

CITY OF MONTEVIDEO
BOARD OF EQUALIZATION
April 22, 2024

The Board of Equalization meeting was called to order by President Schmidt at 6:00 P.M. in the City Hall Council Chambers.

Present: Nathan Schmidt, Dan Sanborn, Steve Sulflow, Beverly Olson and Bryce Curtiss. Absent: None. Mayor Winter present (6:12 P.M.)

Also present: City Manager Robert Wolfington, County Assessor Assessor Kerri Heim, Montevideo Assessor Tyler Jakobs and City Clerk Glennis Lauritsen.

Assessor Heim stated that Bonnie Crosby has retired as County Assessor, and that she has been promoted to the position. Therefore, she will no longer be serving as the Montevideo Assessor. Heim introduced Tyler Jakobs who will be moving into the Montevideo Assessor position.

Heim noted that council members Schmidt and Sulflow are currently trained to serve on the Board of Equalization. There must be at least one member trained, or the current year's meeting is forfeited, plus the next year's meeting.

Heim discussed requests received/reviewed for Fairmont Homes properties (submitted by Pivotal Tax on behalf of the owner). This included agricultural land parcels known as 70-901-4402 and 70-912-1102 and a number of other commercial properties (70-912-1400, etal.) The requests were for a decrease in valuations for all of the properties. Written materials had been distributed to the council via email earlier in the day in support of the assessor's opinion, which was to reject the comparables presented by Pivotal Tax and deny the requests. Because the council did not have adequate time to thoroughly review the information, it was the consensus of the Board that the requests be taken to the Chippewa County Board of Review meeting in June for a determination.

A memorandum provided by the Chippewa County Assessor's Office was reviewed, which discussed changes made to the 2024 assessment values. Changes throughout the city included normal depreciation, equalization and new construction. Additional information distributed at the meeting included a 2023 Study Preliminary Residential Sales Listing (October 2022-September 2023 sales period), a listing of 2024 residential sales to date (October 2023-April 22, 2024), commercial sales list (2022-2023) and Homestead Market Value Exclusion information sheet from the MN Department of Revenue.

The total estimated market value for Montevideo for the 2024 assessment was \$378,128,900, which is an increase of \$5,430,000 (1.44%). This total includes the new construction, but does not include personal property, utilities, railroad or state values. The total new construction in Montevideo for the 2024 Assessment was \$1,913,186, and the number of residential sales was 60, with a median ratio of 92.77%. It was explained that the Department of Revenue requires the median ratio to be at 100%; however, 90-105% is acceptable on all classes of properties. Therefore, the city's overall median ratio of 92.77% meets that threshold. Commercial sales numbered 12, with a mean ratio of 97.46%.

Heim briefly discussed the homestead market value exclusion, which reduces the taxable market value for property classified as homestead. By decreasing the taxable market value, net property taxes are also decreased. A change is taking place in the exclusion and, therefore, the assessor's office is encouraging taxpayers to file for a property tax refund, if they qualify. For taxes payable in 2024, the maximum exclusion amount is \$30,400 for properties valued at \$76,000, with no exclusion for properties valued over \$413,800. For taxes payable in 2025, the maximum exclusion amount was increased to \$38,000 for properties valued at \$95,000, with no exclusion for properties valued over \$517,200.

Meeting adjourned at 6:30 P.M.

Glennis A. Lauritsen, Secretary

Approved by council May 6, 2024:

President - City Council