reasonable. It is strongly encouraged that the board should have a policy on how long they will leave the meeting open for. However, if a time frame is listed on the valuation notice, such as 4:00 – 6:00 pm, the board must not adjourn until after 6:00 pm.

Local Board of Appeal and Equalization (LBAE)

Valuation Notices

February - May

Valuation Notices must be sent at least **ten days prior** to the LBAE meeting.

The notice must have information regarding the local and county board of appeal meetings.

If **recommending** appointments, that information **must be listed**.

Do not include a deadline date for appointments.

Once the county has identified the formats of the meetings, either Open Book or Local Board, and the dates of the meetings have been set, the next step is to get the information on the valuation notices.

Those notices must be mailed **at least** ten calendar days prior to the LBAE meeting.

The notices must have information regarding the local board of appeal and equalization meeting as well as the county board of appeal and equalization meeting. That information should include dates, times, locations, and phone numbers to call for questions or appointments.

If the county assessor's office prefers that property owners make an appointment to appeal, there are several considerations that must be made. Statute allows for counties and county assessors to request appointments for board of appeal meetings. Appointments are defined as an arrangement at a reserved time and date for something to occur. This authority exists to recognize the need for counties to run orderly, efficient meetings while also saving appellants time by eliminating the need to sit through a whole meeting. This authority, however, **is not intended to restrict** the ability or time period that a taxpayer had to appeal their value or classification.

If a taxpayer has not made an appointment by the deadline, they **have not forfeited the right for their appeal to be heard** at some point during the board meeting. However, they may have to wait until after all scheduled appointments have been heard to present their appeal.

If appointments are **preferred by the county**, the county must include that information on the notice. If the county chooses to include an appointment deadline, the county **must include an explanation** that the deadline is for the appointment only and the process if the property

County Assessor's Office - Roles & Responsibilities

owner fails to make an appointment. Do not put a deadline on the notice without explaining what that deadline is referring to.

The perception of a deadline leads property owners to think they cannot appeal if they did not make an appointment. This perception of the appointment deadline causes frustration, confusion, and a misunderstanding of a property owner's right to appeal. **A property owner can still appeal without making an appointment.** The only time a property owner may be turned away from making an appeal is if the board adjourned prior to the property owner arrived.

February – May

The LBAE clerk must post and publish the meeting details at least ten days prior to the LBAE meeting.

Counties should be verifying that this was done correctly and timely.

In addition to sending valuation notices, the counties should follow-up with the clerks of the local boards of appeal and equalization to verify that the clerk posted and published the meeting details at least ten calendar days prior to the LBAE meeting. We recommend that the counties verify this well before the ten day mark, so that if a clerk has not posted/published they still have time to do so. Being proactive and contacting the clerk ahead of time will help with noncompliance issues, which leads to recessing the scheduled LBAE meeting and then needing to reconvene at least ten days after the clerk posts and publishes the new meeting information.

Let the Meetings Begin!

April - May

Meetings are held and must be adjourned within 20 calendar days of the **original meeting date**.

A county representative must be present at **each LBAE meeting, including reconvene meetings**.

County representative provides certification form. They should verify there is a trained member and quorum present.

Local board meetings are held between April 1 and May 31. All LBAE meetings must be adjourned by May 31. In addition, all local board meetings must be adjourned within 20 calendar days of the original meeting date. If a board needs an extension to this 20-day rule, they must request that extension from the Commissioner of Revenue.

A county assessor representative must be present at each local board meeting. The county representative is there to present information about the values and classifications of the properties in the jurisdictions. The county representative should be available to **provide factual and market information** that assists the board in their deliberation, but should avoid involvement or sharing opinions in the decision making process. The **meeting is the local board's meeting**, it is **not** the county assessor's meeting.

If board members ask the county representative for their opinion or decision on the appeal, the representative should politely explain that the board members have the authority to make an educated decision, and if the board feels uncomfortable making a decision, they can vote "no change" so that the appellant can appeal to the county board of appeal and equalization in June.

Certification Form

Another important role of the county representative is distributing the certification form. This should be done before the meeting begins. The form must be completed by the board members and the county representative must review the form to verify there is a trained member present and a quorum is established. At that time, the meeting can begin. If a board recesses, the county will need to supply a new certification form for **each reconvene meeting**. Statute requires that there is a quorum and a trained member at each board of appeal meeting. If there is a quorum and a trained member the meeting can begin.

If there isn't a quorum and/or a trained member present, the county representative must turn the meeting over to an open book meeting. No appeals can be heard by the board at this time. The board will lose their board powers for a minimum of two assessment years.

County Assessor's Office - Roles & Responsibilities

Record Form

In addition to the certification form, the county representative is also responsible for the record form. The record form documents all appeals heard and the action that was taken by the board. A record form must be submitted to the Department of Revenue within ten business days after the meeting has been adjourned. A record form for all local board meeting must be submitted, even if there aren't any appeals. Record forms for open book meetings do not need to be submitted.

County Boards of Appeal and Equalization (CBAE)

June

CBAE's are held after the second Friday in June

The CBAE must meet on a Saturday or they must have their scheduled meeting time go past 7:00 pm.

ten calendar days to adjourn

The county assessor must be present at the meeting, including all reconvenes.

The county assessor must supply the certification form, for each meeting that takes place.

The county assessor will need to verify if there is a quorum and trained member present.

By June 1, all LBAE meetings must be adjourned. We will now review the requirements for county board of appeal and equalization meetings. CBAE meetings must be held after the second Friday in June and must be adjourned by June 30th. The CBAE must meet on a Saturday or they must have their scheduled meeting time go past 7:00 pm. The CBAE has ten calendar days to adjourn the meeting.

The county assessor must be present at the CBAE meeting, including all reconvenes. The assessor has similar responsibilities for a county board of appeal and equalization meeting as the county representative does for a local board of appeal and equalization meeting.

It is the county board's meeting it is **not the assessor's meeting**. The assessor is there to provide factual information about the assessment; they should not be assisting with the board's decision after an appeal is heard by the county board.

County Assessor's Office - Roles & Responsibilities

The county assessor must supply the certification form to the CBAE for each meeting that takes place. The county assessor will need to verify if there is a quorum and trained member present prior to the start of the meeting.

If the CBAE does not have a trained member and/or quorum **present at the meeting**, the meeting would be an invalid meeting and no appeals could be heard. At that time, all property owners should be informed that they can appeal to the Commissioner of Revenue before August 1. A fee of \$500 per tax parcel that is appealed will be assessed to the county.

By July 1 all board of appeal and equalization meetings are adjourned for the current assessment year. **No further changes can be made to the current assessment.** It's also important to note that valuation and classification changes made by the LBAE and/or the CBAE are only valid for the current assessment year. On January 2nd of each year, the assessor must set their value and classification according to market value and use. Therefore, if the assessor feels that the value/classification that was set by the LBAE and/or CBAE is no longer accurate for the new assessment year, the assessor should change the values/classification according to the valuation and classification requirements in the law.

Frequently Asked Questions

Frequently Asked Questions

Throughout the years there have been situations that have caused some confusion for both the county assessor's office and board members. In this section we will provide some guidance on some of these situations. Our intention for this portion is that you can be prepared with a solution if any of these situations come up throughout the appeal season.

The clerk did not post and/or publish and the meeting is tomorrow, now what?

- Posting and publishing is a requirement in statute and the requirement must be met for the meeting to be determined a valid meeting. If this scenario were to happen, the board would need to meet on the scheduled date however they would not be able to hear any appeals.
- The board would need to start the meeting, announce the situation, publicly set a new date and time and then **recess** the meeting. Boards should keep the ten day post/publish law in mind when setting the new meeting date.
- In addition to that, if the board sets the new date 21 or more days after the initial meeting date, they will need to request an extension since statute requires that they adjourn within 20 calendar days of the initial meeting.
- The first scheduled meeting is considered the initial meeting, even though no appeals were heard. Lastly, this all needs to be done publicly; open meeting laws apply in this situation, therefore no decisions can be made in private, including rescheduling the initial meeting. It is important to note that the county cannot change the meeting to an open book in this situation, statute only gives that authority to the county assessor when the board is not in compliance with a trained member and/or quorum.

Frequently Asked Questions

What is the procedure if a county sends the valuation notices out to late?

This is treated similar to when a clerk does not post/publish the meeting details. If a county does not send their notices ten calendar days prior to the LBAE meetings the procedure that needs to take place is:

- All LBAE meetings, in the effected jurisdictions, need to be held as the initial meeting.
- At the scheduled meeting, no appeals can be heard. The board must publicly set a new date and time, keeping the ten days rule in mind for posting/publishing.
- The board must recess after the new date and time has been agreed upon in a public setting.
- The county will need to send new notices with updated dates and times. The notices must be sent at least ten days prior to the new reconvene date. The clerk will also need to post/publish the new meeting details ten days prior to the reconvene date.
- If the reconvene date goes beyond the 20 day rule from the initial meeting, the county will need to request an extension from the Department of Revenue for each jurisdiction that is affected.
- **Note:** This same procedure would need to take place if a county sent the notices on time but then discovered there was a value/classification error on the notice. If that were to happen, the county would need to send new notices to the affected jurisdictions with corrected information and schedule supplemental local board of appeal meetings.

Can a quorum be established when a board member is participating in a meeting via video conference (Skype/FaceTime etc...)?

Yes. [Minnesota Statute 13D.02 subdivisions 1 & 2](#) provides information regarding meetings that are conducted by interactive technology and the conditions. If all conditions in the statute are met, the board member participating in the meeting via video conference should be considered as present and a quorum may be established. This also applies to the trained member requirement, meaning the trained member should be considered "present" if they are participating via video conference and all requirements in 13D.02 are met. It is important to note that the requirements in the statute only address interactive technology (Skype/FaceTime). Therefore, a board member **cannot** be considered as "present" if they join the meeting via telephone. If they join via telephone they should not be considered a voting member for quorum/trained member purposes.

Can a property owner who wants to appeal do so using telephone/video conference?

Maybe. Statute allows appeals to be presented in person, by written communication, or by counsel therefore appealing by telephone/video conference would be acceptable. The property owner must be sure the board has sufficient technology capabilities prior to the

Frequently Asked Questions

meeting, if the board does not have the technology then this would not be an option for the property owner. Technology such as a Wi-Fi connection, a device with video conferencing options, etc. Lastly, this would be another good situation where the board could add this to their policies for the meeting so they have the authority to accept/deny these requests and they are treating all property owners the same based on their policies.

What should the assessor do if they discover an appeal (after a meeting has adjourned) that was submitted via email, but was blocked due to in house security?

The assessor can take that appeal to the county board of appeal and equalization. If the CBAE has adjourned then the assessor will need to notify the taxpayer that the appeal wasn't heard and no further changes can be made for the current assessment year.

How should the county handle a situation where a local board makes a change that is outside of their legal authority?

The assessor should notify the board that they are making a decision outside of their statutorily defined responsibilities. If the board continues with their decision and makes a change outside of their legal authority the county should contact Revenue as soon as possible. Revenue will then send a "null and void" letter to the board explaining that the change was invalid. All invalid appeals will need to be heard by the county board of appeal and equalization and whatever decision is made by the county board (if the board has authority) will apply to the current assessment year. Some examples of invalid changes are: blanket changes, exempting property, or approving a special program.

What is the process if there is severe weather at the time of a board of appeal meeting?

If severe weather is forecasted on a day that a board of appeal meeting is scheduled, the board members should gather as soon as possible, once a quorum is established they should open the meeting, schedule a new date and time and recess the meeting.

- The board should make every effort to communicate this with the taxpayers of their city/town so that the taxpayers are aware that the meeting has been cancelled and rescheduled.
- An announcement should be sent through **all possible communication platforms** such as radio, television, websites, social media, and phone calls to property owners that made appointments, and any other communication platforms that the board has access to.
- A posting should be left at the facility that the meeting was scheduled at, that way if a property owner were to show up for the appeal meeting, they would be able to review the posting and be informed about the rescheduled date and time.

Frequently Asked Questions

If severe weather hits **with very little notice**, board members and property owners should not risk their safety by trying to attend the meeting. If the board members cannot meet to reschedule prior to the severe weather, they should gather as soon as possible and follow through with the procedure listed above.

- In either of these severe weather situations the board would **not need to wait** 10 days, notices would not need to be resent, and the clerk would not need to republish/repost. However, they should make every effort to communicate this with the city/town.
- Lastly, in these rare situations, the CBAE could allow property owners from the effected jurisdictions to appeal at the CBAE even if they did not appeal at the LBAE due to severe weather and cancellation of the meeting. The county assessor should notify the CBAE about this exception so that they are aware that **certain property owners** would be allowed to appeal without appealing at the LBAE first.

If a county discovers a mistake, after the local board meeting, can the county take that mistake to the county board of appeal as an assessor recommendation?

Yes, the assessor can take valuation or classification changes to the LBAE or CBAE as an assessor recommendation. However, counties should only use this in critical situations. This situation should not be treated as a way for the county to fix mistakes that they have identified after valuation notices have been mailed. When a county brings multiple assessor recommendations to a LBAE and/or a CBAE meeting it can create a negative perception from taxpayers, board members, the Commissioner of Revenue, and legislative staff. If this is a common practice by a county it can appear as if the county did not finalize their values and classifications on time or accurately.

If a county decides to bring assessor recommendations to a board of appeal and equalization meeting, they should bring both value increases and decreases recommendations. The county should not limit the recommendations they bring to those that only benefit a property owner, which would be unfair treatment and could potentially cause tax shifts throughout the county. If an assessor is recommending an increase to the value of a property they must notify the property owner at least ten calendar days prior to the appeal meeting.

How do you handle appeals when a property owner contacts the assessor after the board of appeal has convened, but has not yet adjourned?

The Board of Appeal and Equalization has a responsibility to hear all appeals presented until the board adjourns. Property owners may present their appeal at the initial meeting or at any

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reconvene meetings. The board must hear that appeal and make a decision. While it is the board's meeting, the county assessor should determine a policy for the role of the assessor at that stage. The assessor may choose to continue reviewing appeals when time allows and their results are helpful to the board in their decision making.

What is the process if a local board wants to voluntarily transfer their powers and assessment to the county?

First, it is important to note that this is different than losing board powers due to non-compliance. This only applies when the board gives up their board powers **and** their local assessor.

The board must communicate this intent in writing to the county assessor before December 1 of any year to be effective for the following year's assessment. This transfer of duties may either be permanent or for a specified number of years. However, the duties must be transferred to the county board for a minimum of three years and the length of the transfer must be stated in writing. If the board decides to reinstate their powers, after the designated time of transfer, the board must notify the assessor by December 1 of any year to be effective for the following year's assessment. This is the only situation where the December 1 date applies. The February 1 compliance date applies to all other board of appeal and equalization situations.

Can a local board reinstate their powers if they voluntarily transferred their powers and assessment to the county years ago and never documented how long the transfer was for?

No, if the board never documented the amount of years they wanted to transfer their powers & assessment to the county then the board will never be able to reinstate their powers. Minnesota Statute clearly requires that the amount of time be listed when a board decides to transfer their powers voluntarily.

If a local board transferred their board powers but retained their local assessor, can they reinstate their board powers?

Yes, this is treated similar to a board losing their powers due to non-compliance. The board may reinstate their powers as long as they pass a resolution and have a trained member by February 1 of the assessment year for the upcoming board season.

If you have questions regarding board of appeal and equalization, contact
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