

1. Call To Order
2. Virtual Meeting Notice
3. Roll Call
4. Report Member's Certifications
5. Reports From William Effertz. Steelc County Assessor
  - 5.I. Assessment Report - City Of Owatonna

Documents:

[2020-04-21 CITY ASSESSMENT REPORT.PDF](#)

6. Public Comments
7. Adjourn

2020

# CITY OF OWATONNA

## ASSESSMENT REPORT

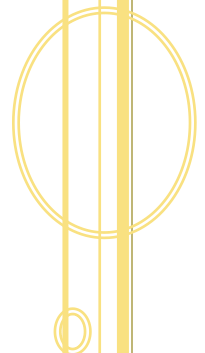
*Steele County Assessor's Department*



William G. Effertz, SAMA  
Steele County Assessor

Tyler Diersen, SAMA,  
Assistant County Assessor

April 21, 2020



# 2020 Local Board of Appeal and Equalization

## City of Owatonna 2020 Assessment Report Assessor's Department

### Overview

The purpose of the Board of Appeal and Equalization is to provide a fair and objective forum for property owners to appeal their valuation and/or classification. The goal of the Board of Appeal and Equalization is to address property owners issues fairly and objectively.

The initial meeting of the Board of Appeal and Equalization is to hear from the property owners and the assessor's will review the information and report our findings at the reconvene meeting.

State law requires the assessor to value all the property at market value every year. "All real property subject to taxation shall be listed and assessed every year with reference to its value on January 2." Property owners receive a Notice of Valuation along with their Property Tax Statement every year in mid to late March.

Minnesota Statute 273.121 states, "All real property shall be valued at its market value. In estimating and determining such value, the assessor shall not adopt a lower or different standard of value because the same is to serve as a basis for taxation, nor shall adopt as criterion of value the price for which property would sell at auction or forced sale, or in the aggregate with all the property in the town or district but shall value each article or description of property to be fairly worth in money".

Market value is defined as, "The most probable price in terms of money which a property will bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus."

The real estate tax is ad valorem (by value) and based on the value of property and not the owner's ability to pay. The assessment is updated in a uniform objective manner each year. The assessor analyzes the previous twelve months real estate sales to modify the mass appraisal system to the current market as well as to improve equalization among properties. For the January 2, 2020 assessment, sales from October 1, 2018 to September 30, 2019 were analyzed both for market trends as well as the assessment to sale ratio (assessor's value divided by the sale price).

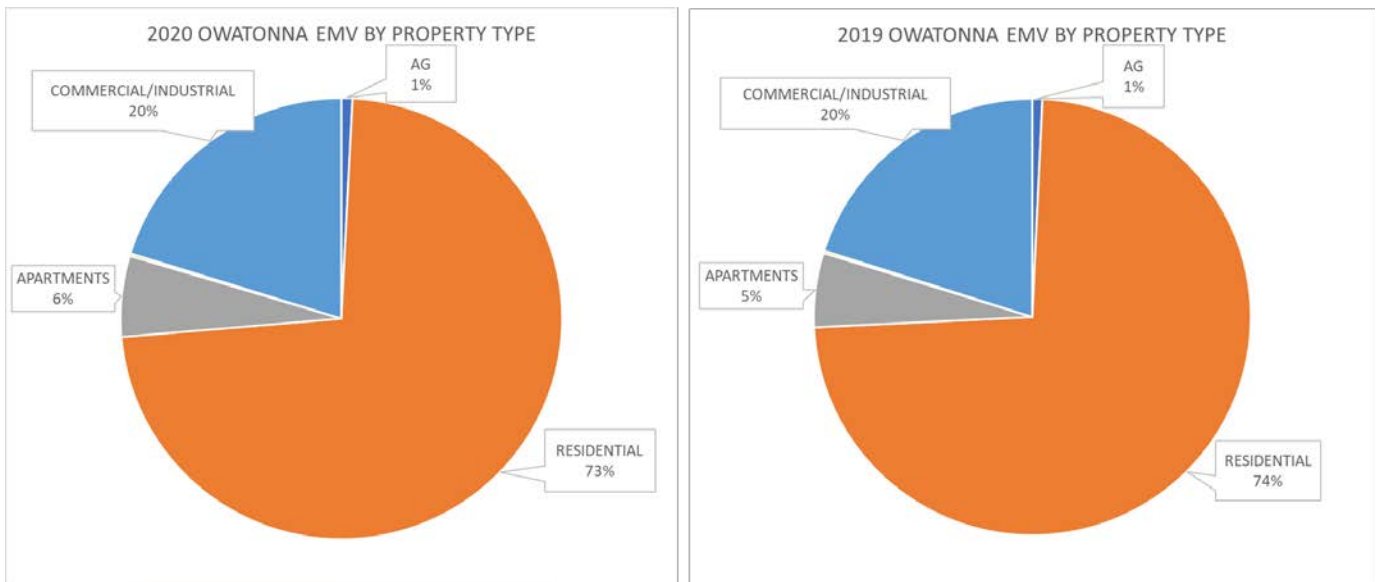
There are three reasons that valuations change each year.

1. Market adjustments due to the ever changing market conditions of the real estate market. Different types of real estate changes at different rates.
2. Even in a stable market, property values will change due to equalization. If a property value based on analysis of sales, is thought to be under or over assessed, either in relation to other properties or to a range of acceptable guidelines, the valuation may increase or decrease.
3. The third reason for change is new improvements.

The objective of the assessor is to be both accurate and uniform. The Commissioner of Revenue requires that all property types to be assessed between 90 to 105% of the selling price. Any assessment by aggregate property type that is outside of this range will be adjusted accordingly by the State Board of Appeal and Equalization.

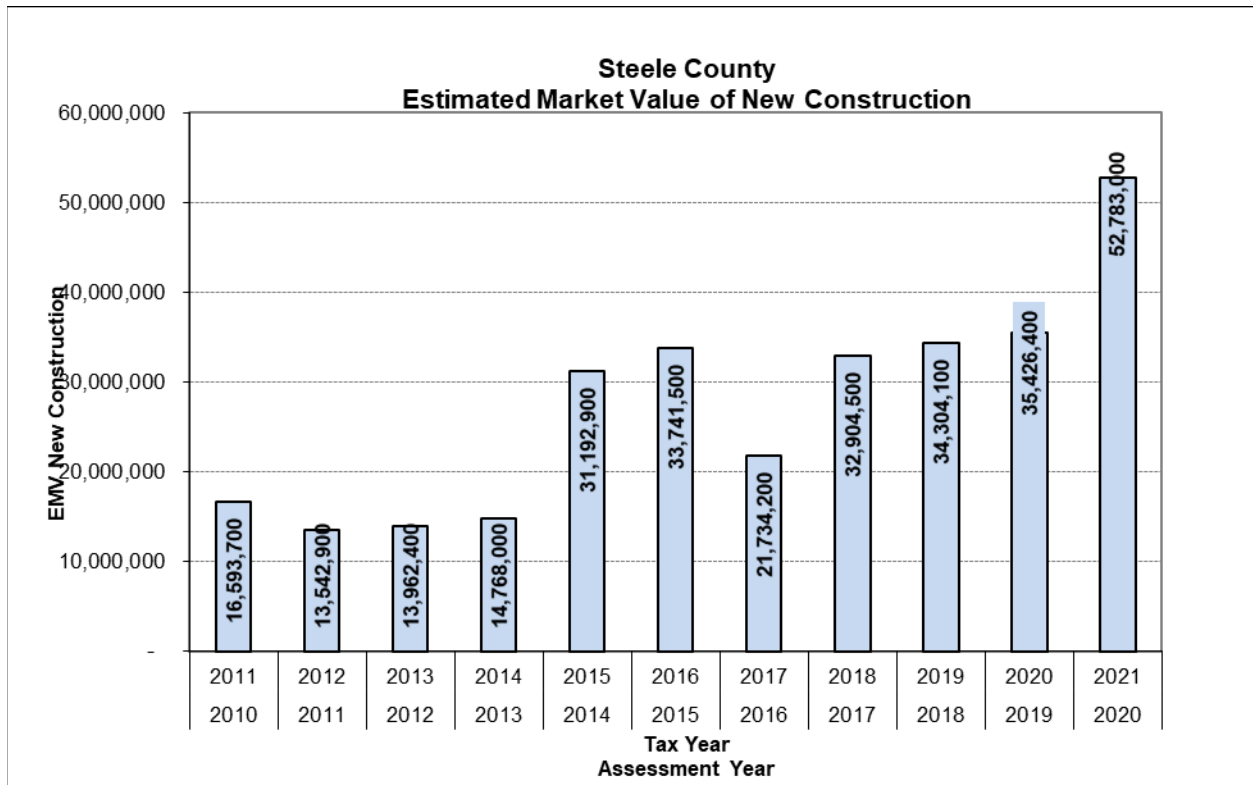
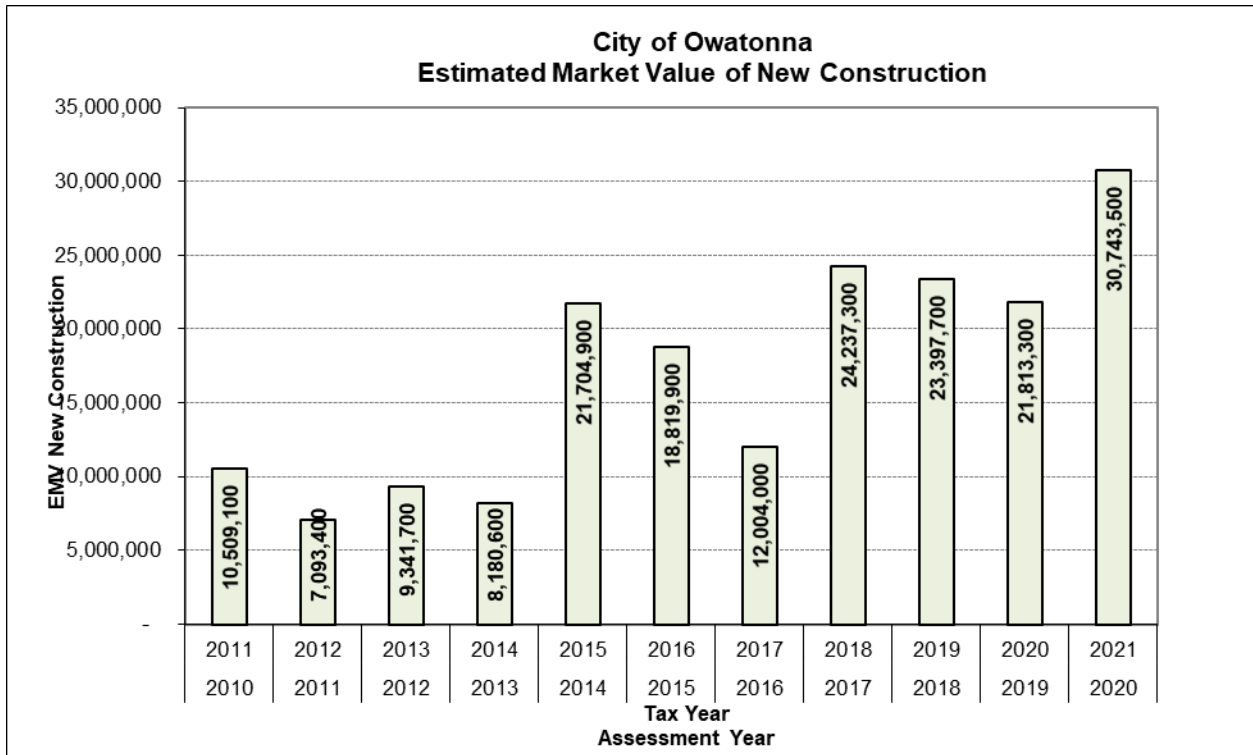
After tonight's meeting, if the property owner is still not satisfied with the 2020 assessment, the next step in the appeals process is to make an appointment to attend the:

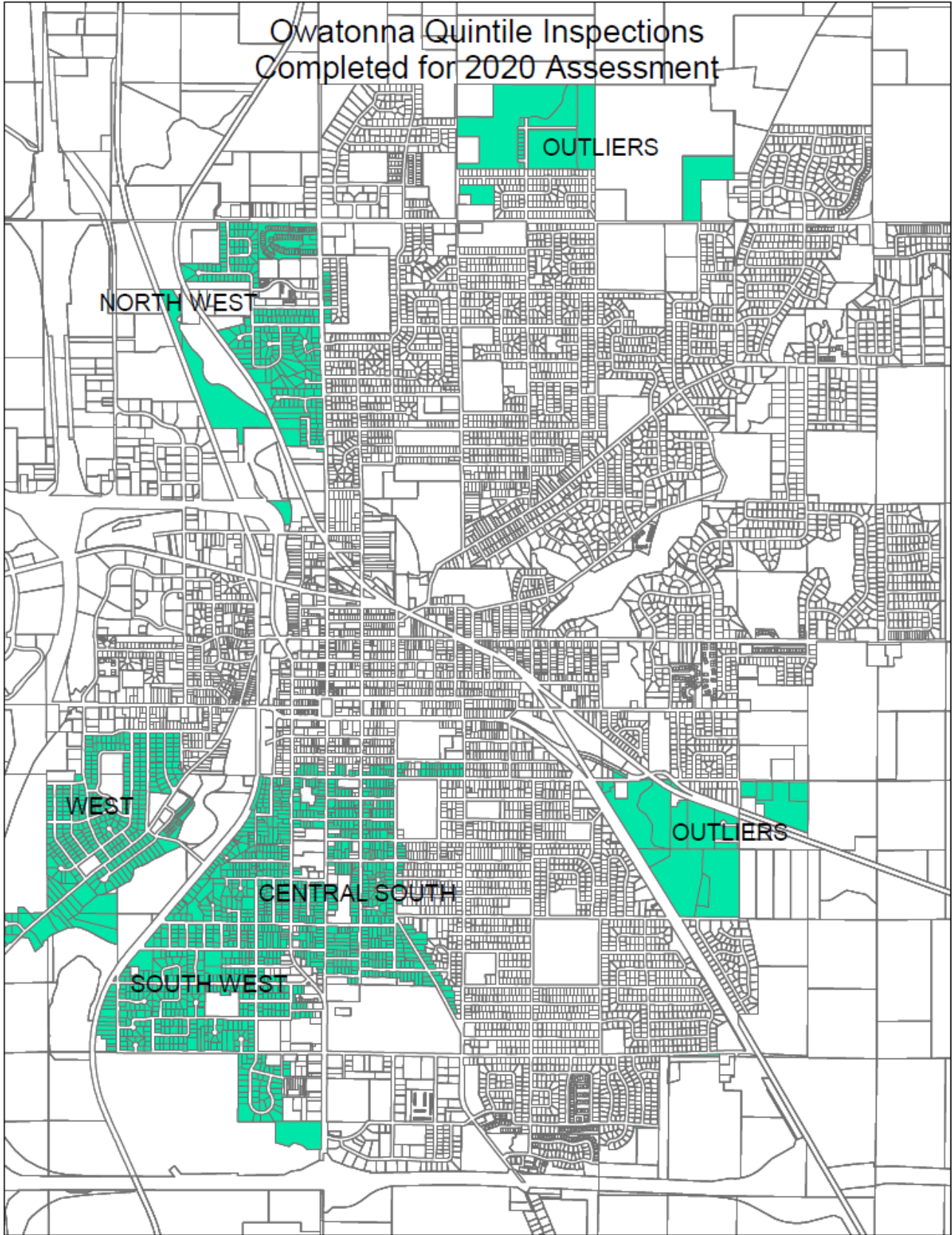
**Steele County Board of Appeals and Equalization that convenes on June 16, 2020 at 7:00 p.m. at the Steele County Administration Center.**



| CITY OF OWATONNA 2020 ASSESSMENT INFORMATION |                      |                      |              |
|--|----------------------|----------------------|--------------|
| City of Owatonna Totals                      | Spring 2020          | Fall 2019            | % Chg        |
| Land   | 452,952,800          | 424,560,100          | 6.68         |
| Building                                     | 1,693,721,000        | 1,585,157,100        | 4.9          |
| <b>** Total EMV</b>                          | <b>2,146,673,800</b> | <b>2,009,717,200</b> | <b>6.81</b>  |
| 2a-House & Garage                            |                      |                      |              |
| 2a-1st Acre                                  |                      |                      |              |
| 2a-Hse/Gar & 1AC                             |                      |                      |              |
| 2a-Bldgs(Excl H/G                            | 8,112,700            | 5,587,000            | 25.51        |
| 2a-Site(Excl 1AC)                            | 1,758,300            | 1,562,400            | 12.53        |
| 2a-Tillable Land                             | 7,232,600            | 7,466,000            | -3.12        |
| 2a-Past/Mead Land                            | 65,300               | 91,800               | -28.86       |
| 2a-Cons Program L                            |                      |                      |              |
| 2a-Other Prod Lan                            | 88,900               | 31,200               | 184.93       |
| <b>2a-Total 2a Ag</b>                        | <b>17,257,800</b>    | <b>14,738,400</b>    | <b>9.63</b>  |
| # Acr 2a HGA-1AC                             |                      |                      |              |
| # Acr 2a Site                                | 58                   | 59                   | -1.69        |
| # Acr 2a Till Lan                            | 548                  | 584                  | -6.16        |
| Tillable Land per Acre                       | \$ 13,198            | \$ 15,670            | -15.8%       |
| # Acr 2a Past/Mea                            | 10                   | 21                   | -52.38       |
| # Acr 2a Cons Pro                            |                      |                      |              |
| # Acr 2a Oth Prod                            | 35                   | 23                   | 52.17        |
| Total # 2a Acres                             | 651                  | 687                  | -5.24        |
| Total # 2a Avg \$/Acre                       | \$ 14,048            | \$ 21,453            | -34.5%       |
| 2b-Total 2b Rural                            | 103,700              | 153,500              | -32.44       |
| Total # 2b Acres                             | 10                   | 27                   | -62.96       |
| <b>***Total Ag/Rural</b>                     | <b>17,361,500</b>    | <b>14,891,900</b>    | <b>9.19</b>  |
| Resid Hstd                                   | 1,425,950,150        | 1,351,532,750        | 5.01         |
| Resid N-Hstd                                 | 138,128,850          | 125,656,150          | 6.18         |
| <b>***Total Residential</b>                  | <b>1,564,079,000</b> | <b>1,477,188,900</b> | <b>5.11</b>  |
| <b>Non Commercial Seasonal Rec</b>           |                      |                      |              |
| <b>Apartments</b>                            | <b>127,224,900</b>   | <b>110,440,800</b>   | <b>15.19</b> |
| <b>Manufactured Home Park</b>                | <b>4,087,500</b>     | <b>3,625,200</b>     | <b>12.75</b> |
| <b>Commercial</b>                            | <b>256,757,900</b>   | <b>247,542,700</b>   | <b>2.61</b>  |
| <b>Industrial</b>                            | <b>177,096,000</b>   | <b>155,962,200</b>   | <b>8.67</b>  |
| <b>Commercial Seasonal Rec</b>               |                      |                      |              |
| <b>Bed &amp; Breakfast</b>                   | <b>67,000</b>        | <b>65,500</b>        | <b>2.29</b>  |
| <b>Total New Improvements</b>                | <b>30,743,500</b>    | <b>21,756,200</b>    | <b>41.3</b>  |
| 2a Ag  | 1,100,000            |                      |              |
| Residential                                  | 11,345,200           | 14,215,200           | -0.20        |
| Apartments                                   | 7,955,000            | 4,349,500            | 82.89        |
| Commercial/Industrial                        | 10,343,300           | 3,191,500            | 2.24         |

| GRAND TOTAL STEELE COUNTY 2020 ASSESSMENT INFORMATION |                        |                        |              |
|---|------------------------|------------------------|--------------|
| County Totals   | Spring 2020            | Fall 2019              | % Chg        |
| Land  | \$2,105,977,300        | \$2,050,175,200        | 2.7%         |
| Building  | \$2,404,962,500        | \$2,246,087,900        | 7.1%         |
| <b>** Total EMV</b>                                   | <b>\$4,510,939,800</b> | <b>\$4,296,263,100</b> | <b>5.0%</b>  |
| 2a-House & Garage                                     | \$103,008,800          | \$101,966,300          | 1.0%         |
| 2a-1st Acre   | \$37,723,500           | \$37,215,700           | 1.4%         |
| 2a-Hse/Gar & 1AC                                      | \$140,732,300          | \$139,182,000          | 1.1%         |
| 2a-Bldgs(Excl H/G                                     | \$75,635,900           | \$59,737,600           | 26.6%        |
| 2a-Site(Excl 1AC)                                     | \$45,890,000           | \$40,725,800           | 12.7%        |
| 2a-Tillable Land                                      | \$1,265,584,000        | \$1,255,918,900        | 0.8%         |
| 2a-Past/Mead Land                                     | \$20,284,600           | \$27,063,600           | -25.0%       |
| 2a-Cons Program L                                     | \$4,438,800            | \$5,111,900            | -13.2%       |
| 2a-Other Prod Lan                                     | \$8,889,400            | \$8,731,800            | 1.8%         |
| <b>2a-Total 2a Ag</b>                                 | <b>\$1,561,455,000</b> | <b>\$1,536,471,600</b> | <b>1.6%</b>  |
| # Acr 2a HGA-1AC                                      | 662                    | 696                    | -4.9%        |
| # Acr 2a Site   | 4,899                  | 4,328                  | 13.2%        |
| # Acr 2a Till Lan                                     | 204,918                | 203,876                | 0.5%         |
| Tillable Land per Acre                                | \$ 6,176               | \$ 6,160               | 0.3%         |
| # Acr 2a Past/Mea                                     | 6,443                  | 8,475                  | -24.0%       |
| # Acr 2a Cons Pro                                     | 3,938                  | 3,931                  | 0.2%         |
| # Acr 2a Oth Prod                                     | 12,574                 | 13,079                 | -3.9%        |
| Total # 2a Acres                                      | 233,434                | 234,385                | -0.4%        |
| Total # 2a Avg \$/Acre                                | \$ 5,924               | \$ 5,865               | 1.0%         |
| 2b-Total 2b Rural                                     | \$26,679,100           | \$24,763,700           | 7.7%         |
| Total # 2b Acres                                      | 12,613                 | 12,201                 | 3.4%         |
| 2c-Managed Forest                                     | \$57,700               | \$57,700               | 0.0%         |
| # Acres 2c Man Fo                                     | 30                     | 30                     | 0.0%         |
| <b>***Total Ag/Rural</b>                              | <b>\$1,588,191,800</b> | <b>\$1,561,293,000</b> | <b>1.7%</b>  |
| Resid Hstd  | \$2,022,560,400        | \$1,916,243,550        | 5.5%         |
| Resid N-Hstd  | \$213,584,100          | \$189,914,950          | 12.5%        |
| <b>***Total Residential</b>                           | <b>\$2,236,144,500</b> | <b>\$2,106,158,500</b> | <b>6.2%</b>  |
| <b>Non Commercial Seasonal Rec</b>                    | <b>\$20,306,000</b>    | <b>\$16,358,800</b>    | <b>24.1%</b> |
| <b>Apartments</b>                                     | <b>\$136,895,800</b>   | <b>\$119,722,700</b>   | <b>14.3%</b> |
| <b>Manufactured Home Park</b>                         | <b>\$5,174,900</b>     | <b>\$4,412,300</b>     | <b>17.3%</b> |
| <b>Commercial</b>                                     | <b>\$303,666,300</b>   | <b>\$294,281,100</b>   | <b>3.2%</b>  |
| <b>Industrial</b>                                     | <b>\$218,851,800</b>   | <b>\$192,392,200</b>   | <b>13.8%</b> |
| <b>Commercial Seasonal Rec</b>                        | <b>\$1,641,700</b>     | <b>\$1,611,200</b>     | <b>1.9%</b>  |
| <b>Bed &amp; Breakfast</b>                            | <b>\$67,000</b>        | <b>\$65,500</b>        | <b>2.2%</b>  |
| <b>Total New Improvements</b>                         | <b>\$52,783,000</b>    | <b>\$35,485,700</b>    | <b>48.7%</b> |
| 2a Ag   | \$13,838,000           | \$5,297,600            | 161.21       |
| Residential   | \$17,402,900           | \$19,997,100           | -0.13        |
| Non-Comm SRR  | \$391,500              | \$284,400              | 37.65        |
| Apartments  | \$7,955,000            | \$4,349,500            | 82.89        |
| Commercial/Industrial                                 | \$13,187,800           | \$5,557,100            | 1.37         |







## RESIDENTIAL SUMMARY INFO

| RESIDENTIAL SALES |                                 |                 |                    |              |              |                 |              |                       |                                 |                   |                        |
|-------------------|---------------------------------|-----------------|--------------------|--------------|--------------|-----------------|--------------|-----------------------|---------------------------------|-------------------|------------------------|
| ASSESSMENT YEAR   | STUDY PERIOD                    | # OF GOOD SALES | TOTAL TRANSACTIONS | % OF TOTAL   | MEDIAN RATIO | ANNUAL TIME ADJ | LOCAL EFFORT | ADJUSTED MEDIAN RATIO | COD (COEFFICIENT OF DISPERSION) | MEDIAN SALE PRICE | MEDIAN PRICE PER SQ FT |
| 2016              | (10/1/2014 - 9/30/2015)         | 328             |                    |              | 93.2%        | 1.72%           | 2.4%         | 96.6%                 | 6.95                            | \$ 152,900        | \$ 117                 |
| 2017              | (10/1/2015 - 9/30/2016)         | 375             | 587                | 63.9%        | 86.8%        | 7.54%           | 5.7%         | 91.9%                 | 6.43                            | \$ 152,500        | \$ 122                 |
| 2018              | (10/1/2016 - 9/30/2017)         | 427             | 622                | 68.6%        | 87.5%        | 5.78%           | 4.9%         | 92.4%                 | 6.02                            | \$ 160,000        | \$ 127                 |
| 2019              | (10/01/2017 - 9/30/2018)        | 379             | 562                | 67.4%        | 85.9%        | 6.66%           | 6.4%         | 92.0%                 | 6.16                            | \$ 170,000        | \$ 135                 |
| <b>2020</b>       | <b>(10/01/2018 - 9/30/2019)</b> | <b>361</b>      | <b>525</b>         | <b>68.8%</b> | <b>87.9%</b> | <b>4.84%</b>    | <b>5.1%</b>  | <b>93.0%</b>          | <b>4.94</b>                     | <b>\$ 180,000</b> | <b>\$ 142</b>          |
| 2021              | (10/1/2019 - 9/30/2020)         | 118             | 187                | 63.1%        | 97.3%        |                 |              |                       | 5.22                            |                   |                        |

| RESIDENTIAL VACANT LOT SALES |                                |                 |                  |               |                   |
|------------------------------|--------------------------------|-----------------|------------------|---------------|-------------------|
| ASSESSMENT YEAR              | STUDY PERIOD                   | # OF GOOD SALES | TOTAL # OF SALES | MEDIAN RATIO  | MEDIAN SALE PRICE |
| 2016                         | (10/1/2014 - 9/30/2015)        | 11              | 18               | 98.58%        | 28,100            |
| 2017                         | (10/1/2015 - 9/30/2016)        | 20              | 37               | 105.40%       | 25,900            |
| 2018                         | (10/1/2016 - 9/30/2017)        | 21              | 30               | 99.28%        | 30,000            |
| 2019                         | (10/1/2017 - 9/30/2018)        | 19              | 36               | 78.59%        | 37,000            |
| <b>2020</b>                  | <b>(10/1/2018 - 9/30/2019)</b> | <b>18</b>       | <b>24</b>        | <b>97.33%</b> | <b>31,900</b>     |
| 2021                         | (10/1/2019 - 9/30/2020)        | 5               | 8                | 75.37%        | 33,000            |

| RESIDENTIAL VACANT LOT SALES |  | TOTAL # OF PARCELS - VACANT LOTS |
|------------------------------|--|----------------------------------|
|                              |  | 369                              |
| RESIDENTIAL VACANT LOT SALES |  | SALE SAMPLE SIZE                 |
|                              |  | 6.50%                            |
| RESIDENTIAL VACANT LOT SALES |  | TOTAL # OF PARCELS - RAW LAND    |
|                              |  | 281                              |

| ESTIMATED MARKET VALUE SUMMARY - RESIDENTIAL              |                      |                      |                   |                      |
|---|----------------------|----------------------|-------------------|----------------------|
| ASSESSMENT YEAR =   | 2020                 | 2019                 | PERCENTAGE CHANGE | 2018                 |
| EMV   | 1,564,079,000        |                      |                   |                      |
| NC  | 11,345,200           |                      |                   |                      |
| <b>EMV (WITHOUT NC)</b>                                   | <b>1,552,733,800</b> | <b>1,477,188,900</b> | <b>5.1%</b>       | <b>1,387,435,400</b> |
| <b>NUMBER OF PARCELS (IMPROVED)</b>                       | <b>8,502</b>         |                      |                   |                      |
| <b>MEDIAN VALUE</b>                                       | <b>172,000</b>       | <b>161,900</b>       |                   | <b>151,600</b>       |
| <b>MEDIAN VALUE PER SQ FT</b>                             | <b>134</b>           | <b>126</b>           |                   | <b>118</b>           |
| <b>MEDIAN YEAR BUILT</b>                                  | <b>1974</b>          | <b>1974</b>          |                   | <b>1973</b>          |
| <b>MEDIAN SQ FT (TLA - TOTAL LIVING AREA ABOVE GRADE)</b> | <b>1,319</b>         | <b>1,319</b>         |                   | <b>1,318</b>         |
| <b>NEW HOMES</b>  | <b>32</b>            | <b>45</b>            |                   | <b>37</b>            |
| SINGLE FAMILY   | 13                   | 22                   |                   | 22                   |
| TOWNHOMES (1 = 2 units)                                   | 3                    | 1                    |                   | 1                    |
| PATIO HOMES   | 13                   | 21                   |                   | 13                   |

Steele County Three Year Sale Ratio History

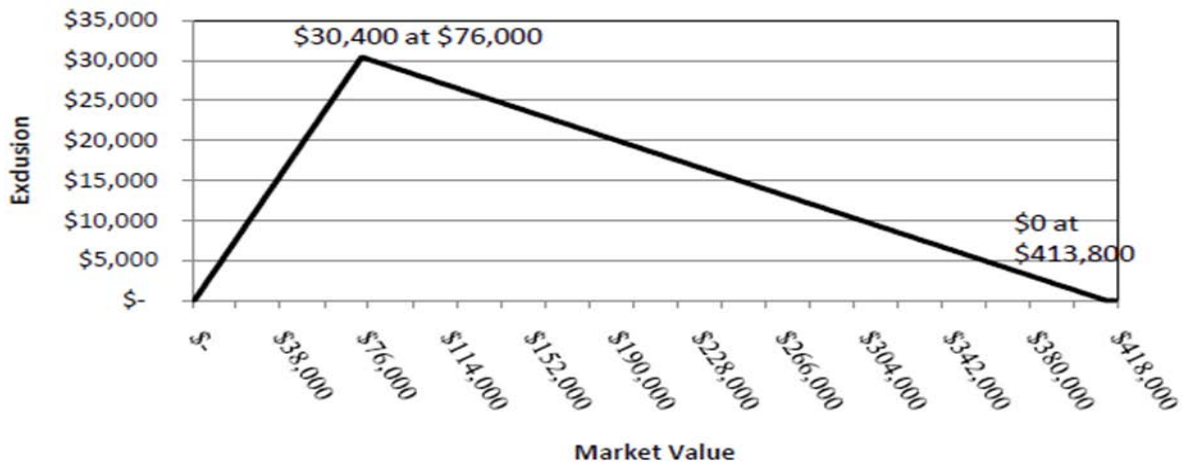
| STATE STUDY RATIO HISTORY<br>(MEDIAN RATIOS)                          | 2017 DOR STUDY          |          | FINAL     | 2018 DOR STUDY |          | FINAL     | 2019 DOR STUDY |          | FINAL     |
|---|-------------------------|----------|-----------|----------------|----------|-----------|----------------|----------|-----------|
|   | 2018AY                  | #OF SALE | ADJ RATIO | 2019AY         | #OF SALE | ADJ RATIO | 2020AY         | #OF SALE | ADJ RATIO |
|   | 01-BLOOMING PRAIRIE TWP | 86.07    | 1         |                | 87.09    | 3         |                | 73.62    | 1         |
| 02-SUMMIT   | 88.23                   | 2        |           | 78.56          | 1        |           | 92.54          | 2        | 94.92     |
| 03-BERLIN   | 84.48                   | 7        | 95.55     | 88.34          | 4        |           | 83.44          | 10       | 94.97     |
| 04-AURORA   | 86.31                   | 1        |           | 86.02          | 2        |           | 83.31          | 3        | 93.30     |
| 05-SOMERSET   | 85.82                   | 6        | 95.7      | 89.51          | 6        | 95.17     | 91.39          | 3        | 94.00     |
| 06-LEMOND   |                         |          |           | 98.42          | 4        |           | 87.04          | 3        | 93.69     |
| 07-HAVANA   | 76.69                   | 2        |           | 92.64          | 2        |           | 92.62          | 3        | 94.36     |
| 08-OWATONNA TWP   | 64.23                   | 5        |           | 88.08          | 5        |           | 99.75          | 6        | 95.79     |
| 09-MERIDEN  | 81.69                   | 2        |           | 89.23          | 5        |           | 92.69          | 4        | 97.54     |
| 10-MERTON   | 77.89                   | 2        |           |                |          |           | 86.19          | 2        | 92.87     |
| 11-MEDFORD TWP  |                         |          |           | 84.78          | 2        |           | 81.17          | 3        | 93.43     |
| 12-CLINTON FALLS  | 88.49                   | 1        |           | 94.22          | 1        |           | 89.18          | 2        | 94.47     |
| 13-DEERFIELD  | 86.81                   | 4        |           | 73.84          | 4        |           | 98.00          | 3        | 97.69     |
| 14-BLOOMING PRAIRIE   | 87.36                   | 22       | 92.29     | 81.78          | 38       | 91.22     | 94.51          | 29       | 95.06     |
| 15-ELLEDALE   | 81.43                   | 7        | 91.56     | 85.63          | 8        | 90.96     | 90.70          | 6        | 93.21     |
| 16-MEDFORD  | 78.68                   | 17       | 91.04     | 93.18          | 21       | 94.33     | 87.53          | 25       | 93.17     |
| 17-OWATONNA CITY  | 87.46                   | 427      | 92.36     | 85.91          | 379      | 91.96     | 87.88          | 361      | 93.74     |
| NORTH REGION  |                         |          |           |                |          |           | 92.18          | 23       | 94.52     |
| SOUTH REGION  |                         |          |           |                |          |           | 85.53          | 22       | 93.84     |
| COUNTY WIDE # OF RES SALES<br>(TRUE ARMS-LENGTH<br>TRANSACTION SALES) | 86.7                    | 506      | 92.34     | 86.02          | 485      | 92.22     | 88.13          | 466      | 93.79     |

| TIME ADJUSTMENT HISTORY  |                  |         |                  |         |                  |         |                  |         |
|--|------------------|---------|------------------|---------|------------------|---------|------------------|---------|
| RES/SRR  | 2020 ASSMT STUDY |         | 2019 ASSMT STUDY |         | 2018 ASSMT STUDY |         | 2017 ASSMT STUDY |         |
|  | ANNUAL           | MONTHLY | ANNUAL           | MONTHLY | ANNUAL           | MONTHLY | ANNUAL           | MONTHLY |
| NORTH STEELE   | 4.6422%          | 0.3789% | 6.5865%          | 0.5330% | 15.5830%         | 1.2141% | 7.0780%          | 0.5715% |
| CLINTON FALLS, DEERFIELD, HAVANA, MEDFORD TWP, MERIDEN, MERTON, OWATONNA TWP |                  |         |                  |         |                  |         |                  |         |
| MEDFORD  | 6.8872%          | 0.5566% | 6.5865%          | 0.5330% | 15.5830%         | 1.2141% | 7.0780%          | 0.5715% |
| OWATONNA CITY  | 4.8390%          | 0.3946% | 6.6594%          | 0.5387% | 5.7805%          | 0.4694% | 7.5400%          | 0.6073% |
| SOUTH STEELE   | 11.3690%         | 0.9013% | 6.5865%          | 0.5330% | 6.8138%          | 0.5508% | 5.6766%          | 0.4611% |
| AURORA, BERLIN, BLOOMING PRAIRIE TWP, LEMOND, SOMERSET, SUMMIT               |                  |         |                  |         |                  |         |                  |         |
| ELLEDALE   | 4.6422%          | 0.3789% | 13.0010%         | 1.0238% | 6.8138%          | 0.5508% | 5.6800%          | 0.4611% |
| BLOOMING PRAIRIE   | 4.6422%          | 0.3789% | 13.0010%         | 1.0238% | 6.8138%          | 0.5508% | 5.6800%          | 0.4611% |

## Homestead Market Value Exclusion

The Homestead Market Value Exclusion is the last item in the hierarchy of market value components before taxable market value. (Minnesota Statutes, section 273.13, subdivision 35) Residential property and the portion of agricultural property classified as the house, garage and surrounding one acre of land, shall be eligible for a market value exclusion. The following examples will illustrate these calculations for different types of property. Simply stated, the exclusion decreases as the market value increases (also works conversly).

Calculation of the homestead market value exclusion involves several steps. For a homestead valued at \$76,000 or less, the exclusion is 40 percent of market value, yielding a maximum exclusion of \$30,400 at \$76,000 of market value. For a homestead valued between \$76,000 and \$413,800, the exclusion is \$30,400 minus nine percent of the valuation over \$76,000. For a homestead valued at \$413,800 or more, there is no homestead valuation exclusion.



## Statutory Class Rates:

### 2020 Tax Capacity and Class Rates

Taxable Market Value X Class Rate = Tax Capacity

57 classifications condensed

| Class Rates              | EMV               |       |
|--------------------------|-------------------|-------|
| Residential              | \$500,000         | 1.00% |
|                          | Over \$500,000    | 1.25% |
| Apartments               | No tier           | 1.25% |
| Commercial/              | \$150,000         | 1.50% |
| Industrial               | Over \$150,000    | 2.00% |
| <b>Agricultural:</b>     |                   |       |
| House, Garage, One Acre: |                   |       |
| Ag Homestead             | First \$500,000   | 1.00% |
|                          | Over \$500,000    | 1.25% |
| Remainder of Ag Land:    |                   |       |
|                          | First \$1,900,000 | 0.50% |
|                          | Over \$1,900,000  | 1.00% |
| Non- Homestead:          | All Value         | 1.00% |