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# EQUAL EYES

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Official Publication of the Minnesota Association of Assessing Officers  
[www.mnmaao.org](http://www.mnmaao.org)



Article to suggest, letter to the editor, or any other correspondence for *EQUAL EYES*?

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**Cover Photo: A Holiday Scene in Duluth**  
Image Courtesy of Dennis O'Hara, Duluth MN

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The statements made or opinions expressed by authors in *Equal Eyes* do not necessarily represent a policy position of the Minnesota Association of Assessing Officers.



# In the Know

"As sure as the spring will follow the winter, prosperity and economic growth will follow recession." Bo Bennett

Spring 2012 Equal Eyes  
Deadline is March 1<sup>st</sup>

## Coming Events

Assessment Laws & Procedures	January 23 -26, 2012	Plymouth
PACE	March 5-9, 2012	Coon Rapids
Ethics	February 1, 2012	Eagan
Ethics	May 22, 2012	St. Cloud
MAAO Fall Conference	Sept. 23-26, 2012	Breezy Point
IAAO Conference	Sept.9-12, 2012	Kansas City

Visit these websites for additional course offerings:

The North Star Chapter of the Appraisal Institute

[www.northstarai.org.education](http://www.northstarai.org.education)

Kaplan Professional Schools

[www.kaplanprofessionalschools.com](http://www.kaplanprofessionalschools.com)

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Appraisal Supervisor

### Gary Amundson

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Chisago, Hennepin, Isanti,  
Mille Lacs, Morrison, Sherburne,  
Stearns, Wright

### Brad Averbeck

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Becker, Clay, Clearwater, Hubbard,  
Kittson, Mahnommen, Marshall,  
Norman, Otter Tail, Pennington, Polk,  
Red Lake, Roseau, Todd, Wadena

### Larry Austin

651.556.6098

Aitkin, Beltrami, Carlton, Cass,  
Cook, Crow Wing, Itasca,  
Kanabec, Koochiching, Lake,  
Lake of the Woods, Pine, St. Louis

### Steve Hurni

320.632.3949

Big Stone, Chippewa, Douglas,  
Grant, Kandiyohi, McLeod, Meeker,  
Pope, Renville, Stevens, Swift,  
Traverse, Wilkin  
(and compliance investigations)

### Sherri Kitchenmaster

651.230.8387

Brown, Cottonwood, Jackson,  
Lac qui Parle, Lincoln, Lyon, Martin,  
Murray, Nobles, Pipestone, Redwood,  
Rock, Watonwan, Yellow Medicine

### Tom Nash

507.359.7022

Blue Earth, Dodge, Faribault,  
Fillmore, Freeborn, Houston,  
Le Sueur, Mower, Nicollet, Sibley,  
Steele, Wabasha, Waseca, Winona

### Tom Reineke

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Dakota, Goodhue, Olmsted,  
Ramsey, Rice, Scott, Washington  
(and complex properties)





## Looking Forward to MAAO's Future

Written by Stephen Baker, SAMA  
Ramsey County Assessor  
MAAO President 2011-2012

This is my first missive to my fellow members. First, I want to thank everyone for their faith and trust in making me your President for 2012. Secondly, I want to plant the idea that this may be the year for you to take a more active role in MAAO activities. Participation can take many forms, and I know from personal experience that the more you get involved in MAAO, the more rewarding your association with MAAO will become.

The 2012 MAAO Executive Committee met in October in St. Paul. We met over two days. In addition to the Executive Board meeting, we also held a meeting of the Legislative Committee, and held a joint meeting between the two groups. We were joined on the second day by Department of Revenue Property Tax Division Director John Hagen and some of his staff.

Low TNT meeting attendance and the State budget forecast of a surplus point towards fewer controversies than we were anticipating. However, it still appears that this will be a very busy year.

This year, I have requested that we constitute a strategic committee composed of our Long Range Planning and Research committee members and four Past Presidents. The goals of this group will be to review the present MAAO organizational structure and staffing, our committee structure, our ability to continue to meet the challenges of our duties, assessment equity, communication, and excellence.

The committee will pay particular attention to adequacy of staffing, potential need for additional paid positions, salary requirements, and pay equity for all positions. This initiative will be led by Past Presidents Cheryl Wall and Dave Armstrong, and they will be joined by the other officers: John Keefe, Vice President, Chisago County; Marvin Anderson, 2<sup>nd</sup> Vice President, Brooklyn Park; Bill Peterson, Finance Director, Dakota County; Bill

Effertz, Past President, Steele County; Tom Houselog, Past President, Rock County; Tom May, retired, Past President, Hennepin County; and Stephen Behrenbrinker, Past President, St. Cloud.

They will review of our ability to continue to meet our educational objectives. The adequacy of MAAO staffing and structure will be reviewed within a context of meeting future resource demands required to manage the logistics of our ongoing educational offerings. They will also explore the new development of courses, rewrites of existing courses, best practices for instructor relations, and for instructor development.

It is my goal that this group's work will provide the basis for ongoing organizational improvements that will make MAAO stronger and more responsive to our member's needs and will improve our future ability to meet our mission of providing excellent education to Minnesota assessors. It is also my goal that this will become an ongoing platform for insightful reexamination of our organization that will foster expanded opportunities to tap the skills and knowledge of our past presidents. A completed report is scheduled for delivery in October 2012.

I want to thank outgoing committee chairs Jim Atchison - Valuation & Tax Court; Marv Anderson - Rules and Resolutions; and Kim Jensen - Site Selection. They have all done a truly great job, and we are forever in their debt. Note: Kim remains our Summer Seminar Coordinator and Vice-Chair of Education. Our new Chairs are Cory Bultema, City Assessor St. Louis Park - Tax Court & Valuations; Luis Rosario, Principal Appraiser Ramsey County - Site Selection; and Steve Sinell, City Assessor Eden Prairie - Rules and Resolutions. I note Marv remains on the Rules committee as 2<sup>nd</sup> VP, and will be able to assist Steve in his new duties.

### *Other noteworthy changes:*

Lori Thingvold, Wright County has stepped into the Associate Editor position vacated by Michael Stalberger after this Winter Issue. Mike is assuming new duties as Blue Earth County Assessor and understandably felt he needed to focus more exclusively on those duties. Mike will remain on the Editorial Board as a regular member. We wish Mike all the best in his new role and thank him for his contributions as Associate Editor.

In addition, we have some other new Vice Chairs. They are: Keith Kern, Carver County - Ag Committee; Kelly Baillet, Dakota County - Information Systems; Michael Thompson, Scott County - Sales Ratio.

We have one new committee which is still in development. This will be our new CAMA - GIS Committee. We are still taking suggestions and volunteers for this committee. I presently have nine members who have either volunteered or been volunteered. We will finalize this group once I have a chair on board. There will be more to come in our next issue of *Equal Eyes* on this new committee.

Please feel free to call or email me at any time if you have anything you wish to discuss. Our next Executive Board meeting will be first week of February.

*Stephen Baker*  
MAAO President



# Commissioner's Comments

## *Improving Our Tax System: Key to Building a Better Minnesota*

Written by Myron Frans  
Minnesota Commissioner of Revenue



During his first year in office, Gov. Mark Dayton has emphasized that we must:

- Create jobs and improve Minnesota's competitiveness.
- Improve how state government works to deliver the best services at the best price.
- Make Minnesota's tax system more fair.

Comprehensive tax reform promotes all three of these goals. I think we all agree that reforming the Minnesota tax system by increasing the fairness of our tax system and reducing its complexity will promote an economic climate that creates jobs and makes Minnesota more competitive. Surely reducing complexity will improve the Department of Revenue's ability to deliver services for less cost.

Our property tax system is widely discussed each year at the Capitol. As assessors, you know firsthand that the results can sometimes be frustrating for property owners.

Next year alone property tax levies would increase an average of 1.7 percent statewide if the originally proposed levies were adopted by local governments for 2012. Levy increases combined with the elimination of a state-paid homestead credit during the 2011 special legislative session will increase the amount of taxes paid by Minnesota taxpayers by an estimated 5.2 percent, or \$420 million.

So, how can we reform property taxes in ways that modernize the current tax system while ensuring it is fair, simple and promotes economic growth?

To find the answers, Gov. Dayton has asked me to visit communities across the state and discuss tax reform with all Minnesotans. On this tax reform tour, I am meeting with local farmers, workers, businesses and chambers of commerce, legislators and local officials, tax professionals and economists.

So far, I am hearing from many different sources that the current tax system is not working and that we need to make some changes.

Though not everyone agrees on what changes to make, a consistent theme has emerged: We need to fund state and local government with real revenue – not more borrowing – and we need to avoid the constant budget crises that Minnesota has experienced over the last decade.

Another theme coming through loud and clear on my local visits is that Minnesotans are very proud of our state and the high quality of life we enjoy. I hope to hear from some of you when I visit your communities over the next several months.

You can follow our progress or find out when I will be in your area on our tax reform website (<http://taxes.state.mn.us/Pages/taxreform.aspx>), or by following us on twitter (@mnrevenue). Or, tell me about your tax reform ideas right now by email at [revenue@state.mn.us](mailto:revenue@state.mn.us).

### Enhanced Technology

Another of Gov. Dayton's priorities is using the latest tools to make our tax system, and the rest of state government, more efficient and effective. At the department, we embrace technology and are always looking for new innovations that help us offer the best customer service experience possible.

In October, for example, we officially launched e-Services, a new Internet application for businesses to file and pay taxes online. With the new platform, businesses can view taxpayer records electronically, and they can more easily file returns, make payments and update their tax registration information. The e-Services system offers 24-7 access to account information, enhanced security and real-time help. To learn more, visit our home page and click on "New and Improved e-Services."

I am also excited to announce that we will debut a new Revenue website in May 2012. The website is being redesigned with updated information, improved search, easier navigation and a fresh look and feel. We based our improvements on feedback from surveys, customer usability studies and feedback from real users. Check our website ([www.revenue.state.mn.us](http://www.revenue.state.mn.us)) for the latest updates and launch information.

Revenue employees were recently recognized for implementing a new technology that will save more than \$1 million. When the time approached to replace our previous check processing equipment, these employees recognized an opportunity to address many of the agency's existing challenges and costs by developing a new system. The employees formed the Electronic Check Presentment (ECP) project.

Instead of just replacing the outdated system, the ECP team found ways to leverage existing hardware and software already being used for other processes. Implemented in September 2010, this new ECP system saves about \$118,000 a year. It also helped us avoid spending another \$1 million on specialized equipment.

For their efforts, the ECP team received the Better Government for a Better Minnesota award. The award was initiated by Gov. Dayton to make state government work more efficiently and effectively for Minnesotans. You can learn more about this initiative at <http://mn.gov/governor/initiatives/better-government/>.

We have also been busy preparing for the legislative session that begins Jan. 24. Our technical and policy bill proposals will include some property tax measures. As always, please contact us if you have suggestions and comments about our proposals, or ideas of your own.





## MAAP UPDATE

The MAAP winter business meeting was hosted by Sherburne County on Friday, December 2, 2011 at Pebble Creek Golf Club in Becker, Minnesota.

The business meeting agenda included the secretary/treasurer's report and an update from the education committee regarding the upcoming summer workshop.

Attendees were entertained by the award winning Brodini Comedy Magic show (with some assistance from the audience) and lunch was provided by the golf club's restaurant, Blue Moon Grille.



**INTERESTED IN JOINING MAAP?  
ANNUAL MEMBERSHIP IS ONLY \$10  
CONTACT A MAAP OFFICER  
FOR DETAILS**

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**The Summer  
Workshop will be held  
August 16<sup>th</sup> and 17<sup>th</sup> at  
the Holiday Inn in  
Owatonna, MN**





Compiled by Dave Armstrong  
Le Sueur County Assessor  
NCRAAO Representative



North Central Regional Association of Assessing Officers (NCRAAO) is a volunteer organization dedicated to assessment education and professionalism. The purpose of the Association is to organize an Annual Conference on Assessment Administration. See our latest [newsletter](#) for information about our 2010 conference.

It shall be the further purpose of this Association to improve the standards of assessment practice by providing a means of education for association members through collective expression on all matters pertaining to property tax assessment especially in the member States.

NCRAAO works closely with the International Association of Assessing Officers (IAAO) to achieve these objectives.

NCRAAO provides an avenue for education and professional development. The organization consists of eleven states: North Dakota, South Dakota, Nebraska, Kansas, Missouri, Illinois, Indiana, Iowa, Minnesota, Michigan and Wisconsin. These states are homogeneous as all are part of the north central prairie section of the United States and have multiple rural jurisdictions.

The NCRAAO Annual Conference provides an opportunity to learn new skills, network, review new hardware and software, and share experiences that will enhance appraisal practices. Our next conference will be held at the Hyatt Regency Crown Center in Kansas City, Missouri, June 11-14, 2012. Past conferences have been held throughout the north central region. The schedule of [future conferences](#) can be viewed here. The first NCRAAO Annual Conference was held in Wisconsin in 1976.

NCRAAO has developed this website to provide assessment-related information to its members and the public. Thank you for visiting our website and please come again. Your input on the site content is always welcome.

Scott Van Meter  
President  
North Central Regional Association of  
Assessing Officers

## Upcoming NCRAAO Conferences

- 2012 Kansas City, Missouri
- 2013 Fargo, North Dakota
- 2014 Deadwood, South Dakota
- 2015 Wisconsin
- 2016 Iowa





Written by Corey Erickson, AMA  
Ramsey County  
Editorial Committee Member



## 5 Years Ago – 2006

- After 30 years of service to Pennington County, Deputy Assessor **Gloria Erickson** retired.
- MAAO and educational partner St. Cloud State University (SCSU) first offered the course Appraisal Principles taught by **Dr. Steven P. Mooney**, Ph. D., Chair of the Finance, Insurance and Real Estate Department at SCSU.
- **Stephen Baker** was elected Director of Region 9.
- **Chun-Yin Chong** of Hennepin County, **Ryan DeJong** of Clay County, **Shan Dunst** of Dakota County and **Carl Bruzek** of Pennington County all received their AMA designations.

## 10 Years Ago – 2001

- Joining us from Alaska, where he was Director of Assessment Administration for the City of Anchorage, **Wayne Haerer** was introduced as the new Property Tax Division director.
- The guest speaker at the Region 9 monthly meeting was **Gary Patterson** of the Anoka Hennepin Narcotics and Violent Crime Task Force. Gary spoke on the large increase in meth labs since their discovery in 1993 and the growing concern of assessors going into these homes unknowingly.
- **Earl Zent**, then a Commercial Appraiser for the City of Plymouth, wrote an article reminding us that as assessors in Minnesota, we appraise the “fee simple” interest in real estate and not the “leased fee” interest.
- Officials at Grubb & Ellis’ Minneapolis Office reported that the U.S. office market ended 2001 with a 14.5 percent vacancy rate,

including sublease space, which was the highest in eight years.

- Fridley City Assessor **Ed Hervin** retired after working in the assessment field for 16 years, starting as Deputy Assessor for Chisago County in 1985.

## 15 Years Ago – 1996

- 1996 was declared the coldest winter in history, with a record shattering 60 degrees below zero temperature recorded in Tower, Minnesota.
- The Met Council released its annual “Population and Household Estimates” report, showing Woodbury replacing Coon Rapids as the leader in population and household growth in the Twin Cities during the 1990s.
- **Julie Roisen** was hired as the Chief Deputy Assessor of Houston County.
- The International Association of Assessing Officer’s announced their latest professional designation, the Assessment Administration Specialist (AAS), to be awarded to those IAAO members who demonstrate professional competency in the administration of property assessment systems.

## 20 Years Ago – 1991

- Real Estate Developer Donald Trump thought the appraised value of his 118 room Mar-a-Lago estate was way off, but hearing officer Arthur St. John ruled that Trump failed to prove the \$17.5 million assessment was wrong.
- Department of Revenue Commissioner, **Dorothy McClung**, appointed Big Stone County Assessor **Lila Benson** to serve a four-year term on

the Minnesota State Board of Assessors.

- In a contest run by a local radio station in conjunction with Bosses Day, Moorhead City Assessor **Marvin Anderson** was selected as one of the top ten “Turkeys of the Year” after being nominated by members of his staff in the assessor’s office.
- Department of Revenue Regional Representative **Harlan Simonson** retired after serving in the position for 26 years.

## 25 Years Ago – 1986

- **Doug Gruber** was appointed the Wright County Assessor and **Bob Holzheimer** became the Lac Qui Parle County Assessor. Bob had most recently been the Montevideo City Assessor. Other new county assessors were **Steve Bruggeman** for Brown County and **Bob Meester** for Rock County.

## 45 Years Ago – 1966

- The MAAO requested a ruling from the Department of Taxation involving the classification of multiple dwellings, specifically what is the drawing line between being residential and commercial. The ruling was 3 units or less residential and 4 units or more commercial, the guideline we are all still familiar with today.



# Joe Udermann

Researched and Written by Julie Gustafson, SAMA  
City of Maple Grove  
Editorial Committee Member



Entrance into the field of assessing can be a natural progression or a chance occurrence. For some it is a deliberate attempt to educate and serve the public in the field of real estate. For others, special circumstances lead them down this path. Regardless of how they got there, most successful assessors possess certain traits: an interest in real estate, good people skills, and strong analytical skills to name a few. Joe Udermann is no exception.

Joe is a member of MAAO and IAAO. He has been in the assessing field for a relatively short period of time. Joe began his assessing career in June, 2009 as a property appraiser for Faribault County. He was eventually appointed Deputy Assessor and in September, 2011 was appointed as the Faribault County Assessor. Just prior to publication of this issue, Joe was appointed Chief Deputy Assessor for Itasca County. I'm not sure how many assessors can claim such a fast rise to the top. Perhaps Joe's previous work experience helped expedite his career progression in the assessing field.

Prior to becoming an assessor, Joe was a fee appraiser for two years and a realtor for approximately six years. Most of this experience was in the State of Minnesota, but he did work as a realtor in Arizona for a year. According to Joe, the move into the field of assessing was a natural one for him. He believes his experience as a realtor and a fee appraiser really helps him as an assessor; in particular, when it comes to communicating with realtors and appraisal professionals. He can talk their language and understands their perspective.

Joe also benefits from a strong computer background. In fact, he went to college to be a computer professional. Joe has worked on numerous IBM applications, performed hardware and operating system upgrades, restored downed computer systems, and worked as a script writer. He is familiar with numerous computer languages such as Visual Basics, JAVA, C, C++, COBOL and others. He was a developer and systems

engineer on the ASI400 and iSeries for 15 plus years. He also served on the CAMA contract committee. This background can only serve as a bonus when dealing with the ever changing world of assessing and related advances in technology.



Initially Joe was a little elusive regarding his background and personal life. Perhaps he didn't want to come off as a braggart: one of the biggest hurdles I face when seeking

candidates for these articles. However, with a little perseverance I was able to uncover some very interesting facts regarding Joe. Joe is originally from north of the Twin Cities. He was a competitive body builder in his younger days. Joe has won Gopher State and North Country body builder competitions, and placed fourth in Northern USA. Both of his brothers were Minnesota Teenage bodybuilding champions. According to Joe: "It's in their blood". Joe also participated in competitive arm wrestling; traveling around the region in tournaments. He said with a smile "It was a lot of fun". Although he no longer competes, Joe and his brothers continue to work out.

Joe is married and has two children: Matt and MacKayla. Joe says his wife, Lori, is his best friend. He met Lori while working as a Technology Manager for Bachmans where she also worked as a Senior Buyer. To this day Joe says he is the luckiest man in the world.

In addition to competitive body building and arm wrestling, Joe is an outdoorsman at heart. He loves to hunt and fish, and is pretty much happy doing anything outdoors. Joe says he

and his family spend a lot of time outdoors just enjoying nature. He also enjoys spectator sports, but didn't zero in on any sport in particular. Joe did, however, mention that he is a Vikings fan, but like many has had a hard time watching them this season. Lastly, he enjoys the simple things in life: spending time with people in good conversation.

When asked about any unusual or memorable situation encountered on the job, Joe was quick to share some advice he received from the former county assessor while they were being chased by a dog: "You don't have to outrun the dog, just outrun the person next to you". I wonder if Joe's competitive spirit came into play that day? Was he torn between saving his boss or himself? What was the outcome of this situation? You'll have to ask Joe next time you see him.

Like most assessors, Joe views staying current on legislative issues as one of the biggest challenges of the assessment field.

Looking to the near future, Joe plans on continuing to learn and educate others. Despite his success, Joe says he still has a lot of unfulfilled goals. If money were no object, he would like to complete a doctorate in Bio Medical Science. Someday, however, he would just like to relax...a common goal given the fast-paced world in which we live.

By the time this article is released, Joe will have transitioned from a southern Minnesota jurisdiction on the Minnesota/Iowa border with some of the richest farmland in America; comprised of 20 townships and 11 cities with a total population around 14,200 to a Northern Minnesota one known for its logging industry; comprised of 42 townships and 16 cities with a total population of approximately 45,000. According to Joe, small town commercial and rapidly increasing agricultural values were one of his biggest concerns in Faribault County. I imagine these concerns will continue in Itasca County. We wish him well with his new responsibilities!



# SAMA & AMA Designees

Written by Jake Pidde, CMA  
City of Plymouth  
Editorial Committee Member



## New Accredited Minnesota Assessors

### Greg Kiecker

Greg Kiecker, Local Assessor in Sibley and Renville Counties, was awarded the AMA designation on August 16, 2011. His education includes Courses A, B, H, F, J, IAAO 102 and 400, USPAP. Mr. Kiecker's Form Report passed the grading committee in October 1989, and he passed the Residential Case Study Examination in June 2010. Mr. Kiecker has 39 years of assessment experience. Congratulations to you, Greg!



### Joe Udermann

Joe Udermann, Faribault County, was awarded the AMA designation on August 16, 2011. His education includes Assessment Law and Procedures, Mass Appraisal Basics, Basic Income Approach to Value, Assessment Administration and Income Approach to Valuation. His Form Report passed the grading committee in May 2011, and he received a passing score on the Residential Case Study Exam



later the same month. Mr. Udermann has the equivalent of three years of experience via his appraisal license and two years of assessment experience. Congratulations to you, Joe!

### Sherri Kitchenmaster

Sherri Kitchenmaster, Property Tax Division, was awarded the AMA designation on August 16, 2011. Her education includes courses A, B, H, J, K, IAAO 102 and 151, Principals of Rural Appraising from AFSMRA and MAAO Assessment Administration. Ms. Kitchenmaster's Form Report passed the grading committee in June 2011, and she passed the Residential Case Study Exam the same month. Ms. Kitchenmaster has 11 years of assessment experience. Congratulations to you, Sherri!



**To recognize the accomplishments of new AMA and SAMA designees, we are spotlighting them when awarded by the State Board of Assessors. Are you a new designee? Get your photo ready!**





# PACE and PVC

Reviews Written or Compiled by Michael Stalberger, SAMA  
Blue Earth County  
Equal Eyes Associate Editor



## PACE

As certain as a Presidential Election campaign starting every four years, so too does the recurring educational event known as PACE. Similarly, they are also both requirements for a obtaining or maintaining a job! The Professional Assessment Certification and Education (PACE) course is a requirement for all assessors licensed at the Senior Accredited or Accredited levels for the entire current four-year licensing cycle (July 1, 2008 through June 30, 2012). This course is also available to other assessors for continuing education or elective course purposes.

This cycle, the department organized six courses to be held throughout the state, however one was cancelled due to low enrollment. The locations of the courses were spread throughout the state. The dates and locations were:

- Aug 29 – Sept 2: Holiday Inn Hotel Owatonna
- Sept 12 – 16: Thumper Pond Resort Ottertail
- Oct 17 – 21: Sawmill Inn Grand Rapids
- Nov 28 – Dec 2: Inver Hills Community College Inver Grove Heights
- Mar 5 – 9, 2012: Anoka-Ramsey Community College Coon Rapids

The PACE course was set up in a module format and included 30 hours of instruction, including the required Ethics Course. The modules included: Classification, Rural Lands and Special Programs, Valuation, Homesteads, Exemptions, Tax Court, State Assessed Property, and Sales Ratios. There was also a “Hot Topics” section with timely

subjects that affect assessors statewide, including: Disaster Relief, Tax Status of Airplane Hangars, Personal Property/Equipment, eCRV, and New Legislation/Property Tax Working Group.

The instruction covered four days, with a comprehensive exam on Friday morning. While many attendees were apprehensive of a return to an exam requirement that they needed to successfully complete, the course was set up in such a way that most were quickly put at ease. There were daily quizzes that reviewed the material covered that day. Those quiz scores were incorporated into each attendee’s final score, allowing each to earn points towards his/her final throughout the week. Additionally, these quizzes were helpful study guides.

Property Tax Division staff provided the instruction for the course, with different subject experts teaching in their specialization. This approach allowed for the most current and complete instruction. Additionally, Hennepin County Assessor Jim Atchison generously volunteered to instruct the Tax Court seminar – it consistently received very favorable reviews. Thanks, Jim!

Based on evaluations and feedback for the courses held thus far, this PACE cycle appears to be successful. As an instructor at the first courses, I can attest to the participation and information sharing that took place between assessors. The course was designed to facilitate discussion and interaction and that was achieved. Many assessors left the course stating they received a good refresher and picked up lots of new information and resources. That sort of outcome is one of the primary objectives of the course.

MAAO is also owed gratitude for its willingness to coordinate the registration for the courses. Utilizing the MemberClicks registration process made for the easiest registration process possible. Lori Schwendemann’s patience in working out all the kinks in the process was incredible.

There is one more PACE course scheduled for this licensing cycle. After that, it will be time to start planning for the next cycle. Most likely there will be a break before those courses – in fact, candidates for the 2016 Presidential Election will more than likely be known before the next course! If you are looking for more information on the final PACE course for this cycle, though, visit the MAAO website:

[www.mnmaao.org](http://www.mnmaao.org)

Remember the course is a requirement for Senior Accredited and Accredited Minnesota Assessors who have been licensed at that level for the full four-year period and must be completed by June 30, 2012. Be sure you have met it, if you are required. Jessi Glancey is the coordinator of the course for the Department of Revenue. You can contact her at [jessi.glancey@state.mn.us](mailto:jessi.glancey@state.mn.us) if you have any questions about the course.



# PVC 2011

The 2011 Property Valuation Courses were completed the first week of November with a slight decrease in attendance from last year, due mainly to it being the last year of our licensure cycle. Although a few changes were implemented this year, PVC continued to be successful.

A few of the new changes that were implemented this year included:

- a format change by adding a standardized study guide and power point presentation developed by the Department of Revenue – ensuring all regions in the state are getting similar updates
- we moved one of the classes about 75 miles east to New Ulm. This was an attempt to help some of the assessors needing training in the southeastern part of the state

This year's PVC courses also included four new instructors: Michelle Moen, Sue Schulz, Anne Grunert and Joy Kanne. Each was paired with a veteran instructor for their first year and everything went very well. The new instructors may have learned the most of everyone who attended the classes this year, and they are ready to go next year. We also had a couple people audit the classes this year as they are considering taking over an instructor position in coming years. PVC is a great way to get your feet wet in instructing, so anyone who is interested in doing some teaching in the future please contact me.

Last year, with the weather challenges, resulted in a few questions about moving the classes back a few weeks. Many of us remember the blizzard last year and the late harvest the year before during PVC, so we know there is no ideal time. Every year is different, so trying to find the middle ground is our goal. Fortunately the weather cooperated this year.

## 2011 PVC Course Content Included:

- Assessor duties – local vs. county
- Timeline for assessment cycle
- Basic laws/principles
- Assessment/Appraisal terminology and definitions
- Valuation – market value
- Law changes summary
- Difficult taxpayers/public relations
- Manufactured homes and park and travel trailers – real vs. personal
- Sales ratio refresher/CRV's
- Tax calculations
- Classification review
- Special programs overview
- Homesteads
- Open books, local boards, county boards, - the assessor's role
- Tax Court
- Website info for MAAO, the legislature, and Department of Revenue
- Agricultural market and current trends
- Legal descriptions

The reviews for all classes were very good, and attendees seemed to very much enjoy all the instructors – both the PVC and guest speakers. The most-often mentioned course favorite is the amount of interaction and discussion that takes place at these courses. The networking and hearing how others deal with the same issues we all deal with each day is very helpful in getting our work done efficiently and consistently.

Another favorite listed as the best part of the course was the special guests who bring a wide variety of information, experience and knowledge to our various classes. Some of the guest speakers were:

- Homark Homes - characteristics, features and construction of mobile and modular homes
- Ottertail Power Company - energy requirements for dwellings
- Greg Thomas, Upper Midwest Management Co. - Agricultural market and current trends
- Howard Person - Agricultural markets

Some of the other most-enjoyed items listed in the reviews this year were:

- best practices
- tables and schedules
- humor
- discussion about ag/rural land classes
- Green Acres discussion
- residential valuation discussion
- law changes updates
- classification
- machine/pole sheds discussion
- discussion on what is a cabin

We are already working at plans for next year and anticipate a good 2012.

--Submitted by Dan Whitman,  
Martin County Assessor



# State Board of Assessors Meeting Minutes

Provided by Pam Lundgren  
Minnesota Department of Revenue

## August 16, 2011

### Department of Revenue Stassen Building, St. Paul

Chairperson Doreen Pehrson called the meeting to order at 9:30.

Dave Marhula was unable to attend; all the other members were present.

The Minutes of the May 23, 2011 meeting were read and discussed. Brian Koester made a motion to approve the minutes as read. Gregg Larson seconded the motion. The motion carried.

#### Announcements:

On April 8, license renewal forms and transcript data for the four-year cycle were mailed out. A total of 941 forms were sent. To date 891 licenses have been issued; 47 Record Retention Requests have been processed. The Board received 8 notifications of retirement with a request to remove the assessors' names from the databases. Those assessors' files have been removed from the databases and the paper files will be stored for a year pursuant to Rules Chapter 1950.1070, Subp. 4a.

Jason Vaith, MAAP President, submitted revised documentation for the 2011 MAAP Summer Workshop. They adjusted the time frames for the approved presenters and a revised description of Jason Parker's presentation. This request was handled via an email vote and MAAP was informed on June 30, 2011 that workshop attendees are eligible for 10 CEH's.

Effective July 1, 2011 the IRS mileage rate is 55.5 cents per mile. This change is reflected in the expense reports for this meeting.

The list of licensed assessors was sent out to county assessors on July 27th. The list contained the name, license number, license level and income qualification of all assessors whose applications for renewal were postmarked by June 30<sup>th</sup>.

CMA Applications (received prior to July 1, 2011):

Steve Hurni made a motion to award the Certified Minnesota Assessor License to the following individuals:

Mary Burns, Licensed Appraiser  
Andrea Fish, Property Tax Division  
Alex Guggenberger, City of Minneapolis  
Christopher Link, St. Louis County  
Stan Moellers, Vanguard Appraisal  
Dan Panka, Lincoln County

Brian Koester seconded the motion. The motion carried.

#### Appointments with the Board:

Steve Behrenbrinker joined the meeting to discuss the two 15-hour courses he has prepared on House Construction and Measurement, etc. and the Mini Mass Appraisal course. The drafts of the course content were discussed. Some concern was expressed that candidates were not required to receive this information until obtaining their AMA license – the information is good and something that all entry-level assessors should have. More discussion regarding requirements will likely take place at a later meeting.

Gregory Kiecker, Local Assessor in Sibley and Renville Counties, met with the Board for his Accreditation Oral Interview. His education includes Courses A, B, H, F, J, IAAO 102 and 400, and USPAP. Mr. Kiecker's Form Report passed the grading committee in October 1989, and he passed the Residential Case Study Examination in June 2010. Mr. Kiecker has 39 years of

assessment experience, and he is applying for the Accredited Minnesota Assessor license. Deb Volkert made a motion to award the Accredited Minnesota Assessor License to Gregory Kiecker. Brian Koester seconded the motion. The motion carried.

Joe Udermann, Faribault County, met with the Board for his Accreditation Oral Interview. His education includes Appraiser License Number: 20517522 and Courses: Assessment Law and Procedures, Mass Appraisal Basics, Basic Income Approach to Value, Assessment Administration, and Income Approach to Valuation. His Form Report passed the grading committee in May 2011, and he received a passing score on the Residential Case Study Exam later the same month. Mr. Udermann has the equivalent of three years of experience via his appraisal license and two years of assessment experience. Mr. Udermann is applying for the Accredited Minnesota Assessor license. Steve Hurni made a motion to award the Accredited Minnesota Assessor License to Joe Udermann. Brian Koester seconded the motion. The motion carried.

Steve Hurni excused himself from the interview for Sherri Kitchenmaster. They are co-workers.

Sherri Kitchenmaster, Property Tax Division, met with the Board for her Accreditation Oral Interview. Her education includes courses A, B, H, J, K, IAAO 102 and 151, Principals of Rural Appraising from AFSMRA, and MAAO Assessment Administration. Ms. Kitchenmaster's Form Report passed the grading committee in June 2011, and she passed the Residential Case Study

Exam the same month. Ms. Kitchenmaster has 11 years of assessment experience, and she is applying for the Accredited Minnesota Assessor license. Brian Koester made a motion to award the Accredited Minnesota Assessor License to Sherri

*Do You Have Assessor Licensure Questions?*

Contact Pam Lundgren,  
Secretary to the State Board of Assessors  
651-556-6086 or [pam.e.lundgren@state.mn.us](mailto:pam.e.lundgren@state.mn.us)



Kitchenmaster. Jan Jackson seconded the motion. The motion carried.

Request for Continuing Education Hours:

Susanne Barkalow from the NAIFA submitted a request for CEH's for the seminars she'll be teaching. Gregg Larson made a motion to approve the following 3 seminars:

Mortgage Fraud – 4 hours  
Appraising 2-4 Family Properties – 7 hours  
The 2010-2011 National USPAP Update – 7 hours

Mike Amo seconded the motion. The motion carried.

Dan Whitman, Martin County Assessor, requested CEH's for the 2011 PVC seminars. Brian Koester made a motion to award 6.5 CEH's per day of attendance for a possible total of 13 hours for the 2011 PVC Seminars. Steve Sinell seconded the motion. The motion carried.

Tami Paulson, Olmsted County, requested CEH's for the Fall Conference to be held at Rutgers Sugar Lake Lodge in Cohasset from October 9 – 12, 2011. Some additional information arrived over the lunch hour and was added to the request. Deb Volkert made a motion to obtain more information before approving the seminars. Gregg Larson seconded the motion. The motion carried. (After the meeting further information was obtained regarding the seminars and members voted via email to award 8 CEH's to assessors who attend one 8-hour seminar and 4 CEH's for each 4-hour seminar.)

Al Heim, Roseau County Assessor, is requesting CEH's for a Vanguard CAMA presentation on July 22<sup>nd</sup>, 2011. The county is in the process of implementing a new system and held an information and training session from 8:30 to 1:00 pm with a 10 minute break. Steve Hurni made a motion to deny this request. The content does not meet the requirements under the new rules. Computer system training must be transferable as statewide information and not just apply to a specific vendor's system. Gregg Larson seconded the motion. The motion carried.

As part of the general CEH discussion we also discussed breaks. A motion was made by Steve Hurni and seconded by Brian

Koester to allow 15 minute breaks as part of the course – one in the AM and one in the PM. The motion carried. Breaks do not reduce the course time, however, lunch breaks are not counted.

Discussion Items:

Elective Options-  
Members discussed what can be used as the elective that is now required for AMA.

Jan Jackson made a motion that two 15-hour tested courses may be eligible as equivalent to an elective. Deb Volkert seconded the motion. The motion carried. In the past, the board only considered week-long courses for licensure. The board will now consider tested 15-hour courses as well. Courses must be presented to the board for approval.

Steve Sinell made a motion to accept the two 15-hour classes that Steve Behrenbrinker had proposed in his earlier visit with the board as eligible for the elective and also for continuing education. Jan Jackson seconded the motion. The motion carried. The two courses Steve Behrenbrinker had discussed were House Construction and Measurement, as well as a Mini Mass Appraisal course.

Steve Sinell made a motion to temporarily accept PACE as eligible for the elective until June 30, 2012. Brian Koester seconded the motion. The motion carried. If an assessor is awarded their AMA during the current four-year cycle and takes the PACE course as their elective, that PACE course is acceptable as the elective if/when they obtain their SAMA license under the current rules at a later time.

Deb Volkert made a motion to accept tested weeklong courses from the following organizations as eligible for the elective: MAAO, IAAO and the Appraisal Institute.

Discussion resulted in clarifying that individual college courses will not be considered for the elective unless the course is an appraisal or assessment course.

Appraiser License and National Designation  
Equivalency -

Steve Sinell made a motion to accept an appraiser license as the equivalent of the Residential Appraisal Principles and the Residential Appraisal Procedures courses. Brian Koester seconded the motion. The

motion carried.

Deb Volkert made a motion to accept an MAI as equivalent to Residential Appraisal Principles, Residential Appraisal Procedures, two income courses, the elective, the residential demonstration narrative and the income demonstration narrative. Brian Koester seconded the motion. The motion carried.

Miscellaneous Discussion –

The continuing education request form will be revised to include requiring more detailed descriptions of the course and the number of hours for each part of the course.

The board discussed how the new rules apply to currently licensed assessors that are applying for a higher level of licensure. For example, if the applicant was allowed a non-MAAO course such as accounting to be used as an elective for CMA, then that elective course still fulfills the elective requirement under the new rules.

Due to time constraints, the following items were tabled until the September meeting.

1. Mike Amo on the removal of the RES, AAS, SRA designations from the alternate lists for AMA and SAMA for the next rule changes.
2. RE Degree– what requirements does it meet under new rules?
3. Review of assessor licensing manual incorporating new rule changes.

There being no further business, the Chairperson set the date of the next meeting as Tuesday, September 27, 2011 in the St. Peter Room on the third floor of the Nicollet County Government Center. We will convene at 9:30 AM.

Steve Sinell made a motion to approve payment of expenses incurred in conjunction with the meeting. Mike Amo seconded the motion. The motion carried.

Brian Koester made a motion to adjourn. Gregg Larson seconded the motion. The motion carried.





# A "Sweet" Time

Written by Jan Olsson, SAMA, RES  
City of Plymouth Assessor



*The Conference Host Committee Welcomes Guests*

It is hard to believe that MAAO has been in existence for 65 years! The annual Fall Conference was held at Ruttger's Sugar Lake Lodge outside of Grand Rapids. The lodge is nestled by the lake and is surrounded by a beautiful golf course and numerous types of accommodations ranging from cabins to lodge suites to condominiums. The staff could not have been more accommodating or the scenery more beautiful. MAAO had the complete run of the facility from free rounds of golf to the exclusive use of Jack's Bar and Grill.

Sunday began with the Executive Board meeting from 1-4. The lodge lobby was the site for the opening reception. A buffet dinner followed in the Otis' dining room. After dinner you were free to wander the grounds, stop in at Jack's, or gather around the bonfire.

The Commissioner of Revenue, Myron Frans, and the Director of Property Tax, John Hagen, addressed the morning session. Commissioner Frans spoke of tax policy and goals for the Department of Revenue.



*Director of Property Tax, John Hagen*

Director Hagen announced that the new forward looking sales ratio methodology would not be applied to agricultural land in its first year in certain cases. Also in attendance were various staff members and regional representatives from the Department of Revenue to speak on new policies at the DOR and to answer any questions. Topics of discussion included: the new sales ratio methodology, the eCRV, and the homestead market value exclusion.

Following the morning session, the official MAAO business meeting was called to order by President Cheryl Wall. We were welcomed by an Itasca County Commissioner and were introduced to the host committee. The host committee did an outstanding job throughout the entire conference and deserves a big round of applause! The Region Directors and Committee Chairs gave an overview of their region's past year of activity. A fish dinner and music at Jack's rounded out the day.

Tuesday was a continuation of the annual business meeting. Certificates of Recognition for 10, 15, and 20 years of membership were presented during the meeting. Nominees for



*Sunset over Sugar Lake*





*Doreen Pehrson and Steve Baker*

the Executive Board Officers were presented and resulted in the election of:

- President - Stephen Baker
- 1<sup>st</sup> Vice President - John Keefe
- 2<sup>nd</sup> Vice President -Marvin Anderson

Flowers arranged by the Host Committee complimented the head table at the banquet Tuesday night. Eighteen individuals were recognized for 25, 30, 35, and 40 years of service. Thanks to the eighteen recognized for all their years of service and continued membership with MAAO. The Peter M Koole Top Pen award recipient was Solomon Akanki for his article: Assessment in Nigeria”. “GIS: A Tool for Assessors” by Randy Lahr and “Ralph Englestad” by Adeline Olsen took 2<sup>nd</sup> and 3<sup>rd</sup> place respectfully. Numerous others were acknowledged for their year(s) of service to the organization.

We were honored to have in attendance IAAO President Bruce Woodzell. He presented a first time free membership to Kelly Schroeder from Isanti County. He also invited everyone to the next IAAO annual conference to be held in Kansas City, Missouri next fall. Kansas City is the international headquarters of IAAO.

Once again a special thanks to the Host Committee: Brain Connors, Amber Peratalo, Beth Ann Mackey, and Kelly Whitted and the Conference Coordinators: Paul Knutson and Tami Paulson. Without them the

conference would not have been the success that it was! A list of the MAAO sponsored education offering that were presented is below along with a big thank you to the instructors.

- Education Offerings included:
- Golf Course Valuation
  - Lakeshore Valuation
  - Small Town Commercial
  - Conservation Easements
  - Ratio Topics for Assessment & Appraisal



*IAAO President Bruce Woodzell*



*Former MAAO President Bill Peterson*







*The Simple Guys*



*Scenic Sugar Lake*



*30 Year Members: (Left to Right) Dave Armstrong, Scott Lindquist, Richard Peterson, Glen Purdie*



*Past President Cheryl Wall*



*New MAAO President Steve Baker*



## Notes and News from IAAO



Provided by Stephen Baker, SAMA, CAE  
Rasmey County  
Tom May, SAMA, AAS  
IAAO Representatives

### The IAAO Conference

The IAAO Conference was held recently in Phoenix, Arizona and was presided over by President Bruce Woodzell. The Conference was well attended and Minnesota was very well represented by assessors, supervisors and appraisers from a number of Minnesota jurisdictions. Our attendees included MAAO President Cheryl Wall.

The signs at the conference pointed to IAAO to being particularly strong today. IAAO has more involvement of international members, more International Conference attendees, and this year's 55 new designees seemed to be a record number.

One of our own, Jan Olson, City of Plymouth, was nominated for the Stacey Ford award and John Jacobson, Ramsey County, was one of the new CMS designees.

### Executive Board Meeting Notes

The IAAO Executive Board just met in Savannah, Georgia. Some of the business conducted included:

- Approval of the 2012 budget.
- The scholarship fund was increased. Additional monies were designated toward the international scholarship fund.
- Council/Sections Committee has been revamped.
- The Accredited Member program will be continued. A person needs 195 credits and for a nominal fee can use the title IAAO Education Accredited. Hopefully this will increase participation in IAAO educational offerings. More information is on the IAAO website: [www.IAAO.org](http://www.IAAO.org).
- The results of the election are announced December 15.
- The 2 for 200 membership campaign is underway.
- Fair & Equitable is available on line.
- An on-line ratio workshop will be available after the first of the year.
- 2011 Conference materials are available on-line.

- The new Fundamentals of Mass Appraisal textbook is available for sale.
- All books (except the new one) will be discounted November 28 to December 31 by 10%.
- The IAAO conference will be in Kansas City next year. This is a great opportunity for more Minnesota assessors to attend as it is a drivable distance. Opening reception will feature BBQ from KC Masterpiece, Gates, and Arthur Bryant's!

### MAAO and IAAO

The MAAO Executive Board has for the past couple years has expressed a desire to renew and review our role as an IAAO chapter and as an IAAO Affiliate. Minnesota has a history of having a high number of IAAO designees, award winning publications and members, and a Minnesota IAAO President – Gay Aldinger back in 1990.

The feeling is we need to continue to ensure this relationship remains strong. MAAO Education Chair Bob Wilson and Weeklong Course Committee Chair Dave Armstrong are considering opportunities to offer more IAAO education and to encourage our members to seek IAAO accreditation.

We have submitted to IAAO President Debbie Asbury the name of MAAO President Stephen Baker as a new Minnesota IAAO rep. Stephen will replace Doreen Pehrson who has stepped down to focus on her assessor duties and her duties as chair of the State Board of Assessors. Stephen has been an IAAO member since 1993 and earned his CAE designation in 1996.

### KEY REASONS TO BECOME AN IAAO MEMBER

**Education:** Cost effective education programs help you meet the challenges of an increasingly complex career. IAAO offers a range of educational opportunities for the beginner to seasoned professional. Textbooks are known for their depth and quality of information.

**Professional Designations:** Receive certification that recognizes professionalism, and competency in matters regarding property appraisal and assessment for property tax purposes.

**Publications:** Fair & Equitable and Journal of Property Tax Administration IAAO's monthly and quarterly publications bring you up-to-the-minute perspectives and research on today's assessment issues.

**Members-only Access and Discounts:** Receive special rates on publications, text books, technical standards, seminars, and conference registration. Utilize special sections and resources on the IAAO Website including access to the library through memberlink and the Glossary for Property Appraisal and Assessment.

Our heartfelt thank you to Doreen for her service to MAAO and IAAO as a Rep – she will be missed.

### On-line Courses

IAAO now has nine on-line educational offerings. These include courses on the Cost Approach, the Income Approach, the Sales Comp Approach, Site Analysis, Mass Appraisal, Commercial Case Study Review, Standards, SPSS for Appraisers, and Mathematics for Assessors. IAAO is also offering a series of two-hour webinars that feature topics relating to assessment practices, market conditions, or tax court.

### Join IAAO Now!

Pay only \$200 for two years of membership. Two hundred dollars now and no additional dues until January 2014!





# Property Tax Working Group Update

## Property Classification Made Simple



Written by Stephen Behrenbrinker, SAMA, CAE  
City of St. Cloud Assessor  
MAAO Past President  
MAAO Member - Property Tax Working Group

### Background

Minnesota Statutes, Section 270C.991 Subdivision 4 establishes a Property Tax Working Group (PTWG). The goals of the working group are:

- To investigate ways to simplify the property tax system and make advisory recommendations on ways to make the system more understandable;
- To examine the property tax calendar to determine what changes could be made to shorten the two-year cycle from assessment through property tax collection; and
- To determine the cost versus benefits of the various property tax components, including property tax classifications, credits, aids, exclusions, exemptions and abatements, and to suggest ways to achieve some of the goals in simpler and more cost-efficient ways.

The PTWG is to make recommendations to the legislature by February 1, 2013.

### Update on Activities

The Property Tax Working Group (PTWG) has generally met monthly since October 2010 in St. Paul. The last meeting was held November 16, 2011. The PTWG formed two subcommittees; a Classification Subcommittee and an Agricultural Subcommittee. The Classification Subcommittee Chairperson, Luayn Murphy provided a summary of the recommendations of the subcommittee. The subcommittee recommends that all of the current classifications be grouped into a 4 category classification system: Residential, Agricultural, Business and Other. The committee took all of the current classifications and sorted them into these four categories. The committee then looked at the shift that this would cause within each classification and among the four classifications. The subcommittee also recommended eliminating certain classifications that apply to only a minimal

### The 12-member working group consists of the following members:

Kathleen Gaylord, Chairperson, Association of MN Counties  
Rep. Denise Dittrich, MN House  
Rep. Greg Davids, MN House  
Sen. Rod Skoe, MN Senate  
Sen. Warren Limmer, MN Senate  
Thomas Mould, Homeowner  
Eric Sorensen, Homeowner  
Luayn Murphy, League of MN Cities  
David Fricke, MN Association of Townships  
Matt Van Slooten, MN Chamber of Commerce  
Chris Radatz, MN Farm Bureau, MN Farmers Union; Thom Petersen, alternate  
Stephen Behrenbrinker, MN Association of Assessing Officers  
Jason Nord, MN Department of Revenue (non-voting)

number of properties. The entire PTWG will be reviewing these recommendations and attempting to come to a consensus at a future meeting and address how to summarize this in a final document. The Agricultural Subcommittee Chairperson Stephen Behrenbrinker summarized that subcommittee's discussion and recommendations which are consistent with MAAO's legislative position statement. The subcommittee's consensus recommendations are as follows:

- Consolidate agricultural land and buildings (excluding house, garage and one acre) into one property class with a single classification rate. Changes to the qualifications for agricultural homestead have added to the complexity of administration of the agricultural homestead classification and confusion on the part of taxpayers.
- Agricultural property should receive the homestead classification and benefits the same as any residential property; the property must be owned and occupied by an individual. Partnerships, LP's, LLC's, LLLP's, would no longer qualify. Partial interests, special agricultural homesteads, fractional, relative, cross county line, and actively farming classifications would be eliminated. The concept of "a house is a house" would apply to agricultural property also.
- Homestead classification would be the house, garage and one acre only on agricultural property.
- Homestead benefits would not extend beyond the first acre. The house garage and one acre would be subject to all voter approved and capital improvement referendums.
- All other farm land would be taxed at a single tax rate with no limitations on acreage or valuation. Farm land would not be subject to any voter approved or capital improvement referendum.
- Eliminate homestead tier, borrowing, and credits.
- Eliminate the agricultural homestead credit.
- Any transition of tax rates should be analyzed to determine if a phase-in of the change is appropriate or if tax shifts should be handled by the Minnesota Property Tax Refund system.
- Support the concept of a "house is a house" whereby expanding homestead benefits to all residential and agricultural properties of 1-3



units by either a value exclusion or other forms of a tax credit.

- Consider the requirement of submitting Farm Service Agency information to determine tilled acres.

Some of the positive outcomes of these proposals may be:

- A simpler more understandable transparent tax system for tax payers and administrators.
- Promotes the concept of “a house is a house” on all properties.
- Reduced cost for tax calculations and record management.
- Eliminate the need for creation and management of a number of reports.
- Reduces the cost for local and state government.
- Allows the legislature to grant targeted tax relief based on personal income through the Property Tax Refund System.

Some of the negatives outcomes of these proposals may be:

- Tax shifts (intentional or unintentional).
- May create the need for property tax refunds or phase-in of rates.
- Perceived loss of homestead benefits by taxpayers.

- May complicate the interaction of other programs such as Green Acres or Rural Preserve.

Jason Nord, DOR, presented a spreadsheet showing the tax impact if all agricultural land had a class rate of .75 or a .50 class rate. The tax shift to homestead farm properties is a concern of the committee members. These agricultural issues will again be discussed by the group with a goal of coming to a final consensus at a future meeting.

The committee, with the assistance of DOR staff is developing the “Preliminary Recommendations of the Property Tax Working Group” which is a draft working document of the final findings of the working group. In general, the consensus of the PTWG is to consider the following principles in their final recommendations:

- The number property tax classifications should be reduced and all properties should be divided into four general categories.
- The property tax classification system should be reflective of the use of the property not the owner.
- Any benefit (reduced tax) to the owner should be through the property tax refund system.
- A house is a house and should be taxed

the same regardless of ownership or occupancy.

- Property tax should be a local tax only.
- Any new classifications should have an impact on a significant number of properties not a select few.

Thanks to Jason Nord, Eric Willette, Jessica Thompson Harding and Department of Revenue Staff for their on-going contributions and to John Hagen for his support of the committee’s work. Thanks to the MAAO Legislative Committee, including Bill Effertz, and Tom Dybing for their insight and involvement in this process along with Tom May and Rob Vanasek.

The next meeting of the PTWG is January 18, 2012 in St. Paul. Meeting times are 9:30-11:30 am. All meetings are open to the public and a number of assessors have attended the meetings. All reports, agendas and meeting minutes are available at: [www.taxes.state.mn.us/property/pages/workgroup.aspx](http://www.taxes.state.mn.us/property/pages/workgroup.aspx). The website also includes background information, studies, reports and presentations.

If MAAO members have questions or comments they are welcome to contact me at 320-650-3352 or [Stephen.behrenbrinker@ci.stcloud.mn.us](mailto:Stephen.behrenbrinker@ci.stcloud.mn.us)

## Seeking Nominations:

The Nominations Committee is seeking candidates for  
*MAAO Second Vice President*  
to be elected at the 2012 Fall Conference

Candidates are being sought from the outstate areas.

**We are also seeking candidates for Region Directors from Regions 2, 3, and 4**

**For more information, or to make a nomination, contact:**

Michelle Moen, SAMA, Nominating Chair

555 18th Ave SW

Cambridge, MN 55008

763.689.2752 Fax 763.689.8226

[michelle.moen@co.isanti.mn.us](mailto:michelle.moen@co.isanti.mn.us)



# Canada

Written by Solomon Akanki, AMA  
Scott County  
Editorial Committee Member



Canada is one of the world's wealthiest nations, with a very high per-capita income. It is one of the world's top ten trading nations. Canada is a mixed economy, ranking above the United States and most western European nations on the Heritage Foundation's index of economic freedom. The largest foreign importers of Canadian goods are the United States, the United Kingdom, and Japan. In the past century, the growth of Canada's manufacturing, mining, and service sectors has transformed the nation from a largely rural economy to an advanced, urbanized, industrial one. Like many other wealthy nations, the Canadian economy is dominated by the service industry, which employs about three-quarters of the country's workforce. However, Canada is unusual among developed countries in the importance of its primary sector, in which the logging and petroleum industries are two of the most prominent elements.

governed as a parliamentary democracy and a constitutional monarchy with Queen Elizabeth II as its head of state. The Queen resides predominantly in the United Kingdom; as such, her formal representative, the Governor General of Canada, carries out most of the federal royal duties in Canada. It is a bilingual nation with both English and French as official languages at the federal level. Canada has six cities with a population of over 1 million people. Toronto is the largest city in Canada, with a population of over 5 million. The table below shows the population of the six largest cities.

CITY	POPULATION
Toronto	5,113,149
Montreal	3,635,571
Vancouver	2,316,581
Ottawa-Gatineau	1,130,761
Calgary	1,079,310
Edmonton	1,034,945

United States border. In common with many other developed countries, Canada is experiencing a demographic shift towards an older population, with more retirees and fewer people of working age. In 2006, the average age of the population was 39.5 years.

Legislative power over property rights is the preserve of the provinces. The ownership of real property in Canada is subject to the government powers of taxation, eminent domain, police power, and escheat. The bundle of rights theory applies in all Canadian jurisdictions, and the terms fee simple, leased fee estate, and leasehold estate have the same meaning in Canada as in the United States of America. In Canada, there are two systems of recording title to land: the registry system which originated in the United States and the land title or Torrens title system, which was developed in Australia.

Because of Canada's close proximity to the United States and the obvious economic similarities between the two countries, it will be very interesting to know what similarities and/or differences exist between them. Please join me as we explore our North American neighbor, Canada.

The population of Canada is currently estimated to be 34,674,000. The main drivers of population growth in Canada are immigration and, to a lesser extent, natural growth. About 80% of Canada's population lives within 93 miles of the

Income Approach

The direct capitalization method is used when future net earnings are predicted to be relatively stable. The discounted cash flow (DCF) method is employed when future cash flows are expected to vary over the projected investment period. Both methods are market-derived and many appraisals include both direct capitalization and the DCF method. Office leases are typically triple net, with an annual rate expressed in dollars per square foot and rents payable monthly. In recessionary periods, landlords often offer incentives to prospective tenants such as free rent, tenant improvement allowances, and other inducements. Office leases are typically for five years or more. Gross leases are also found in the Canadian market,

Canada consists of ten provinces and three territories; Ontario is the most populous province with about 13.2 million people followed by Quebec with approximately 7.9 million people. Spanning over 3.85 million square miles, Canada is the world's second largest country by total area, and its common border with the United States is the longest land border in the world. Canada is a federal state that is





particularly in the case of government tenancies, but the net lease predominates.

Sales Comparison Approach

The direct comparison approach is a traditional method of valuation in Canada and is included in most appraisal reports. It is the approach most easily understood and applied when comparable market evidence is available. The approach is most applicable to the valuation of single-family housing and non-income properties. Vacant land is normally valued by direct comparison.

Cost Approach

The cost approach is routinely included in appraisals but rarely relied upon for the final estimate of value. Sources of cost data include cost manuals and local contractors and builders. This approach can produce accurate results when improvements are new and represent the highest and best use of the property. Practical considerations can weaken the accuracy of the approach when it is applied to older buildings or buildings that do not meet the test of highest and best use.

Provincial Structure

In Canada assessment of two identical properties, in different provinces but with the same factual circumstances, may differ significantly depending on the valuation standard in those provinces. For that reason, care must be taken in applying cases across provincial boundaries. To illustrate assessment practices in Canada, this article will focus on the province of British Columbia. An important aspect of Canadian assessment law is the relationship between actual value and equity. A corollary of the public nature of assessment has been the development of the concept of equity. Equity is not a concept that is employed in income tax law in Canada. Income tax is calculated based on confidential private returns that are essentially self-assessments. Assessment rolls, however are public documents open for inspection. The objective determination of actual value and the maintenance of equitable assessments are important features that reinforce confidence in assessment and taxation.

In Canada, the federal government has broad taxation powers pursuant to the Constitution Act (1867) under which the provinces are given primary jurisdiction over property, local institutions, education, and civil rights. To obtain the requisite

funding for these endeavors, the provinces are given the limited power of direct taxation. All the provincial real property assessment schemes are based on the principle that the amount of tax paid by each person is based on the value of the property owned, referred to as an ad valorem tax system. This idea provides the foundation for the assessment legislation within each Canadian province.

Thus in Canada, real property assessment is administered and regulated by each province. There is an exception for unoccupied federal property. Such property may be assessed provincially but ultimately the “grants in lieu” that the federal government voluntarily pays local and provincial governments are based on a federally legislated regime (Payment in Lieu of Taxes Act 1985).

Taxation Year

All real property is assessed at its real and

true value as of January 1 each year. The taxation year is the calendar year - January to December

Responsibility for Payment

Technically, the responsibility for payment of property taxes generally rests with the property in Canada. Practically tax bills are sent to owners unless the owners have made other arrangements; for example, bills often are sent to mortgage holders.

Appeal Procedures

To protect taxpayers, a robust appeal process has been created, but this relates only to assessments, not to taxes. Once an assessment has been entered on the assessment roll, the Assessment Act requires that those who wish to appeal the assessment file a notice of the complaint with the assessor on or before January 31 of the year following the completion of the current assessment roll. The appeal is directed to a Property Assessment Review Panel (PARP) and may be commenced by an owner, a complainant who is not the owner, the assessor, a third party, the municipality, the assessment commissioner, or the Minister of Finance. The fact that third party non-owners can appeal assessments illustrates the essentially public nature of assessment. An example of a third party is a lessee; the court concluded that as tenants liable for payment of property taxes, the tenants are indeed “persons affected” and have standing to appeal the assessment.

The PARP is responsible for completing all reviews before March 16 of the year following the year in which the assessment was recorded on the assessment roll. Once these reviews have been completed, the assessment roll is revised to include the new PARP decisions and any revisions made by consent between the owner and the assessor. This is called the “revised roll”. Once the PARP adjudications are complete, the assessors are responsible for delivering a notice of decisions to property owners and /or complainants if the complainant is not the property owner (this notice must be delivered by April 7). If the person receiving this notice is unhappy with the decision of the PARP, he or she has the option of appealing to the Property Assessment Appeal Board (PAAB) by April 30. There are strict time limits for board appeals, and failure to meet these limits will cause the appeal to be found invalid.



# What's up with the new Market Value Exclusion Law

Written by Nancy Gunderson, SAMA  
City of Moorhead  
Editorial Committee Member



With the 2011 Special Legislative Session, the Legislature and the Governor reached a budget balancing agreement that appears to have sent a shockwave through the complete state as to local property taxes. A new property tax program called the homestead market value exclusion was created to replace the existing market value homestead credit. The State of Minnesota was having considerable budget issues of its own and hadn't been able to pay jurisdictions some or the entire amount of the credit reimbursement in the past. With this new program, the levy of all local forms of government will now be shouldered by the local property taxpayer. In some counties, taxpayers will inherit the liability of having to make up for the loss of millions of dollars in credit payments from the

state. While this new law that saves the state \$260 million, it transfers that cost directly on to the local communities.

In spite of the action that counties, cities, townships, school districts, watersheds, or any other local government entity may take, they cannot undo the effects of this law change. Without the credit payment, our local entities will be taking considerable pressure for this impact to local property taxes. In a lot of situations, local officials had to lower their levies – not simply keep it flat – if there was any hope of preventing increases to taxes.

The exclusion not only does away with the credit reimbursement, it also lowers the tax base of each jurisdiction. All tax classifications will take on some of the

“lost revenue” burden; some classes more than others. The make-up of the jurisdiction will tell the story. The tax shift could go to agricultural land, commercial/industrial properties, non-homestead and seasonal residential, apartment, or rural vacant land. It just depends on the makeup of the particular community.

Research around other parts of the state was performed. Farley Grunig, Jackson County, Bob Hanson, Hubbard County, and Jon Klockziem, Hennepin County, have examined and analyzed the impact of this new law. Each has taken the time to prepare some analysis as to the impact to communities within their own respective county.

## Jackson County

When comparing property taxes payable in 2012 with those paid in 2011 in Jackson County, there are three significant factors that need to be considered.

1. The legislated change in the tax computation process.
2. The relatively stable market values for all classes of property other than rapidly inflating farm land.
3. Budget increases.

The first impact of the legislated change in the tax computation process is the change in the tax capacity calculation process for homestead residential property. Under the “Old Method” the tax capacity of Jackson County for pay 2012 taxes would have been 14% greater than the tax capacity under the “New Method.” This additional tax capacity would have resulted in lower NTC tax rates for all properties compared to the preferential treatment being given to homestead residential properties under the new method.

The second impact of the legislated change is the loss of the Residential Homestead Market Value Credit. If the state had paid the credit in compliance with the old statute, for taxes payable in 2011 all districts in Jackson County combined would have received \$864,000.

In order to provide the services their citizens expect, the local districts were not able to reduce their budgets for 2012 to offset the loss of the credit. Instead the districts had to levy the same amount for 2012 that what was levied in 2011 with the local taxpayers picking up the tab for the portion previously paid (or at least planned to be paid) by the credit. For taxes payable in 2011 this credit accounted for 5.4% of the total taxes levied locally.

For the 2011 assessment, the basis for taxes payable in 2012, there was very little change in estimated market value in Jackson County except for increases in farm land. The overall county increase in agricultural value was 9.2%. Even

without the law change this increase in farmland values with other values remaining steady would have resulted in a tax shift. For taxes payable in 2011 agricultural classed property accounted for 73% of the total county tax capacity. For taxes payable in 2012 the agricultural share increased to 77%.

Many townships are operating with minimal funds in reserve. Last winter's high snow fall and long winter resulted in higher than normal snow plowing and road maintenance costs. To offset these increased costs most of the townships increased their levies. The average increase is \$5,000. For 2012 the average township levy is \$78,800 and represents an average increase of 6.8%. Three of the cities have been able to budget for a zero increase. The other three cities have increases ranging from \$4,900 to \$22,200. Jackson County is the home county for two school districts. For both, changes in net tax capacity levies were offset by changes in their Market Value levies. The net result is one



school district with an overall increase of \$8,100 or 0.9% and the other with an overall increase of \$76,600 or 2.4%. The county's proposed levy is an increase of \$465,000 or 5.5%.

The net impact of all of these changes varies significantly from property to property and from district to district. Reviewing the notices of proposed taxes in the city with the district with the highest total local net tax capacity tax rate, many of the commercial, industrial, and non-homestead residential properties have increases in the 20% to 25% range. Residential homestead properties in this same district have typical net tax changes in the -5% to -15% range. The city has slightly over 100 homes with an average value of \$37,600.

In the township with the district with the lowest total local net tax capacity tax rate there is only one real estate parcel with any value classified as commercial or industrial. This township is almost entirely agricultural. Typical tax increases are in the 10% to 15% range.

In the City of Jackson, most changes for homestead residential property were in the range of -6% to +6%. Agricultural properties in the city typically have increases in the 15% to 20%. Commercial and Industrial changes are typically in the 5% to 6% range.

In all cases there are situations with changes outside the typical.

With the distinction of being the largest county in the state in terms of market value (\$127B), Hennepin County has a long history of adaptation and accommodation to programs that shield market value and reduce tax capacity. It would be hard to argue that programs like Green Acres, Veterans Exclusion, Open Space, and Limited Market Value did not achieve maximum magnitude in Hennepin County when compared, at least on a total dollar basis, with other counties.

So, how is Homestead Market Value Exclusion (HMVE) any different? The

What would have happened to taxes if the tax computation laws hadn't changed and if the state for 2012 had paid the full credit?

The software available does not have the capability to do the entire tax calculation process under the old rules using the new budgets. Nor does it have capability to use the new rules and the old budgets. Instead districts were selected and manually calculated to see what the rates would have been with the new budgets under the old rules.

In most cases the rates for pay 2012 using the old rules and new values would have been very similar to pay 2011 rates with the townships rates decreasing slightly. Taxes on non-agricultural property would have remained steady while taxes on agricultural property would have increased with typical increases being around 5%.

The latest wrinkles we have found involve an impact on Non-Homestead Seasonal Residential Recreational taxes versus Homestead Residential taxes and that classed 1b, Residential Blind/Disabled Homestead.

Following are examples that brought this issue to light.

A Non-Homestead Seasonal Residential Recreational property is valued for taxes payable in 2012 at \$289,100. It is located in a township and school district that have rates very typical for the area. The total local net tax capacity tax rate

used to calculate the pay 2012 proposed taxes is 77.503. The referendum market value tax rate is .38227. Township local NTC tax rates for the 2012 proposed taxes range from a low of 52.643 to a high of 78.446 with the majority in the 70's. Referendum rates range from .25628 to .67042.

The total net taxes including the state general property tax for the property classified Non-Homestead Seasonal Residential Recreational is \$2,752.

The total net taxes if classified as Homestead Residential would be \$3,259.

A net penalty for being classified homestead of \$507.

The other situation where the new law is having what appears to be an unanticipated impact is on the taxes for property classed 1b, Residential Blind/Disabled Homestead. A taxpayer, with a home valued at \$48,900, brought this to the county's attention. Her total property taxes paid in 2011, including both NTCT and Referendum Tax was \$142. Under the Residential Homestead Exclusion, her proposed taxes payable in 2012 are \$234, an increase of 64.8%. Recalculating her proposed taxes using the old Residential Market Value Credit method and the actual rates for the proposed 2012 taxes results a 16.9% increase. This increase is still overstated because the NTCT rates would have been lower under the old method. Another impact of the law of unintended consequences.

### Hennepin County

answer is threefold and is encapsulated in the way the program is structured.

First, the credit is lost along with tax capacity. The credit was a source of revenue, the loss of which increased the need for more funding from property tax, even with a level budget. The loss of tax capacity is a shift that mitigates the loss of the credit for a property class subset at the expense of the other property classes. This shift will be enlarged in future years if values are decreasing, but are still above \$76,000.

Next we have the pervasive nature

of homesteads across the county. With approximately 78% of residential properties being homesteaded, and a median market value of \$215,000 on residential properties, one can begin to understand how this exclusion will stack up over several hundred thousand parcels.

Finally, the lack of homogeneity between communities with regard to residential market values produces a disparate impact that further shifts burdens at the county level. For example, Brooklyn Center with a median residential value of \$134,000 will exclude far more value





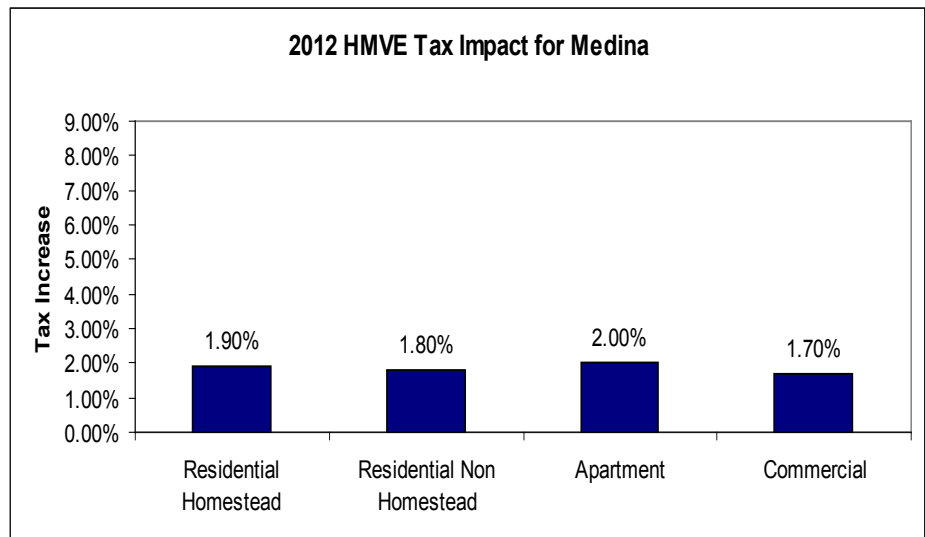
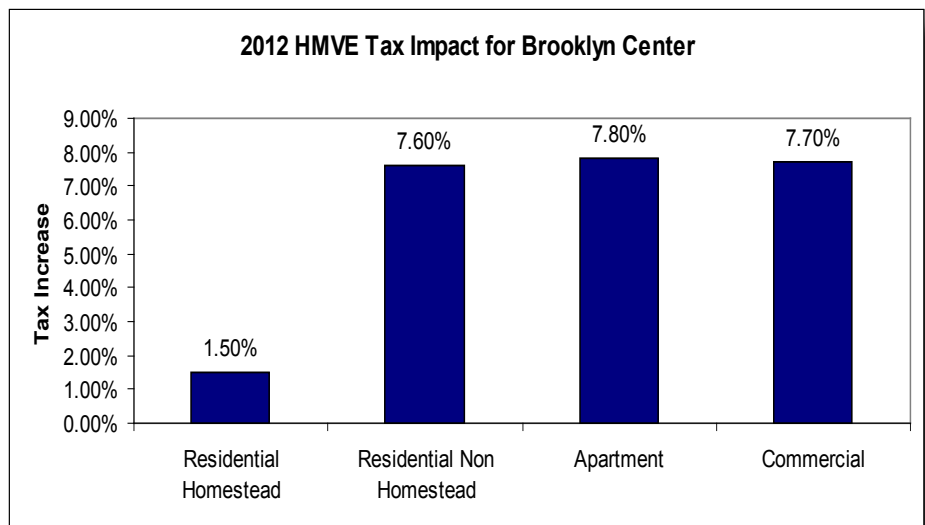
than Medina with a median residential value of \$528,000.

When compiled, the impact on city and county budgets as a result of HMVE becomes apparent. The exclusion will result in over \$5 billion in market value that will not be taxable for 2012. Using a composite tax rate, this translates into approximately \$55 million in tax. To put that in perspective, the cities in Hennepin County levied \$638,300,000 in property taxes in 2010. The HMVE figure represents over 8.5% of that amount.

On a more individual basis, the following two charts show the results due to HMVE alone for two communities. Brooklyn Center, as stated earlier, has a median residential market value of \$134,000 and Medina's median is \$528,000.

Not only can we see a shift due to HMVE within communities and classes of property as Brooklyn Center demonstrates, but the smaller increase in Medina is due primarily to the shift between communities.

HMVE originated from a contentious and intermittent legislative session in which some fiscal decoupling between state and local governments was deemed necessary. The debate over the limit of fiscal independence local governments should have and be responsible for may have reached its climax or fracture point for the property tax.



**Hubbard County**

In 2011, approximately \$1,356,475 of “Homestead Credit” was slated to be reimbursed by the state (credited) to the county, cities, townships, school districts and special taxing districts in Hubbard County. The recent legislative changes have resulted in the elimination of the Homestead Market Value Credit and replaced it with the Homestead Market Value Exclusion. Due to the elimination of this funding, all property owners will share in making up these funds.

Prior to the change, the level of homestead benefit was dependant on only one factor – a property’s value. This caused the old benefit to be independent of where you

live. Whether your house was located in downtown Minneapolis or the far reaches of outstate Minnesota, if the values were the same, the amount of tax relief (credit) was the same. This is no longer the case under the new rule. The new method of tax relief is not a direct credit to your net taxes; rather it reduces your property’s taxable market value, which in turn decreases your tax base (Net Tax Capacity), which in turn, when multiplied by your general tax rate, will reduce your net taxes.

The above is illustrated in graphs depicting the estimated impact of the new legislation on properties located in

two different unique taxing areas within Hubbard County. Prior to the change, a house with an Estimated Market Value of \$75,000 would have received a homestead credit of \$300, regardless of where it was located in the county. However, based on the new calculation method, a \$75,000 homesteaded property in Arago Township with a tax rate of 60.40% is going to see tax relief of \$181.20 (\$30,000 of Excluded Value x Class Rate of 1.00% x Tax Rate of 60.40% = \$181.20); the same property in Park Rapids City, with a tax rate of 114.40% is going to see tax relief of \$343.20. In essence, the benefit of homestead in Arago has decreased from the previous year, while the benefit in Park



Rapids City has increased. This is evident in the graphs: estimated net taxes in Arago Township (most notably with Residential Homesteaded properties), on a percent level, will see significantly more increase from Pay2011 to Pay2012 as compared with net taxes paid in Park Rapids City.

Residential properties are not the only class feeling the impact due to the recent changes. Because the new legislation reduces taxable market value, it also reduces the tax base of every district. This decrease in the tax base affects all properties by effectively raising the

tax rate. This result is illustrated in the two graphs of Hubbard County where all classifications of property are seeing their general tax rates increase from the previous year (even with county and local levies basically remaining unchanged).

As one can see, there is definitely a reoccurring theme happening all over the state. There is a definite shift to other property types as well as increasing taxes for all types of properties. Based on feedback from these assessors, turn out at their county-level Truth in Taxation meetings was very light. Most believe this

was due to the extensive media coverage – be it in print, radio, television or web access as well as work done by fellow assessors across the state in educating our fellow taxpayers to this new program.

**PARK RAPIDS CITY = Tax Rate of 114.3830%**

	50,000	75,000	100,000	125,000	150,000	175,000	200,000	225,000	250,000	275,000	300,000	400,000	500,000	600,000	700,000	800,000	1,000,000
Res-Hmstd	0.5%	0.6%	2.1%	3.0%	3.6%	3.9%	4.2%	4.4%	4.6%	4.7%	4.8%	5.1%	5.1%	5.2%	5.2%	5.2%	5.3%
Res-NonH	4.3%	4.6%	4.7%	4.8%	4.9%	4.9%	5.0%	5.0%	5.0%	5.1%	5.1%	5.1%	5.1%	5.2%	5.2%	5.2%	5.3%
SRR	4.7%	4.9%	4.9%	4.9%	4.9%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Ag/RVL	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%
Comm/Ind	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
Aprtmtnt	0.7%	0.8%	0.9%	0.9%	1.0%	1.0%	1.0%	1.0%	1.1%	1.1%	1.1%	1.1%	1.2%	1.2%	1.2%	1.2%	1.2%

*These graphs show the disparity between two townships in the same county. One, Park Rapids has homesteaded property taxes increasing with value. While the other, Arago Township sees the most increases at or near the \$76,000 mark.*

**ARAGO TWP = Tax Rate of 60.3990%**

	50,000	75,000	100,000	125,000	150,000	175,000	200,000	225,000	250,000	275,000	300,000	400,000	500,000	600,000	700,000	800,000	1,000,000
Res-Hmstd	31.8%	37.8%	24.4%	17.6%	13.6%	11.0%	9.2%	7.8%	6.7%	5.9%	5.2%	3.4%	3.2%	3.3%	3.3%	3.3%	3.4%
Res-NonH	2.4%	2.7%	2.8%	2.9%	3.0%	3.0%	3.1%	3.1%	3.1%	3.1%	3.2%	3.2%	3.2%	3.3%	3.3%	3.3%	3.4%
SRR	2.8%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
Ag/RVL	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%
Comm/Ind	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%



# RISING TO MEET NEW CHALLENGES



Written by Marvin Anderson, SAMA  
MAAO Second Vice - President  
Brooklyn Park City Assessor

Phoenix, Arizona was the host city for the 2011 International Association of Assessing Officers annual conference September 18 – 21. They say Arizona has a dry heat, don't believe it. Hot is hot.

The welcome reception was held a few blocks from our hotel at Chase Field, home to the Arizona Diamondbacks, 2011 National League West Champions. It was a time to reconnect with friends, make new ones and try different ballpark food choices.

The opening session was highlighted by Native Spirit, who provided the entertainment and hoop dancing exhibition by a world champion, and keynote speaker Dr. Dennis Deaton.



*Chase Field, Home of the National League Arizona Diamondbacks*



*City of Minnetonka Assessor, Rebecca Malmquist, Presents Social Media*

The main focus of the conference is education. Attendees could choose between eight different tracks, commercial, residential, and personal property appraisal; tax policy and appraisal standards; technology; management; personal development; and IAAO – spanning the globe. MAAO was well represented with Rebecca Malmquist, Minnetonka leading a discussion on Social Media and Your Jurisdiction: What You Need to Know and Jack Pasternacki, Assessing in Today's Market – Working Without a Net.

Another popular session was Mortgage Fraud in Arizona. This discussion was led by Assistant US attorney Kevin Rapp and FBI Special Agent Sabrina Hemphill. Also, Regional Mall Valuation Issues for Assessing Purposes with Peter Korpacz and Mark Kenney was well attended.

MAAO was well represented during the awards ceremony on Tuesday morning. Jan Olsson, Plymouth was nominated for the Stacy Ford Award recognizing the IAAO representative of the year. Equal Eyes was also nominated for the Zangerle Award. This award is presented in recognition of an outstanding periodical or publication of an assessors' association, IAAO chapter or similar organization. While neither was presented their awards we thank them for their work to MAAO and IAAO. John Jacobson of Ramsey County was also recognized for earning the CMS designation from IAAO. Congratulations to John for becoming the first Cadastral Mapping Specialist in Minnesota.

The conference is not all work. The evenings were open and allowed the attendees to visit the different attractions in downtown Phoenix or catch a ballgame.

The IAAO conference provides great educational opportunities, but I believe the greatest advantage is to network with your peers from around the country and the world. They have the same problems and concerns as we do, and it is good to get different perspectives. The 2012 conference will be held in Kansas City, hope to see you there.





## Transitions

Compiled by Nancy Gunderson, SAMA  
City of Moorhead  
Editorial Committee Member



### Tom Zander, SAMA retires from the City of St. Michael

Tom started assessing for the City of St. Michael in 1987 as a part time job. At the time, he was also working for the St. Michael Post Office. During the day he would deliver mail, and he worked on the assessment at night after his mail route was completed.

He retired from the Post Office in 2007 and retired from the City of St Michael in October 2011. Tom has many other interests that will keep him busy: his family farm near Howard Lake, golfing, fishing and of course, his family (he's a grandpa!). He is also Congressional President at his church and Past President of Friends of the Library.



### Larry Daigle Retires From Itasca County

After 35 years in the Itasca County Assessor's Office, Larry Daigle is calling it a career.

Larry reported for his first day of work in August of 1976. Many things have changed since then, and Larry grew with the assessment profession. Starting as a staff appraiser, he was promoted first to Office and Database Manager, and next to the Chief Deputy Assessor position. Larry's leadership and work enabled Itasca County to be the first jurisdiction in the Minnesota Counties Information Systems (MCIS) consortium that fully implemented their CAMA system. He quickly became Region IV's go-to guy for advice on working with the MCIS programs.



Larry's plans for retirement aren't elaborate. "I'm not planning on a lot of travel," he says. "Computers will always fascinate me, so I'd like to

continue to work with them in some way. Maybe I'll spot an opportunity to do some free-lance consulting or MCIS training."

Larry expects to stay busy in other areas, as well. He is an avid fisherman and hunter, but when asked what will occupy most of his time, he replied, "Home repair - first, my daughter Alyssa's home always seems to need something, and I'll continue to put the finishing touches on the new home that I built for myself and my wife Denise."

Larry's last "official" day of work is December 16, 2011. On behalf of MAAO, his many friends and co-workers in Itasca County, Region IV and statewide, we wish Larry Daigle all the best in the next phase of life!



## Revisiting the Retirees:

# M. Lynn Duncan

Researched and Written by Corey Erickson, AMA  
Ramsey County  
Editorial Committee Member



*This issue, we catch up with M. Lynn Duncan, the former City of Duluth Assessor*

Since I started writing this column three issues ago, I have featured three guys, and zero young ladies. So, for the winter issue, I thought this should change. I was successful in finding the perfect candidate, former Duluth City Assessor, M. Lynn Duncan.

When asked about some of her memories from working in the Duluth assessor's office, Lynn first recalled how much she enjoyed inspecting all of the historic and "regal" mansions within the city but then was quick to add that her best memories were the times

After listening to Lynn talk about the many years she worked as an assessor, it became clear she has a very light hearted personality, and she said she always tried to keep things fun around the office.

Like many of us, Lynn began her career in assessing because of a connection with someone already in the field. In Lynn's case, it was her cousin Scott Lindquist who worked in the Duluth Assessor's Office and recommended Lynn come on board to fill a residential appraiser opening. Lynn got the job and it was the start of a 29 year career in assessing.



*M. Lynn Duncan and her family at Disney World*

Lynn's career progression to the top post in Duluth was steady and without any detours. From that first residential position, she was soon promoted to a commercial appraiser then to Assistant City Assessor in 1986 and finally to City Assessor in 1992, the position she held until her retirement in 2006.

In addition to several other appraisal organizations, Lynn was a member of IAAO and was also very active in MAAO, serving for many years on the Legislative Committee, for a term as her MAAO region's director, and as our organization's president in 2001.

spent with her co-workers. In particular, Lynn wanted to make sure I mentioned the famous "in office" annual Christmas parties at the Duluth assessor's office that were always very memorable.

The party was a potluck, and apparently these parties were so well known, people from other Duluth city offices would usually make a point of attending. Former Duluth assessor Jerry Carlson was Santa Claus and for all of you who may be wondering, all of this merriment took place without alcohol. So, sounds like we need to find out when the 2012 party is, and make plans to head to Duluth next December!

She misses her coworkers, and still manages to get together with them once in awhile. Lynn also spoke of the fondness she had for her fellow assessors, and the importance of networking in the assessing field, especially when dealing with different court cases.

Lynn always found it amazing how other assessors were always

very willing to take time out of their busy schedules to discuss a particular issue with a court case. Lynn's love of golf no doubt made networking with other assessors a little more convenient and pleasurable.

Lynn thinks she might have unintentionally ducked out early from a class or two at a MAAO conference to catch a round of golf with her fellow assessors... purely for networking purposes, of course.

Lynn also remarked about how important it is for city and county assessors to have good relationships with the folks at the Department of Revenue. Any guess who Lynn's favorite DOR employee is? None



other than the Director of Property Tax, John Hagen.

Some advice Lynn would offer to new assessors would be to simply listen. “Listen to property owners and other assessors,” Lynn explained. She explained that it’s important to listen to property owners out of respect, but more importantly to learn the facts of their situation or concern.

“Too often many of us try to justify or defend our point of view without knowing the facts of a situation with a property owner,” Lynn added. Very true. In terms of listening to fellow assessors, Lynn explained that it’s important to learn from them.

Like most, or maybe all of our retirees, Lynn

is really enjoying retired life! Interestingly enough, Lynn confessed that it took a full two years to not feel guilty about not heading to work every day.

So, although her retirement started with a little guilt, it was smooth sailing once that went away. She enjoys no longer having all the responsibilities and stress associated with being a city assessor.

One reason Lynn feels she is enjoying her retirement so much is because she has so many outside interests. “Before retiring, it helps to have interests and hobbies outside of work,” recommends Lynn.

Besides golf, Lynn loves to travel as can be seen from the photo included of a recent trip to Disney World with her daughter, son-in-

law and two grandchildren. Lynn has two adult children and four grandchildren she enjoys spending time with.

In addition to developing other interests prior to retirement, Lynn offers some more practical advice to soon-to-be retired city and county assessors. “If you can control it, don’t implement any new technology changes in the year or two prior to retiring.”

I think we can all relate to this wisdom with the many new CAMA and tax systems around the state. In fact, I’m guessing some of you might advise to just never implement new computer systems period. Now that’s an idea.

In closing, Lynn wanted to send a “hello” to everyone, and to wish her fellow assessors a happy 2012!

**MAAO Snapshot:**  
*Average Current and Starting Salaries  
As Surveyed in 2011, by Region*

<i>MAAO Region</i>	<i>Average Current Salary</i>	<i>Average Starting Salary</i>
One	\$55,000.00	\$44,000.00
Two	\$58,000.00	\$45,000.00
Three	\$68,000.00	\$47,000.00
Four	\$62,000.00	\$47,000.00
Five	\$65,000.00	\$46,000.00
Six	\$69,000.00	<b>\$55,000.00</b>
Seven	\$61,000.00	\$46,000.00
Eight	\$52,000.00	\$42,000.00
Nine	<b>\$76,000.00</b>	\$54,000.00
<b>Grand Total</b>	<b>\$63,000.00</b>	<b>\$47,000.00</b>





# The Chair's Corner:

## Staying Current with MAAO's Committees

# Education Committee

Written by Bob Wilson, SAMA  
Compiled by Julie Gustafson, SAMA  
City of Maple Grove  
Editorial Committee Member



### Education Committee

Committee Chairperson:  
Bob Wilson  
City of Edina Assessor

### Committee Members:

Region 1: Joy Kanne, Mower County  
Region 2: Mike Wacker, Watonwan County  
Region 3: Brian Koester, Benton County  
Region 4: Mary Black, Cook County  
Region 5: Byron Stewart, Nobles County  
Region 6: Wayne Anderson, Pope County  
Region 7: Lee Brekke, Wadena County  
Region 8: Cheryl Grover, Clearwater County  
Region 9: Kim Jenson, Hennepin County, Co-Chair  
DOR: Gary Amundson  
Weeklong Course Committee: Dave Armstrong, Le Sueur County  
PVC Coordinator: Dan Whitman, Martin County  
Conference Coordinator: Paul Knutson, Rice County  
Asst. Conf. Coordinator: Tami Paulson, Olmsted County

Tell me and I'll forget. Show me, and I may not remember. Involve me, and I'll understand.

Like many professions, education is critical to the success of assessors. Ralph Waldo Emerson once said "What we have learned from other becomes our own reflection". The Education Committee plays an important role in ensuring that assessors reflect a positive and professional image.

Specifically, the Education Committee assists in MAAO's mission to promote education, accreditation and professionalism in the area of ad valorem assessment administration. The main duties of the committee are to provide continuing education for assessors at three different venues: Summer Seminars, Fall Conference and the Property Valuation Courses.

The committee works with the MAAO Executive Board, Minnesota Department of Revenue and State Board of Assessors to provide quality education that benefits assessors with varying levels of experience, education and responsibilities.

Members of the committee are represented by all nine regions and meet three times a year to assemble educational topics and

instructors for the coming year and review the seminar evaluations from the past year.

A lot of work is accomplished in a relatively short period of time. The committee's brainstorming sessions occur at the August and November meetings with the goal of finalizing the educational offerings at the January meeting. The committee is currently working on the proposed seminars for 2012.

Much work is involved in researching topics that include residential, agricultural and commercial issues and finding instructors for each of these areas. It has been goal of this committee to have each region responsible for at least one seminar each year.

Some of the seminars are presented by MAAO committees such as the Agricultural, Sales Ratio and Tax Court/Valuation committees. Others are presented by experts outside of the assessing field. More recently, roundtable formats for seminars have generated good discussions and allowed more assessors to become involved in presenting material for shorter periods of time.

This past year, twelve different seminars were presented to over 300 assessors at the Summer Seminars in St. Cloud. There

were 133 attendees, including six appraisers from North Dakota, that attended the five seminars at Grand Rapids in October. Over 100 assessors attended one of the five locations for the Property Valuation Course in October and November.

The committee also assisted the Department of Revenue in facilitating the Ethics for Minnesota Assessors course, which was presented to 142 assessors in five different regions in 2011.

One of the goals for the committee has been instructor development. An "Instructor Training Workshop" was held in St. Cloud last March for prospective and current instructors. The topics included being prepared, attire and presentation, body language, learning styles, adult learning and using PowerPoint. We had 23 attendees and the instructor was Susanne Barkalow who has served on NAIFA's National Education Committee and has participated in NAIFA's annual instructor clinic.

A year ago, the committee met with the State Board of Assessors to discuss the implementation of the new rule changes for licensure levels and the requirements for granting continuing education which took effect July 1. Prior to that, the Education





Minnesota Association of Assessing Officers

Executive Board Meeting Calender:

- ~ February 2-3, St. Cloud, Kelly Inn ~
~ May 22, St. Cloud, Holiday Inn ~
~ October 22, Brainerd, Breezy Point ~

Chair's Corner, continued

Committee provided input to the State Board regarding the proposed changes.

Recently, a new standardized curriculum, workbook and PowerPoint were developed by the Department of Revenue and incorporated into this year's Property Valuation Courses. The new workbook was well received and will be an excellent resource for assessors.

Going forward, the Education Committee will be working closely with the Weeklong Course Committee to help develop new courses and workshops that are currently not covered in the core courses. Topics would include rural, commercial, industrial and apartment appraisal.

The Committee would also like to partner with the IAAO reps and professional designation advisors to promote IAAO courses and designations. It was 10 years ago that Minnesota took home the Virginia Cup for having the most IAAO designations conferred within one year. It would be great to have our name on the cup again!

Bob has been the chair of the MAAO Education Committee since 2005. He began his career at Hennepin County in 1981. Bob served as a residential appraiser for the City of St. Louis Park from 1983 to 1988.

He was employed for 15 years as the Hopkins City Assessor and has been the

Edina City Assessor since 2003. Bob first became involved in assessor education when he was a "Short Course" (now the PVC) instructor 20 plus years ago.

Bob believes that the most critical issue facing the Education Committee is finding more people who are willing to teach and or develop seminars.

Minnesota's assessor education program has been, and continues to be, one of the best in the nation. This is due in large part to people who have given their time and talents over the years in seminar/course development and teaching. To continue in this tradition, more people need to step up to the plate. They also need supervisors to encourage and support people in their office who want to get involved in education.

If you have any interest in the education committee's responsibilities, please do not hesitate to contact Bob or another committee member. Sometimes we hesitate to do so due to fear of the unknown and limited availability.

Keep in mind that many committees would welcome your help at whatever level fits your interests and schedule. Your involvement in the Education Committee can range from researching a topic and helping find an instructor to teaching weeklong courses to helping plan and develop curriculum.

Bob's personal goals for the Education Committee mirror those contained in MAAO's Vision Statement, which are:

- 1. Improve and expand our education programs at all levels,
2. Maintain reasonable costs for programs,
3. Continue a strong connection with the International Association of Assessing Officers, and
4. Promote the professional development of all members.

In summary, the Education Committee plays a vital role within MAAO, in assessor education, and in maintaining the professional image of our members. The committee members should be commended for the time and effort they put into ensuring that we receive the best possible education in our field.

In addition to their contributions to assessor education, Bob indicated that they are a great group of people. He really enjoys working with them, and feels honored to be able serve as their committee chairperson.

We are thankful for the dedication of these individuals to the goals of our organization. Without them, the road to accreditation and assessor professionalism would be much more difficult to traverse. Remember...

"Instruction ends in the school-room, but education ends only with life"
-- Frederick W. Robertson



# The Modern-Day Assessor's Office

Written by Lori Thingvold  
Wright County  
Editorial Committee Member



reflects off the target and back to the sending device (in this case, a laser distance meter).

This “time of flight” principle is based on the fact that laser light travels at a fairly constant speed through the Earth’s atmosphere.

Inside the meter, a simple

I don’t think anyone has actually ever used the method shown above to calculate distance, but the ever- changing world of technology has had major impacts on the field of assessing. Let’s take a look at a few great inventions and how they’ve changed our lives:

## Measuring Devices

Not so long ago, our main distance calculator was a tape measure, and it was pretty foolproof. The concept was simple: hook one end on the side of a building and walk to the other end, dodging shrubs and egress windows along the way. When finished, let the tape fall, wind up the handle, and then repeat the process on the next wall.

It was fairly easy and involved minimal risk, but could become time consuming and difficult if there were obstacles in the way. A bit of trivia: the tape measure was invented in 1868. I guess we were due for some technology.

Ready, aim, measure. The tape measure has been surpassed (for the most part) by a small handheld laser distance meter, which will cast a beam of light to your destination point and give you an accurate digital measurement. How it works: A laser distance meter emits a pulse of laser at a target. The pulse then

computer quickly calculates the distance to the target. This method of distance calculation is capable of measuring the distance from the Earth to the moon within a few centimeters.

Laser distance meters may also be referred to as “range finders” or “laser range finders.” These will work great if you have a target. For example, the area just between the siding and the corner trim on the wall of house is a great target area. A house with brick siding or any another flat surface can be hard to measure with this device. In these situations, a clipboard or other object placed at the end of your surface can work well as your target. You might also look for gutters, downspouts, or deck railings that will pinpoint your destination.

## Photographs

There is much to be said about the evolution of photography over the last several decades. Remember 35mm film, Polaroid pictures, and flash cubes? Years ago, it was considered high-tech to use an instant camera, which would spew out a blank card of emulsion at the push of a button; then like magic the photo would slowly appear before your eyes.

I can still hear “Don’t touch the picture until it’s dry.”

As assessors, some of us have probably gone from using no camera at all, to the Polaroid “Insta-Matic,” to the digital camera. Today we are able to download our digital photographs directly to our computers and save them to a file.

Just like a conventional camera, the digital camera has a series of lenses that focus light to create an image of a scene. Instead of focusing this light onto a piece of film, it focuses onto a semiconductor device which records light electronically. A computer then breaks down this electronic information into digital data.

The amount of detail that the digital camera can capture is called the resolution, and it is measured in pixels. The more pixels the camera has, the more detail it can capture and the larger pictures can be without becoming blurry or grainy.

Some typical resolutions include:  
256x256 - Found on very cheap cameras, this resolution is so low that the picture quality is almost always unacceptable. This is 65,000 total pixels.

640x480 - This is the low end on most “real” cameras. This resolution is good for emailing or posting pictures on a website.

1216x912 - This is a “megapixel” image size - 1,109,000 total pixels - and would be good for printing pictures.

1600x1200 - With almost 2 million total pixels, this is “high resolution”. You can print a 4x5 inch print taken at this resolution with the same quality that you would get from a photo lab.

2240x1680 - Found on 4 megapixel cameras. This is the current standard and allows for even larger printed photos, with good quality for up to 16x20 inch prints.

4064x2704 – A top of the line digital camera with 11.1 megapixels takes pictures at this





resolution. At this setting, you can create very large prints with no loss of picture quality.

### Aerial Photography

The days of using oversized 1/2 section maps with aerial photos have taken a backseat; first to GIS (Geographical Information Systems) and then to Pictometry.

GIS operates on many levels. On the most basic level, GIS is used as computer cartography, i.e. mapping. It uses the geographical features of spatial data (referenced to locations on the earth) along with attribute data (additional information about each of the spatial features) in order to map and analyze.

Pictometry creates and provides oblique aerial imagery combined with geospatial data to deliver unique mapping applications to its customers. The aerial images are taken in a pattern and stored with the geospatial data that represents exactly where the images were taken.

The images are taken at an angle instead of straight down. A single location is photographed four times from four different points of view: east, north, south and west. The images are later combined into large viewable maps. With Pictometry, you can see the sides of buildings as well as the roof. The imagery from four different angles allows us to explore an object in three dimensions.

### Internet

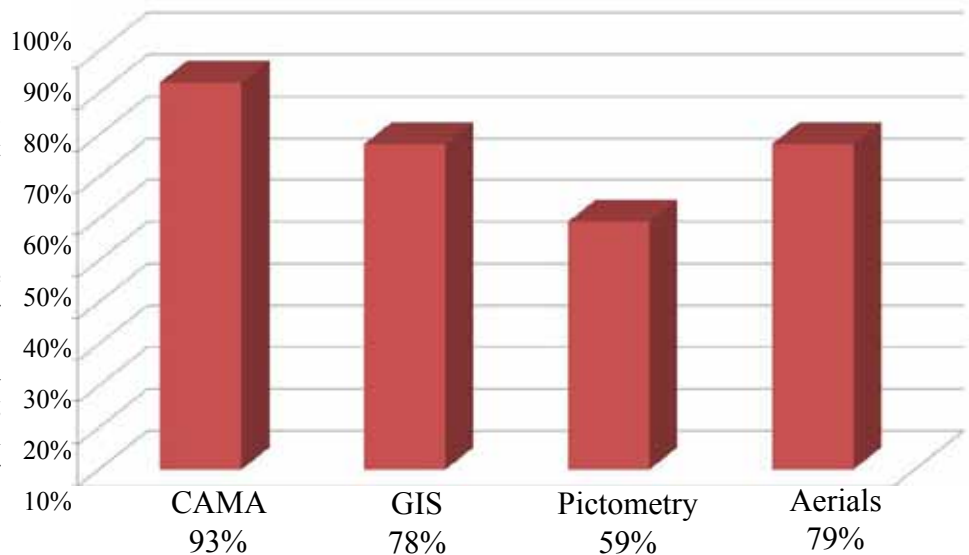
With a wealth of information on the web, we are able to raise our awareness of almost any topic. Before the advent of the information superhighway, our means of finding pertinent information was limited to newspaper listings, sales flyers, and word of mouth.

Today, access to real estate websites such as MLS (Multiple Listing Service) is beneficial in locating sales and listing information. Thanks to the internet, we are able to provide assessment records and tax information to property owners via website.

### Spreadsheet Applications

Computers have been around for a long time, thus so have spreadsheets. But what if we didn't have them? Everything would have to be handwritten and hand calculated, and then we'd have to start over every time new information is received.

Percent of 54 Surveyed Assessor's Offices using Technology



These days it's so easy to track and sort all kinds of information such as style of home, square footage, number of bedrooms, and neighborhood sales just to name a few.

Spreadsheets are composed of several rows and columns. The general function of the spreadsheet is to organize data in an easy to read and understandable format.

The space where data can be entered is called a cell. Each cell in the spreadsheet contains data relevant to the task at hand. The spreadsheet is then set up with automatic functions, called formulas.

Once a spreadsheet is set to specific needs, it can be manipulated with a sort feature. Do you want to find the ratio of two-story home sales in a specific neighborhood or the median sale price of townhomes vs. single family homes?

The results can be found very quickly with a simple spreadsheet. Having specific information at your fingertips is very helpful in valuing, equalizing, and relaying information to the taxpayer.

### Field Data Collection

A common practice in field data collection might be to carry a clipboard containing some type of computer generated field card, make handwritten notes, and then return to the office to enter the new data into a mass appraisal system.

Technology has its place, even in data collection. There are other options out there, with some offices on the cutting edge.

Gary Griffin, Land Services Supervisor for Crow Wing County is using another system. They load PDF's on handheld PC's and link them into their GIS parcel mapping so the assessors can pull the parcel's information. PDF's, or portable document format, is a distribution format developed by Adobe to allow electronic information to be transferred between various types of computers.

Gary says it has worked well for the most part, but they've experienced some issues with overloading. They are currently looking at new devices with larger processors. They also use auto text to quickly add notes to the assessment records and Gary is working with the MCIS group to develop an automated in-field data collection process.

These are a few items that come to mind regarding technology and the assessor's office. Minnesota Assessors seem to be moving toward new technology to help them with their duties.

It will be interesting to see how things change over the next several years as new products and services are implemented. What's next? An Assessor App for the Ipad? Voice activated data entry?

I have a feeling the technology being used today varies greatly across the state. Some of you may be using far more advanced techniques than others, but there's one thing we all have in common; technology has changed our lives, and rest assured your job is much easier today than it was in the past.....or is it?



## FACEBOOK, LINKEDIN, TWITTER... MEMBERCLICKS?

Written by Kelly Lemke  
Stearns County  
Information Systems Committee



So what exactly is this term that we hear on a daily basis these days? Social Media? While some may think this is just something the “kids” are into, social media and building online networking communities can benefit everyone.

Facebook, Twitter and LinkedIn are the three most popular social media sites out there right now but how many of you have heard of Member Clicks?

Member Clicks is MAAO's version of an online community that is just getting off the ground for the Minnesota assessing community. It's new, it's exciting and here is how you can get connected.

Let's start from the top so we don't leave anyone out.

### To get started:

1. Log into the MAAO website and click on **Edit My Profile** in the *Quick Links* box on the right hand side of the Member Home page.

It should look like the image below.

2. Next upload a profile picture or edit your existing one.

This can be done by clicking on **Change Profile Picture under the My Status box**.

3. Make connections with friends and colleagues.

On the top of the page there is a **Connections** Tab, click on it and you can begin searching colleagues, Region members, County Assessors - anyone whoyou would like to

interact with professionally on our social media website. Watch your profile page; you will be notified when a member wants to connect with you.

4. Create or join a Circle to engage in special interest groups.

This is done by clicking **Start a New Circle link under the My Status box or click Circles under My Features** to view and join an existing circle.

5. Send private messages to one or more members at a time that you have established a connection with.

You can do this by clicking on **Write Message under the My Status box, then highlight the colleagues you wish to include in the message by using your**



**shift key, then click on add participants near the bottom of the box, and begin to compose your message.**

Watch your Inbox tab. When one of your member connections has sent you a private message, your Inbox tab will be red with the number of messages you have waiting.

You might wonder: why would I use this when I can simply send an e-mail or make a phone call? By using these online community features, you can do it all in one web stop. You can send out messages, while posting a concern or comment to the forum board, while answering a group discussion question in My Circle.

This is a wonderful way to maintain working relationships while not having to use a more personal social media website such as Facebook and worrying that your professional contacts do not want to see the 76 most recent pictures of your child's first day of school.

Online communities can give our organization a vital method for increasing member engagement. It will empower our

membership by encouraging us to take a more active role in our organization.

Rather than using an online community to simply push out news, we are encouraging members to provide input on the content being shared. We hope you find it easy to create your own discussions about topics that are important to our organization by allowing you access to communication tools and forums.

One way to spur conversation is to take advantage of status updates and wall posts. Our members' status updates provide us with a great opportunity to start conversations. By responding to what's on their mind, you're showing that someone is listening and that increases a sense of community.

Photo galleries give you a perfect opportunity to add some personality to your profile. The more we know about each other professionally, the stronger the sense of community.

It is also important to make content shareable. Content that is interesting or fun will be shared more widely than a bland mission

statement. Providing a list of copy-heavy pages is not going to help reach new targets because nobody is excited to share boring content. And let's face it, as assessors we see our fair share of paperwork and memos!

By creating content with sharing in mind, you are able to extend its reach significantly and build memorable connections between members.

We want our members to have a sense of investment in the MAAO community. A successful professional community all comes down to building meaningful relationships. With real content, genuine intent, a little personality and the right tools, our community will build itself.

So make an effort to hop on MAAO's Online Community, get out there and play around with all of the amazing features it has to offer. You can't break it, wreck it or even disable anything. The more you use it, the more comfortable you will feel working on the website, and soon you will understand what all these "kids" are talking about!

## REMINDER: Request For Web Resources:

The Research and Planning Committee sent out a note to all members requesting resources to share on the MAAO website.

There are helpful tools that many offices use that could assist other assessors. The Executive Board thought that it would great to have a location to share these tools/data with each other.

The type of information we are looking for includes:  
applications, survey forms, spreadsheets/guides used in calculations,  
form letters, and any policy/office procedures.

Please send all documents to one of the following members:

Michelle.moen@co.isanti.mn.us  
Paul.sandvik@co.hennepin.mn.us  
Joshua.hoogland@co.hennepin.mn.us







# Ag Land: Sold at Auction

# SOLD!!

## 155 deeded acres - Waseca County

**SOLD! November 2011 for \$1,289,125 or \$8,295 per acre**  
**Northwest ¼ of Section 32, New Richland Township, Waseca County, MN**

Deeded Acres – 155.41      Tillable Acres – 151.80  
Crop Equivalency Rating – 86      Crop Productivity Index – 94.1  
Corn Base – 95.4 Acres      Yield – 120 bu  
Bean Base – 49.8 Acres      Yield – 34 bu

The house had been split off many years ago.

These auctions typically result in sale prices that are higher than an arm's-length market transaction. Farmers tend to get into bidding wars - driving the price up. In 2011 this type of property, on the open market and outside an auction, would normally sell for closer to \$5,300 per acre rather than the \$8,300 per acre auction price.

While this sale may be on the high end of the current market, a recent story featured on Minnesota Public Radio reports that those prices may be the new norm. The story even featured a quote from Dan Whitman, Martin County Assessor.

### Farmland Prices Near Record Rates

by Mark Steil, Minnesota Public Radio

St. Paul, Minn. — Minnesota farmland prices are rising at near record rates, according to the most recent estimate from the Federal Reserve Bank of Minneapolis.

Federal Reserve officials say the higher prices reflect a strong agricultural economy. Some are concerned that land prices could be the next real estate bubble, but so far there's no sign of a downturn.

The Fed survey of bankers in its five-state area shows that farmers are bidding land prices to never-before-seen heights, in some cases over \$10,000 an acre.

In Minnesota, land prices at the end of September were about 28 percent higher than a year earlier, Federal Reserve officials say. Other Midwest states are seeing similar increases. South Dakota and Iowa are up about 30 percent and Nebraska nearly 40 percent.

Joe Mahon, an economist for the Federal Reserve Bank of Minneapolis, said bankers that responded to the survey attribute the sharp increases to high farm profits.

“What's driving the higher land prices is simply

that what you can produce with the land is more valuable,” Mahon said. “The commodity prices are still very strong, if you look at corn, wheat and soybean prices. And also livestock prices as well.”

Those high prices are driving farm profits into record territory. The U.S. Agriculture Department estimates 2011 net cash income for farmers will rise nearly 18.9 percent, topping \$100 billion nationwide for the first time in history.

Farmers are putting much of that money into land. For Minnesota, the 28 percent increase in land prices means the total value of all the cropland in the state has increased by about \$17 billion dollars in just the last 12 months.

The strong agricultural economics are giving farmers both the financial wherewithal and the confidence to spend more on their operations, whether it's for machinery, buildings, or more land.

“I've never seen anything move as fast, and jump to these astronomical levels as I have in the last 36 months,” auctioneer Chuck Sutton said.

Sutton has been in the business for more than three decades. A month ago, in the southwest part of the state, he auctioned off 150 acres that

may have set an all-time record for Minnesota farmland. The selling price: over \$12,000 an acre. Sutton said in today's land boom, the highest prices are paid by farmers who have a chance to buy land that's within a mile or so of their homes.

“This gentleman that bought that farm at \$12,400 an acre, lived right across the road, so essentially he bought his front yard when he bought that property that day,” Sutton said. “And with a son involved in his farming operation, this may well be one of the very few chances that they're going to get to buy land in that neighborhood.”

The economic effect of the boom in farmland prices is spreading beyond buyer and seller. It's also changing local government's property tax collections.

Martin County Assessor Dan Whitman said over the last year, property taxes on farmland have accounted for more of the money the county collects.

“Agricultural land is about the only class of property that we're seeing increase right now,” Whitman said. “Our residential and our commercial properties are either staying flat in value or going down a bit. So when one class of property increases in value, their share of the tax burden also increases.”

Whitman estimates the share of property taxes in his county paid on farmland increased about 5 percentage points this year. He expects that share to increase even more in the future as tax bills more fully reflect the land price surge.

No one knows how high land values will go, but Mahon, the Federal Reserve economist, said the third quarter banker survey shows continued confidence in the farm sector. Lenders expect farmers to bank more profits as the year ends.

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## Farming Assessors?

Written by James Haley, AMA  
Polk County  
Equal Eyes Managing Editor



As a County Assessor, would you feel comfortable being able to fill an open position on your staff with a qualified, experienced appraiser? More specifically, what if you are in an outstate region? My guess is that answer is likely no. More and more, this is going to be the answer going forward. In our current work environment of high unemployment, studies are showing that the problem is not always a lack of jobs but a lack of qualified workers to fill those jobs. This is especially true amongst younger people in our region of the country. As I see it, this problem is largely due to the old complaint that one will not be eligible for a job until they have experience, but they cannot get experience until they get that first job.

Recently, the Editorial Committee asked Minnesota assessors some demographic questions in a survey. Of the 160 who responded 53% were over the age of 48. That means that within 15 years, it is likely that over half of our current assessment personnel could be retired. This will leave a big gap to fill, and I am not sure that we as a group are sufficiently prepared to fill it with a new generation of assessors. Government work is not exactly the prized career path of young and talented workers. It is not especially sexy, has a relatively limited income stream, and in our current political environment does not have the best stigma attached to it. Of course, we in the industry are aware that our profession can be interesting, rewarding, and challenging. These three traits are highly prized when selecting a career. When you add in stability - something a recent college graduate rarely thinks about - you have quite a good option for a job.

So, how should we go about remedying these problems? One option is to pay newly-hired workers better. Given the current position of our state's financial health, this seems like an unlikely option. However, there is an option that I see as viable. It is an option that is low cost

and effective. This option also can be directly affected by MAAO. That option is the promotion and administration of internships at the county level.

Internships are helpful in a number of ways. Colleges themselves often times require that students take on an internship during their undergraduate work. Business students in general need this experience to fulfill credit obligations required for graduation. How do I know this? Personally, I was required to work as an intern for two semesters. The options were slim, and I ended up working at a struggling rock climbing gym. This was not exactly relevant experience to my current career path. I would have been much better served had I gotten some real experience in a viable career before graduation. I had to start all over again when I made my job selection.

For employers, internships have long been a good way to recruit young workers. Accounting firms, hospitals, media companies, and many other industries use them all the time and experience decent retention rates. Internships are a low cost solution to problems such as training new employees, fostering supervisory experience for current work staff, filling high turnover positions, generating positive public relations, and of course recruiting qualified workers.

These solutions would be exceptionally helpful outstate. And there are plenty of colleges in which to recruit workers. Think about it: Bemidji, Duluth, Morris, Rochester, St. Cloud, Alexandria, Mankato, Moorhead, Breckenridge, and many others have at least community colleges where business-related degrees are offered. If counties provided internship opportunities, I believe that the urban migration of young workers would be at minimum partially remedied. It couldn't hurt anyway.

Obviously, there are challenges to making this work. Making the initial contact

and doing the legwork required to set this solution up would be painstaking. Retention of these temporary interns would be a real issue. And most importantly, recruiting interns would present the same problem that we are currently facing.

Another problem would be working with local union chapters. Setting up a payment schedule and dealing with seniority issues would likely pose some problems with these unions. So these unions would have to be worked with in order to make this happen. In addition to union representatives, county and city boards would have to be on board as well. With budgets tight, it could be challenging to convince elected officials of the benefits here.

These problems have a solution in MAAO. The Education Committee could have a viable role in the promotion of these internships to colleges, cities and counties. It is within the realm of possibility that our organization could give more scholarships to alleviate the financial burden of bringing these interns on. We could also increase retention by offering scholarships to our courses that are offered during months that students are not in a school session. Also, MAAO could offer "student memberships" to interns at low or zero cost. Finally, we could create positions on our committees that are specifically designed for student members. This would provide the network needed to recruit these interns to full positions upon graduation.

Will the creation of internships solve all of our recruitment challenges going forward? In all likelihood, the answer to that question is no. However, the implementation of internships at the county level will provide some very positive end results. The young and talented will be aware of our profession. We as assessors will have a wider selection of qualified workers when positions become vacant. Most importantly, the future quality of our assessments will be improved because less



time will be spent recruiting and training workers who are at full salary.

So maybe we should talk about this. Ask your supervisor or ask yourself if this is in the realm of possibility. Talk to your county or city board to see if they might be interested in pursuing this idea. They just might be on board! Finally, let's start a discussion about this amongst ourselves. Bring it up at your region meeting to see how other counties feel. A form has been

created at [mnmaao.org](http://mnmaao.org) for this very issue. Certainly this idea has been attempted before. Those counties that have tried it should be vocal and collaborative in assisting others to set up internships. And, those who were once interns at a county or city should speak up about their experiences. Log on to [mnmaao.org](http://mnmaao.org) to join in this discussion today.

What do you think, could this work? I think so.

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# **EQUAL EYES**

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