

Aitkin County Board of Commissioners
Request for County Board Action/Agenda Item Cover Sheet



To: Chairperson, Aitkin County Board of Commissioners Date: 3/21/12
Via: Patrick Wussow, County Administrator
From: Mike Dangers, County Assessor

Title of Item: 2012 Assessment Changes
Requested Meeting Date: March 27, 2012 Estimated Presentation Time: 15 min
Presenter: Mike Dangers

Type of Action Requested (check all that apply)

- For info only, no action requested Approve under Consent Agenda
- For discussion only with possible future action Adopt Ordinance Revision
- Let/Award Bid or Quote (attach copy of basic bid/quote specs or summary of complex specs, each bid/quote received & bid/quote comparison)
- Approve/adopt proposal by motion Approve/adopt proposal by resolution (attach draft resolution)
- Authorize filling vacant staff position
- Request to schedule public hearing or sale Other (please list) _____
- Request by member of the public to be heard
- Item should be addressed in closed session under MN Statute _____

Fiscal Impact (check all that apply)

- Is this item in the current approved budget? Yes No (attach explanation)
- What type of expenditure is this? Operating Capital Other (attach explanation)
- Revenue line account # that funds this item is: _____
- Expenditure line account # for this item is: _____

Staffing Impact (Any yes answer requires a review by Human Resources Manager before going to the board)

- Duties of a department employee(s) may be materially affected. Yes No
- Applicable job description(s) may require revision. Yes No
- Item may impact a bargaining unit agreement or county work policy. Yes No
- Item may change the department's authorized staffing level. Yes No



Supporting Attachment(s)

- Memorandum Summary of Item
- Copy of applicable county policy and/or ordinance (excerpts acceptable)
- Copy of applicable state/federal statute/regulation (excerpts acceptable)
- Copy of applicable contract and/or agreement
- Original bid spec or quote request (excluding complex construction projects)
- Bids/quotes received (excluding complex construction projects, provide comparison worksheet)
- Bid/quote comparison worksheet
- Draft County Board resolution
- Plat approval check-list and supporting documents
- Copy of previous minutes related to this issue
- Other supporting document(s) (please list) _____

Provide eleven (11) copies of supporting documentation NO LATER THAN Wednesday at 8:00am to make the Board's agenda for the following Tuesday. Items WILL NOT be placed on the Board agenda unless complete documentation is provided for mailing in the Board packets. (see reverse side for details)



**OFFICE OF
AITKIN COUNTY ASSESSOR**
209 2nd ST N.W. Room 111
AITKIN, MINNESOTA 56431
Phone: 218/927-7327 – Fax: 218/927-7379
assessor@co.aitkin.mn.us

MEMO

March 21, 2012

To: County Board of Commissioners

From: Mike Dangers, County Assessor

Re: 2012 Assessment Changes

The 2012 Assessment is complete and the Notices of Valuation and Classification are scheduled to be mailed on Tuesday, April 3. This packet outlines the major changes and issues that we face as we approach the meeting dates for the Local Board of Appeal and Equalization. We will also be sending this information to the Township Boards and City Councils.

Page 3 shows the Countywide Estimated Market Value changes. Similar to the last two years, overall County Estimated and Taxable Market Values are going down. This will again affect the County's Tax Capacity for 2013 payable. The changes listed on this spreadsheet are independent of any homestead market value exclusions.

On a positive note, we have logged our first increase in new construction since 2006. Also, our overall value reduction is less than the past two years. Increases in new construction help to mitigate the loss of valuation on the tax base.

Also noteworthy is the loss of the benefit to the Green Acres program. All Green Acres valuations starting with the 2012 assessment are greater than or equal to the Estimated Market Values in Aitkin County. This is due to the increases in the valuation of typical southern Minnesota ag lands. State Law requires counties to utilize the formula for Green Acres valuation that the Department of Revenue provides.

Page 4 shows a summary of the results of the 2011 sales ratio study. The 2011 study uses sales from October 2010 to September 2011. This information is used to set the level of assessment for the 2012 assessment. The figures in the column titled "Forward Median Ratio" are typically required to be between 90 and 105% when there are over 6 valid sales. The property types are listed on the left side of the page and the sales column is on the right. As you can see, most property types have typical estimated market values that are higher than sale prices. Values are coming down to address this issue.

Page 5 shows an overview of the foreclosure situation in Aitkin County. The number of foreclosures shown here is substantially lower than the 2009 high but still elevated compared to years ago. However, there are still a large number of unsold bank owned properties in the County. At the present rate of bank owned property sales, it will take multiple years to clear the market of foreclosures. Since these typically sell for less than full market value, they likely will continue to put downward pressure on valuations in the future.

The numbers of good quality open market sales were up slightly in 2011 compared to 2012. The total amount of all CRV documented property transactions were up about 15% in 2011 compared to 2010. These numbers are still far below the levels of the early to mid 2000's as shown on page 6. This sheet also shows the history of the basic components of the sales ratio study since 2002. The overall assessment quality as measured by the COD continues to be better than in past years, largely due to the implementation of the CAMA system.

Page 7 is the 2012 Assessment County Land Schedule for acreage. The Department of Revenue still requires that we report land values and acreages of tillable, pasture, swamp, and wooded lands. We did increase low and high wooded land types \$50 per acre this year. We also reduced swamp land \$100 per acre.

Pages 8 through 12 show a detailed list of changes to each township and city for the 2012 assessment. Most increases listed were due to equalization with neighboring counties as in the gravel pit land, peat mining land, and campground site values.

Please contact me at (218) 927-7340 with questions regarding any of these items.

Countywide Value Change 2012 Assessment				
	2011		2012	% Change
Overall Estimated Market Value	\$ 3,075,937,800		\$ 2,982,495,700	-3.0%
New Construction Value	\$ 12,968,900		\$ 14,346,700	10.6%
Overall Agricultural Homestead EMV	\$ 263,062,600		\$ 250,598,300	-4.7%
Overall Residential EMV	\$ 1,025,207,700		\$ 988,691,100	-3.6%
Overall Seasonal Recreational EMV	\$ 1,236,347,500		\$ 1,192,735,500	-3.5%
Overall Commercial/Industrial EMV	\$ 83,866,600		\$ 82,178,800	-2.0%
Overall Apartment EMV	\$ 15,754,600		\$ 16,417,700	4.2%
Total Green Acres EMV reduction	\$ 315,800		0	-100.0%
Notes:				
The increase in Apartment EMV is not due to mass increases in apartment value, just reassessment changes and shifts from other classifications.				
The reduction in Agricultural Homestead EMV is largely due to class changes from agricultural to residential homestead.				
The removal of Green Acres deferral value is due the increase in the State required valuation of Green Acres.				
All figures above are as of March 21, 2011. A few minor changes were made to the assessment after this report was run.				

REVISED 2011 ASSESSMENT SALES RATIO STUDY USED TO EVALUATE THE 2011 ASSESSMENT
SALES ANALYSIS FOR THE STATE BOARD OF EQUALIZATION
WITH ADJUSTMENTS FOR TIME AND TERMS TO JANUARY 2011 FOR ALL SALES

COUNTYWIDE RATIOS BY PROPERTY TYPE

TWELVE MONTH STUDY

TWELVE MONTH STUDY - BASED ON SALES FROM OCTOBER 2010 THROUGH SEPTEMBER 2011:
ALL SALES ARE COMPARED TO 2011 ASSESSMENT YEAR MARKET VALUES USED FOR TAXES PAYABLE IN 2011
SOURCE: SALECURR.OUTPUT AS OF JAN 31, 2012

CO=1 COUNTY NAME=AITKIN

PT	PROPERTY TYPE	MEAN RATIO	BACKWARD MEDIAN RATIO	FORWARD MEDIAN RATIO	LOCAL EFFORT NEEDED	TARGET RATIO	AGGREGATE RATIO	UNTRIMMED COEFF. OF DISPERSION	COEFF. OF VARIATION	PRICE RELATED DIFFERENTIAL	NUMBER OF SALES	SALES WITH TIME TRENDS
1	RESIDENTIAL	102.9	99.4	104.4			99.4	13.3	19.1796	1.04	67	28
3	SEASONAL/RECREATIONAL	101.6	100.5	106.5	-1.3621	105	98.4	14.9	19.6791	1.03	92	45
21	RESIDENTIAL LAND	109.5	105.6	105.6	-0.5682	105	87.0	31.6	39.7940	1.26	7	0
23	SEAS/REC LAND	135.3	126.7	126.7	-17.1271	105	131.0	36.1	46.9408	1.03	24	0
31	2A LAND WITH BUILDINGS (34.5	124.8	124.8	124.8			124.8	0.0	0.0000	1.00	1	0
33	2B WITH BUILDINGS (34.5 OR MO	105.9	105.9	105.9			105.9	0.0	0.0000	1.00	1	0
34	2B BARE LAND (34.5 OR MORE AC	94.8	96.5	96.5			93.7	19.7	24.0242	1.01	24	1
39	2B RURAL VACANT LAND - BARE L	107.9	100.0	100.0			91.6	34.9	64.2108	1.18	25	2
41	RESIDENTIAL & SEASONAL	102.1	100.4	105.3	-0.2849	105	98.9	14.2	19.4158	1.03	159	73
44	2A/2B/2C BARE LAND ONLY (MORE	93.0	93.0	93.0			91.3	19.5	23.3136	1.02	29	1
45	ALL 2A/2B (MORE THAN 34.5 ACR	96.9	100.1	100.1			98.7	19.0	24.0802	0.98	34	1
46	COMMERCIAL/INDUSTRIAL	141.7	102.8	102.8			109.4	44.4	60.0867	1.29	4	0
47	MIXED 2A/2B LAND WITH BUILDIN	122.6	111.9	111.9			124.7	15.5	22.5156	0.98	3	0
48	MIXED 2A/2B BARE LAND (34.5 0	84.4	74.9	74.9			83.5	12.9	16.6173	1.01	5	0
50	MIXED 2A/2B BARE LAND (LESS T	115.2	115.2	115.2			115.2	0.0	0.0000	1.00	1	0

Aitkin County Foreclosures by Property Type		
Based on Sheriff's Department List in 2011		
	# of properties	% of total
Residential Homestead	32	47.1%
Residential Non-homestead	9	13.2%
Seasonal Recreational	19	27.9%
Commercial	3	4.4%
Agricultural Homestead	4	5.9%
Agricultural Non-Homestead	1	1.5%
Total Homestead	36	52.9%
Total Non-Homestead	32	47.1%
Total Foreclosures	68	100.0%

3 Year Comparison of Sheriff Sales to Bank Sales (Sales into and out of Foreclosure)

	Bank Sales	Sheriff Sales
2011	72	68
2010	84	91
2009	59	92

Notes:

Multiple parcels owned by a common owner counted as one foreclosure

Properties repurchased or redeemed by original owner not counted (5 in 2011)

Top 3 areas with foreclosures: Shamrock 10, Farm Island 6, Hazelton Twp 5, Aitkin City 5

Approx 172 bank owned parcels in Aitkin County excluding contract for deeds and bank offices

Report prepared by County Assessor's Office

Aitkin County Sales Ratio Study and Assessment Quality Information For Years 2002 through 2011							
	# of Residential and Seasonal Sales	# of Agricultural Sales	Residential Median Sales Ratio	Seasonal Median Sales Ratio	Residential COD	Seasonal COD	
2002	343	14	82.4	78.0	19.8	27.3	
2003	296	29	82.0	75.3	22.4	27.9	
2004	406	23	84.1	81.8	19.2	27.4	
2005	393	28	88.1	82.6	19.6	20.7	
2006	327	31	88.1	87.0	18.3	22.3	
2007	247	16	93.1	90.8	19.8	19.8	
2008	167	14	99.4	97.1	17.0	16.7	
2009	131	11	102.7	93.2	13.0	18.6	
2010	157	8	100.9	100.6	13.3	18.7	
2011	159	10	104.4	106.5	13.3	14.9	
Explanation of Spreadsheet Above:							
Sales Ratio is the assessor's Estimated Market Value divided by the Sale Price of a property.							
Median Sales Ratio is the middle ratio in an array of all sales ratios. The closer the median is to 100.0, the more accurate the assessment level.							
COD is the Coefficient of Dispersion or a measure of how consistent our valuations are with respect to the sale price.							
The lower the COD, the greater the assessment quality.							
Factors that help to improve the COD include implementation of a CAMA system, more thorough sales analysis, more thorough physical inspections, and a less volatile market.							
Sales numbers above are for "good" sales only of those classifications.							

Aitkin County Land Schedule - 2012 Assessment

	<u>Zone A</u>	<u>Zone B</u>	<u>Green Acres</u>
High Wooded(HWD-R)	\$1,650/acre	\$1,485/acre	\$1,650/acre
Low Wooded(LWD-R)	\$1,150/acre	\$1,035/acre	\$1,250/acre
High Pasture/Open(OPN-R)	\$1,500/acre	\$1,350/acre	\$1,650/acre
Low Pasture/Open(LOP-R)	\$1,100/acre	\$990/acre	\$1,250/acre
Swamp/Waste(SWP-R)	\$400/acre	\$360/acre	\$850/acre
High Tillable(TIL-R)	\$1,600/acre	\$1,600/acre	\$2,080/acre
Low Tillable/Rice(LTL-R)	\$1,100/acre	\$1,100/acre	\$2,080/acre
Building Site	\$20,000/unit	\$18,000/unit	

All acreage sizes use these land types.

Over 120 acres - 10% discount for all common owner group acreage
 Under 31 acres – increased rate for all common owner group acreage
 Common owner parcel groups (COPG) must be contiguous

Building Site Value Components: Well \$7,000(.35); Septic \$8,000(.40); Electric \$3,000(.15); Access \$2,000(.10)

Zone B includes the following townships: Beaver Twp, Clark Twp, Haugen Twp, McGregor Twp, Pliny Twp, Rice River Twp, Salo Twp, Seavey Twp, Spalding Twp, White Pine Twp, and Unorg Twp 45-24.

Zone A includes all townships not listed above.

2012 Assessment Changes List

Area #	Name	Appraiser	Major Changes For Each Area
	COUNTYWIDE		Rural platted off-water lot values adjusted to match small acreage schedule. Primarily affects old townsite plats.
	COUNTYWIDE		Gravel pit values increased from \$2000 to \$3000 per acre to equalize with neighboring counties.
	COUNTYWIDE		Peat acreage values for peat/black dirt mining areas increased from \$800 to \$1100 per acre.
	COUNTYWIDE		Campground/Resort RV site values increased from \$1000 to \$1200 each.
	COUNTYWIDE		SWP land type reduced from \$500 to \$400 per acre base.
	COUNTYWIDE		HWD land type increased from \$1600 to \$1650 per acre base.
	COUNTYWIDE		LWD land type increased from \$1100 to \$1150 per acre base.
	COUNTYWIDE		Increased all Green Acre land type values as required by Dept of Revenue and State Law. See Land Schedule for details.
1	AITKIN TWP	TS & DM	Reduced Cedar Lake from \$1700 to \$1650 per front foot base. Reduced buildings 5%.
2	BALL BLUFF	DM	Reassessment. Reduced buildings 5%.
3	BALSAM	DM	Reassessment. Reduced buildings 5%.
4	BEAVER	TS	No mass changes.
5	CLARK	TB	No mass changes.
6	CORNISH	DM	Reduced buildings 5% on rivers and lakes.
7	FARM ISLAND	LT & SW	Reduced buildings 5%. Reduced Farm Island Lake from \$1850 to \$1650 per front foot base. Reduced Spirit, Hanging Kettle, and Little Pine Lakes from \$1100 to \$1000 per front foot base. Reduced Cedar Lake from \$1700 to \$1650 per front foot base.

2012 Assessment Changes List

Area #	Name	Appraiser	Major Changes For Each Area
8	FLEMING	JH	Reassessment. Reduced buildings 5%. Reduced Gun and Jenkins Lakes from \$1000 to \$950 per front foot. Reduced Wilkens Lake from \$1150 to \$1100 per front foot. Reduced Fleming Lake from \$715 to \$670 per foot.
9	GLEN	JH	No mass changes.
10	HAUGEN	TB	Reduced buildings 5%.
11	HAZELTON	SW & TB	Reassessment. Reduced Mille Lacs Lake from \$1400 to \$1250 per front foot base. Front footage on Farm Island Lake equalized.
12	HILL LAKE	JH	Reduced Hill Lake from \$700 to \$575 per front foot base. Reduced buildings 15%.
13	IDUN	TS	Reduced buildings 5%.
14	JEVNE	DM	Reassessment. Reduced buildings 5%.
15	KIMBERLY	DM	Reduced buildings 5%.
16	LAKESIDE	TB	Reduced Mille Lacs Lake from \$1400 to \$1250 per front foot base. Reduced buildings 25%. Reduced backlot base value from \$14,000 to \$10,000 each.
17	LEE	TS	Reduced buildings 5%.
18	LIBBY	TB	No mass changes.
19	LOGAN	DM	Reduced buildings 5%.
20	MACVILLE	JH	Reassessment. Reduced buildings 5%.
21	MALMO	LT	Reassessment. Reduced Mille Lacs Lake from \$1400 to \$1250 per front foot base. Reduced buildings 10%.
22	MCGREGOR TWP	LT	Reduced Hwy 65 corridor building values 5%.

2012 Assessment Changes List

Area #	Name	Appraiser	Major Changes For Each Area
23	MORRISON	LT	Reduced buildings 5%.
24	NORDLAND	DM & LT	Reduced Lone Lake from \$1700 to \$1450 per front foot base. Reduced Elm Island Lake from \$800 to \$650 per front foot base. Reduced Section 12 Lake from \$700 to \$650 per front foot base. Reduced Nord Lake from \$800 to \$700 per front foot base. Reduced Ripple Lake from \$800 to \$650 per front foot base. Reduced buildings 1%.
25	PLINY	TS	Reduced buildings 5%.
26	RICE RIVER	TS	No mass changes.
27	SALO	SW	No mass changes.
28	SEAVEY	TB	Reduced buildings 5%.
29	SHAMROCK	JH, SW, DM, LT	No mass changes.
30	SPALDING	TS	No mass changes.
31	SPENCER	SW	Reduced buildings 5%.
32	TURNER	TS	Reassessment. Most backlot values increased to equalize with Shamrock Twp backlots.
33	VERDON	DM	Reduced buildings 5% on river.
34	WAGNER	LT	Reduced buildings 5%.
35	WAUKENABO	TS	Reduced buildings 5%.
36	WEALTHWOOD	JH	Reduced Mille Lacs Lake from \$1400 to \$1250 per front foot base. Reduced buildings 10%.

2012 Assessment Changes List

Area #	Name	Appraiser	Major Changes For Each Area
37	WHITE PINE	TB	Reduced buildings 5%.
38	WILLIAMS	TB	Reduced buildings 5%.
39	WORKMAN	SW	No mass changes.
41	MILLWARD	JH	Reduced buildings 5%.
42	UNORG 51-22	DM	Reassessment.
43	UNORG 52-22	DM	Reduced buildings 5%.
44	UNORG 45-24	TB	Reduced buildings 5%.
45	UNORG 47-24	TS	No mass changes.
46	UNORG 52-24	LT	Reassessment. Reduced buildings 5%.
47	UNORG 50-25	TB	No mass changes.
48	UNORG 51-25	TB	No mass changes.
49	UNORG 52-25	LT	Reassessment. Reduced buildings 5%.
50	UNORG 50-26	TS	No mass changes.
51	UNORG 48-27	TB	Reduced buildings 5%.
52	UNORG 49-27	LT	Reassessment
53	UNORG 50-27	TS	No mass changes.

2012 Assessment Changes List

Area #	Name	Appraiser	Major Changes For Each Area
54	UNORG 51-27	TB	No mass changes.
55	UNORG 52-27	TS	Reduced buildings 5%.
56	AITKIN CITY	SW	Reduced residential land 15% and residential buildings 5%. Reduced Commercial/Industrial land 5% and buildings 5%.
57	HILL CITY	TS	Reassessment. Reduced Hill Lake from \$700 to \$575 per front foot base.
58	MCGRATH CITY	TB	Reduced residential buildings 5%. Acreages equalized to county acreage schedule.
59	MCGREGOR CITY	TS	Reduced commercial/industrial land 5%.
60	PALISADE CITY	LT	Reassessment. Reduced residential buildings 5%. Land converted to front footage based land schedule. Acreages equalized to county acreage schedule.
61	TAMARACK CITY	TB	Reassessment. Reduced residential building values 5%. Acreages equalized to county acreage schedule.
	(Current as of 3/20/12)		