

2022 ASSESSMNET AND APPEALS UPDATE

**Scott County Association for
Leadership and Efficiency
(SCALE)**

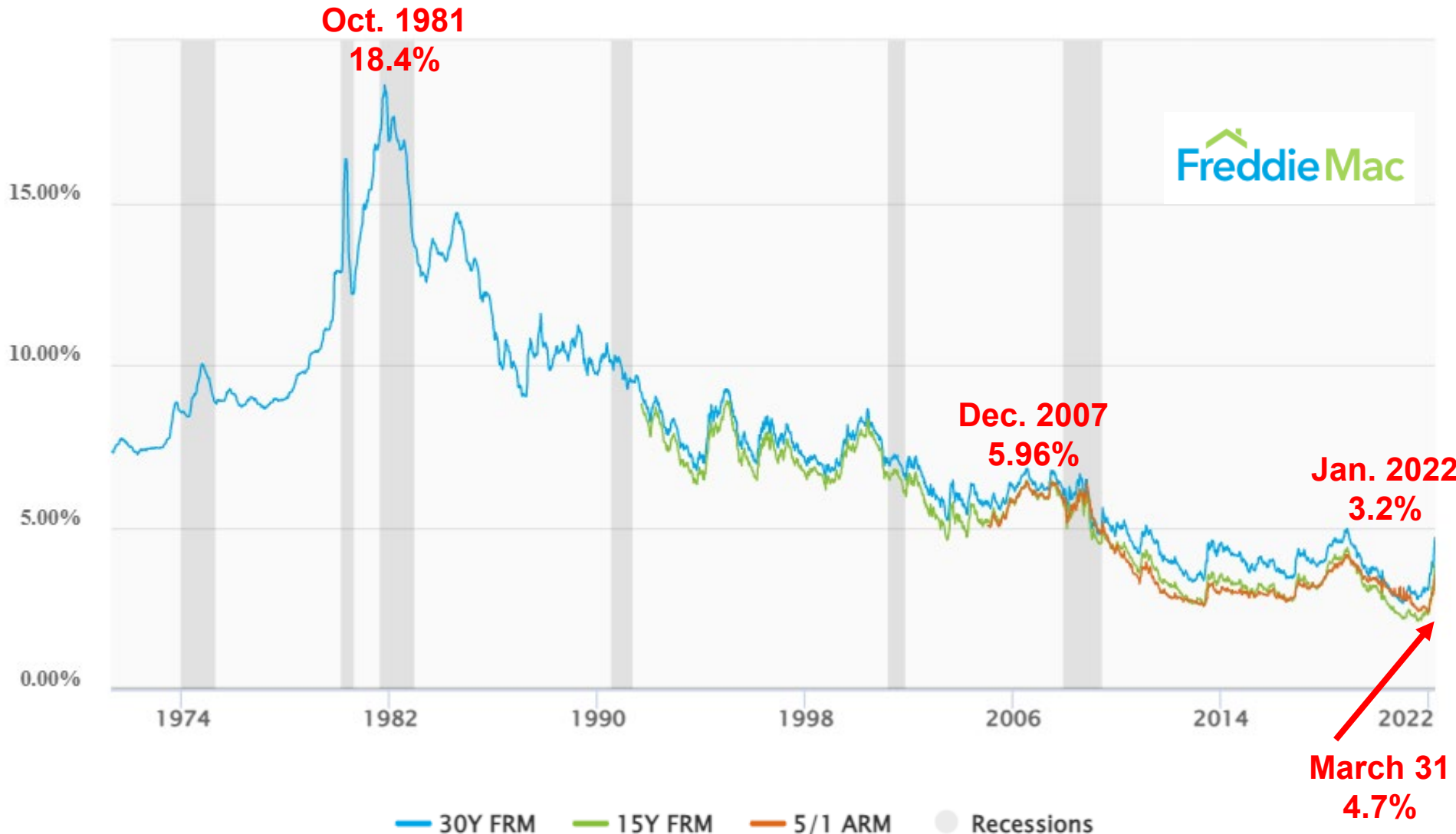
Presented by:

Michael Thompson, Scott County Assessor

What Forces are Impacting Residential Property Values?

Interest rates are going up, but remain historically low

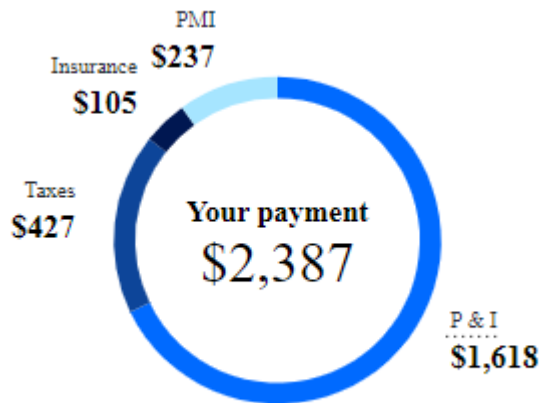
FreddieMac



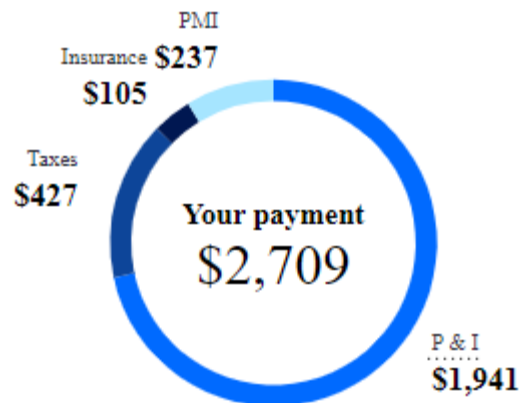
Median Value \$393,900

5% Down Payment - 1.3% Effective Tax Rate

30-YR
@ 3.2%



30-YR
@ 4.7%



30-YR
@ 6%



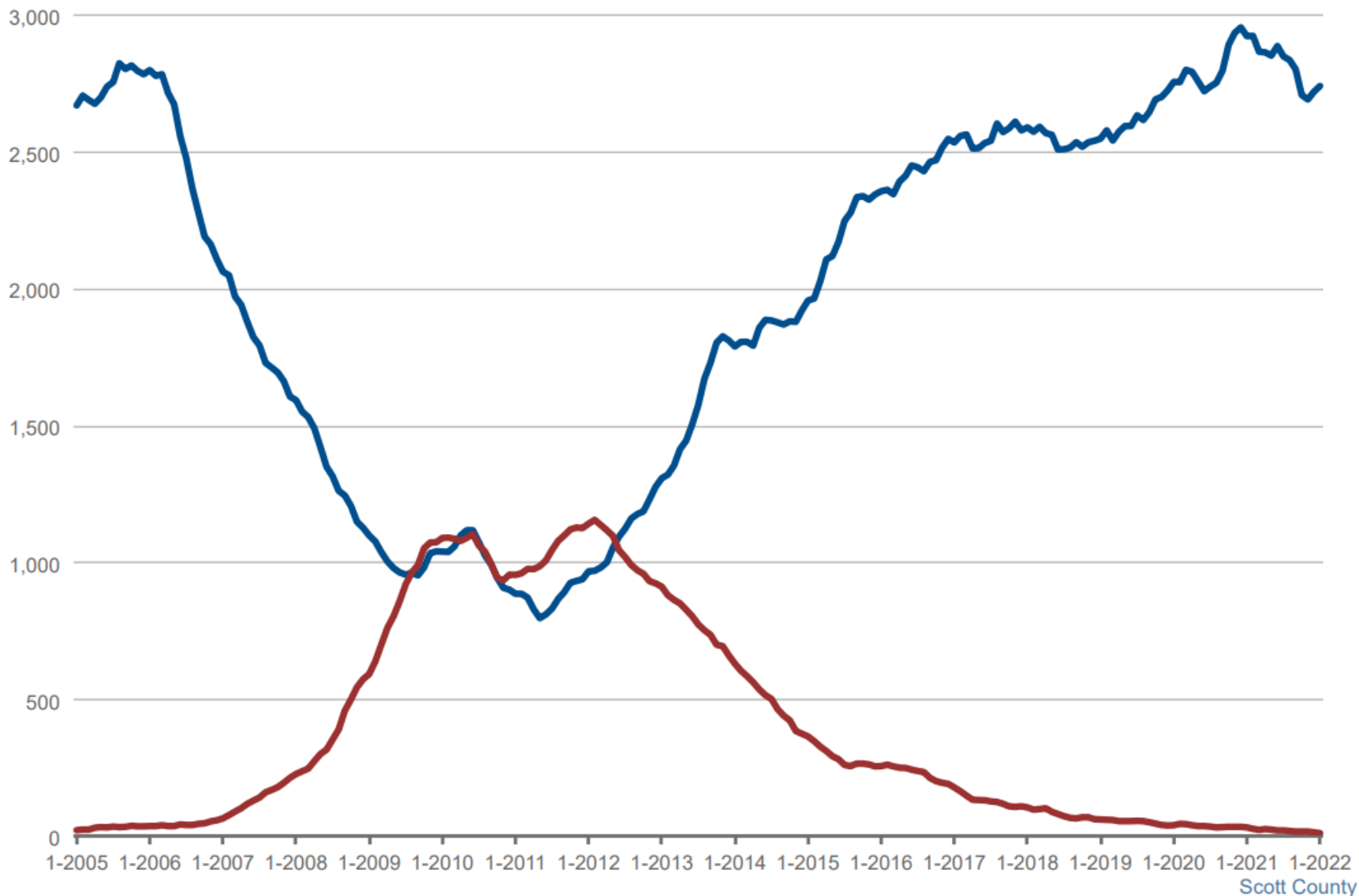
+\$322
Per Month

Foreclosures and Short Sales

Closed Sales - By Seller Type



Traditional Lender-Mediated



Each data point is 12 months of activity. Data is from February 25, 2022.

All data from NorthstarMLS. Data deemed reliable but not guaranteed. InfoSparks © 2022 ShowingTime.

Construction costs are high

“Expensive lumber costs have added \$36,000 to the average price of a new home, report finds”



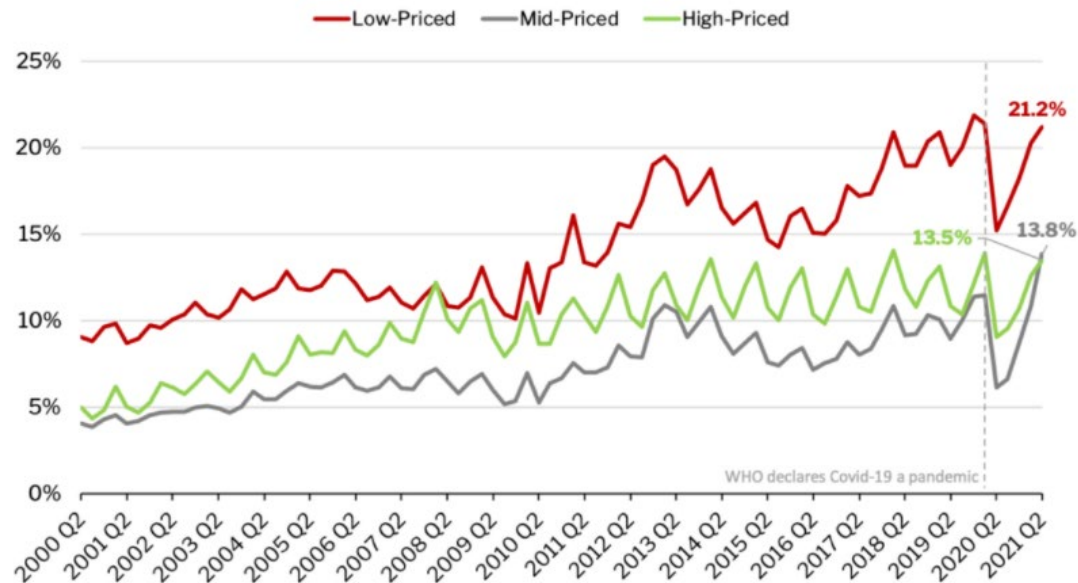
High Demand – Investor Competition

“Home buyers face increased competition from investors”

U.S. metro area ↕	Number of homes bought by investors ↕	Value of homes bought by investors ↕	Share of purchased homes bought by investors ↕	Year-over-year change in number of homes bought by investors ↕
Minneapolis, MN	1,147	\$441,604,960	9.8%	44.1%

Investors Are Buying Up Affordable Homes

Share of purchased U.S. homes, by price tier, bought by investors



Source: Redfin analysis of county records

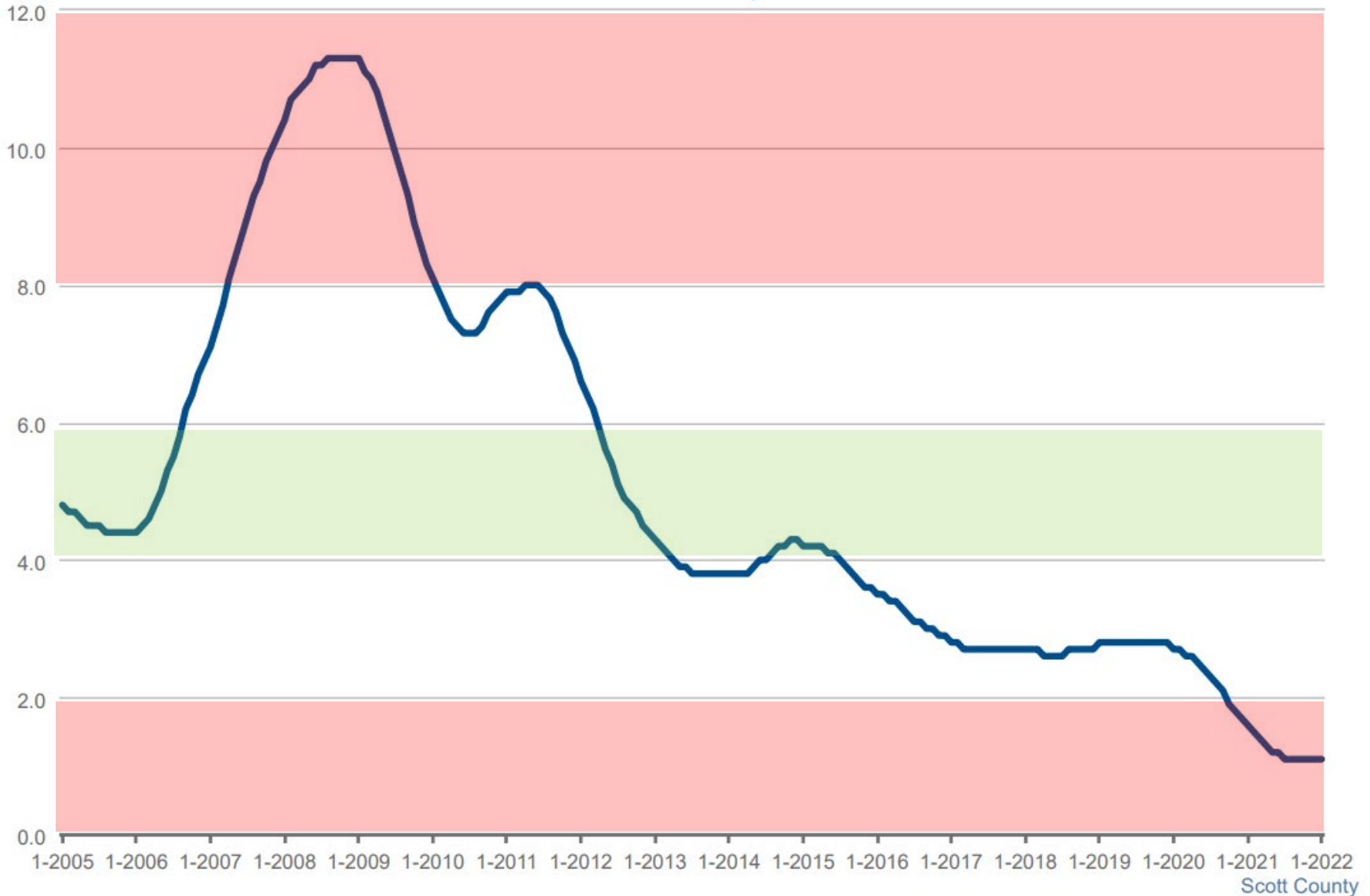
REDFIN

Supply is Low

Months Supply of Homes for Sale



— Scott County



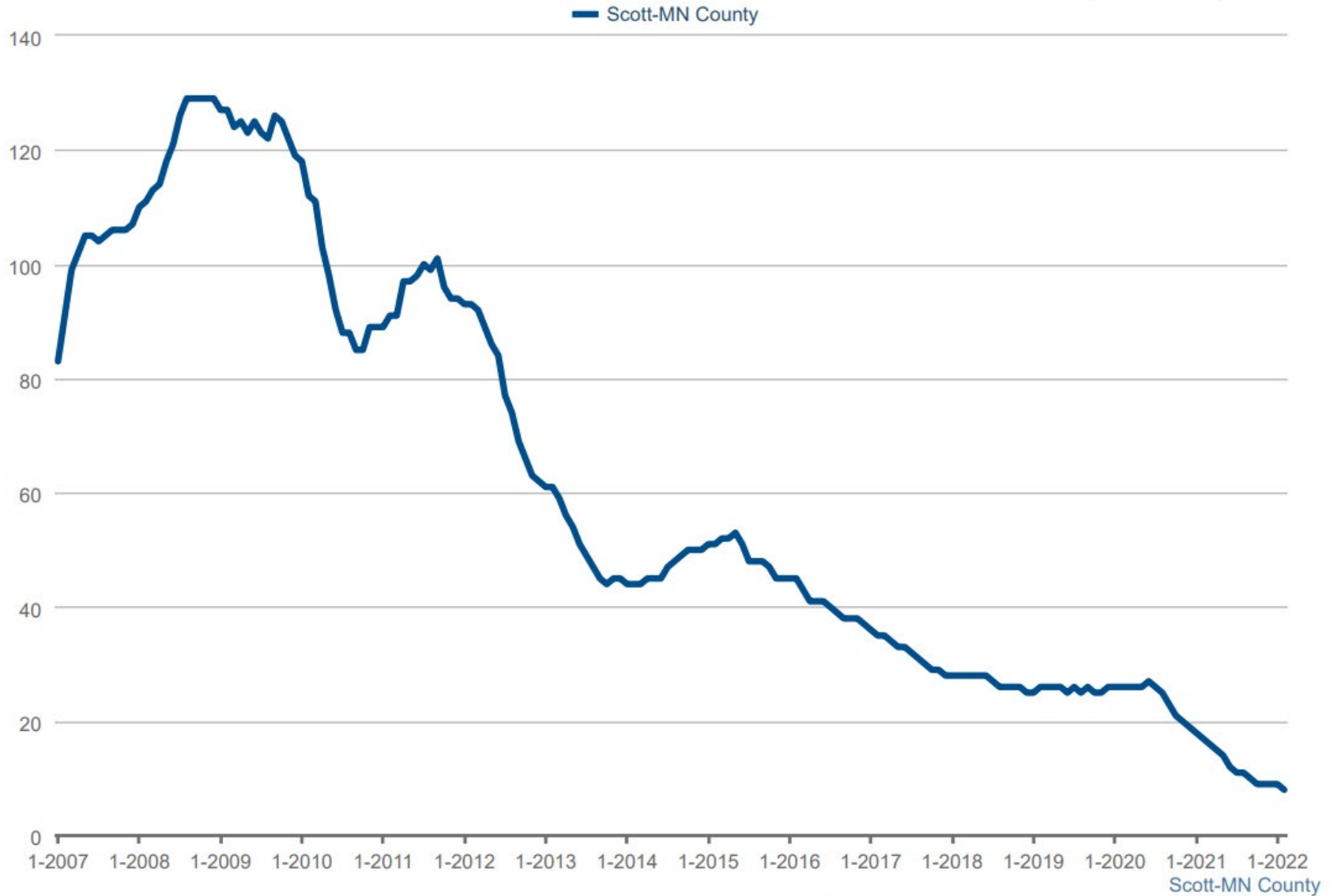
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Results of Market Dynamics

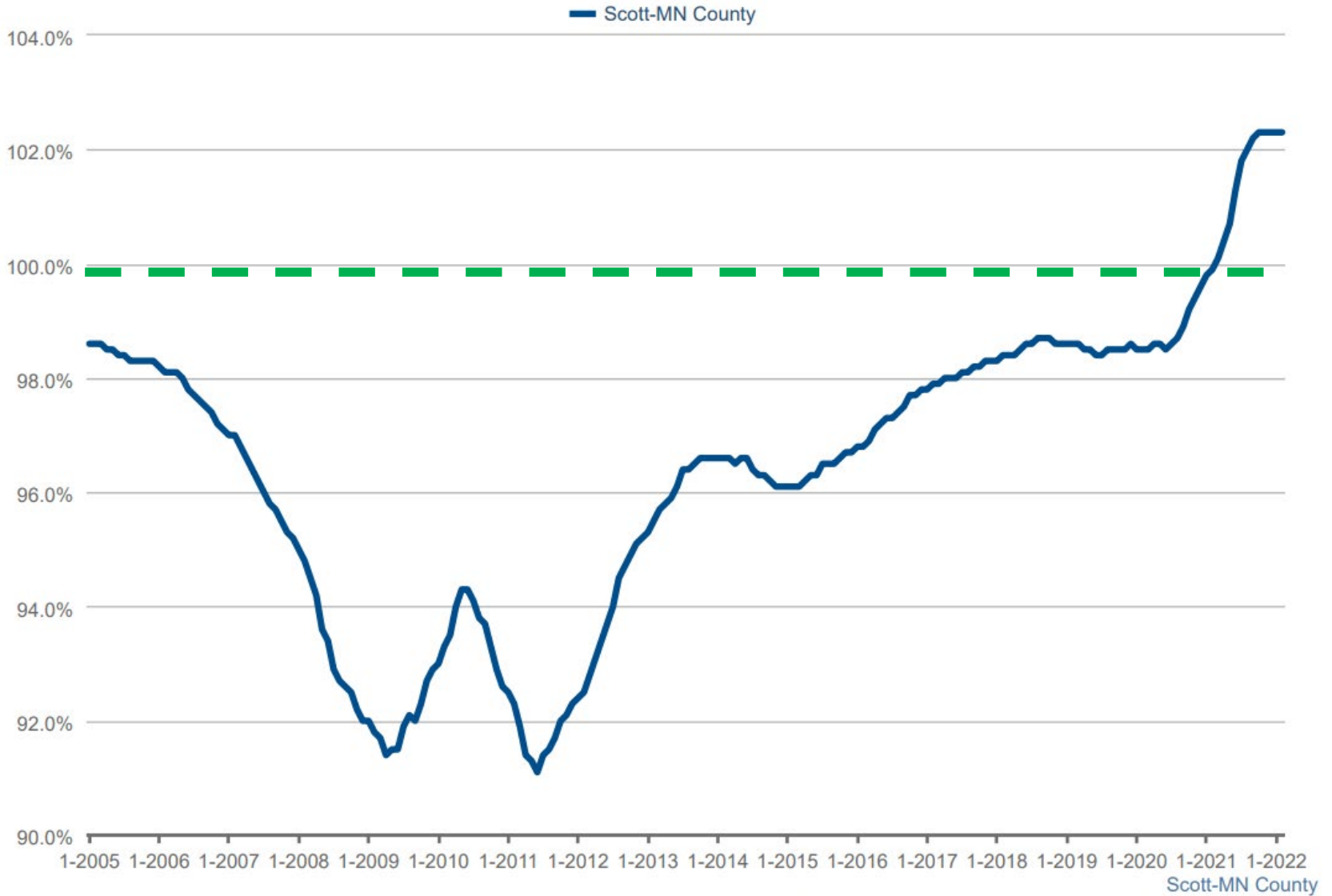


Median Days on Market



Results of Market Dynamics

Average Pct of Original Price



Each data point is 12 months of activity. Data is from March 3, 2022.

Impact on Current Sale Trends

Started seeing a lot of “coming soon” listings in 2019, and really ramped up in 2020 and 2021

- “Black Friday” approach
- Multiple offers



We’re now hearing about sight-unseen, over asking, non-contingent offers during “coming soon” period

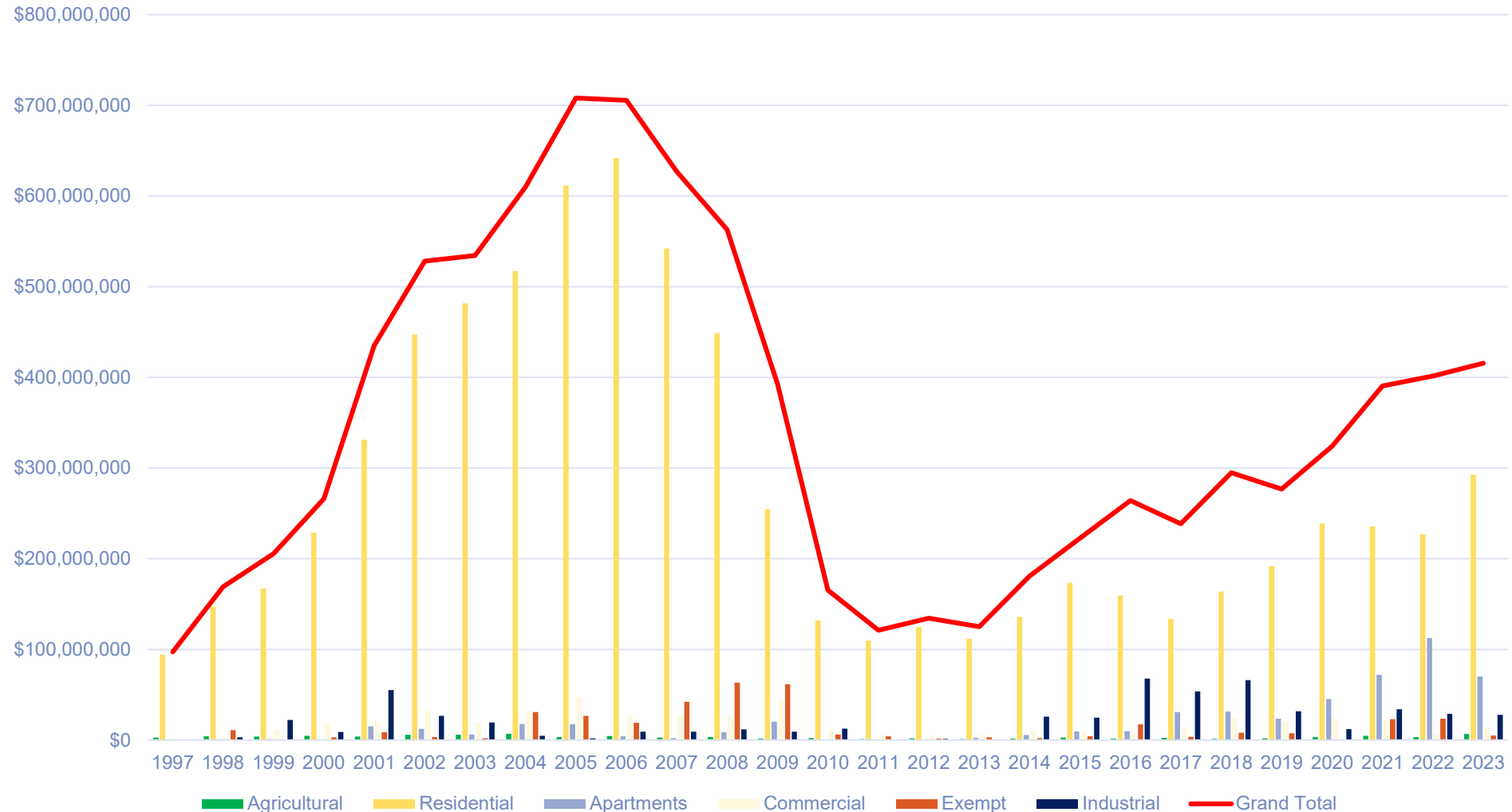
- 3D tours
- Limited “walkthrough” inspections

What Changes were Made for the 2022 Assessment?

Value Added due to New Construction

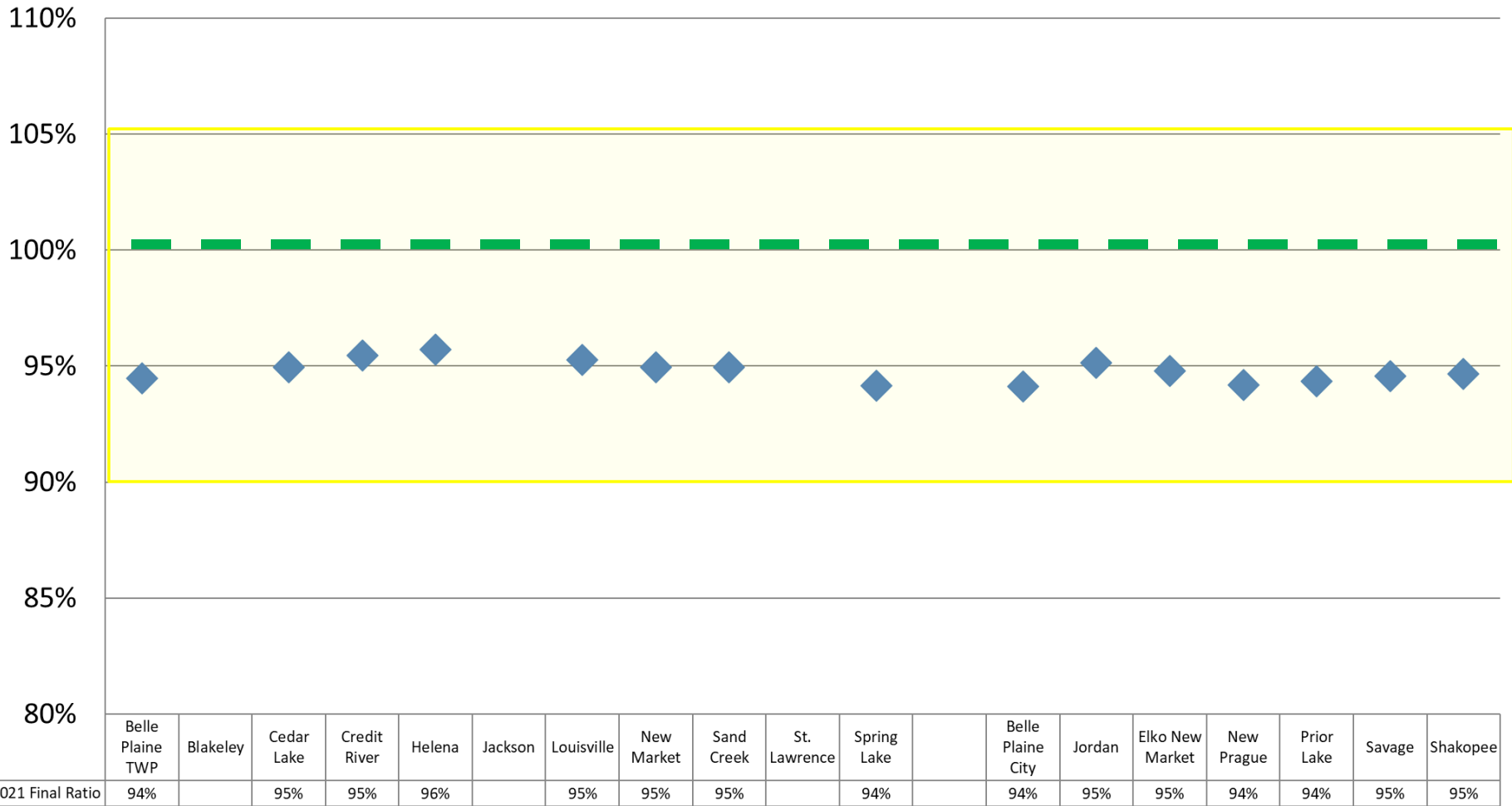
Construction Year	2020 (p2022)	2021 (p2023)	% CHG
Agricultural	\$3,483,900	\$6,710,560	92.6%
Residential	\$226,926,460	\$292,638,670	29.0%
Apartments	\$112,524,000	\$70,051,900	-37.7%
Commercial	\$5,813,000	\$13,230,380	127.6%
Industrial	\$29,015,600	\$27,979,000	-3.6%
Total	\$377,762,960	\$410,610,510	8.7%

Value Added due to New Construction

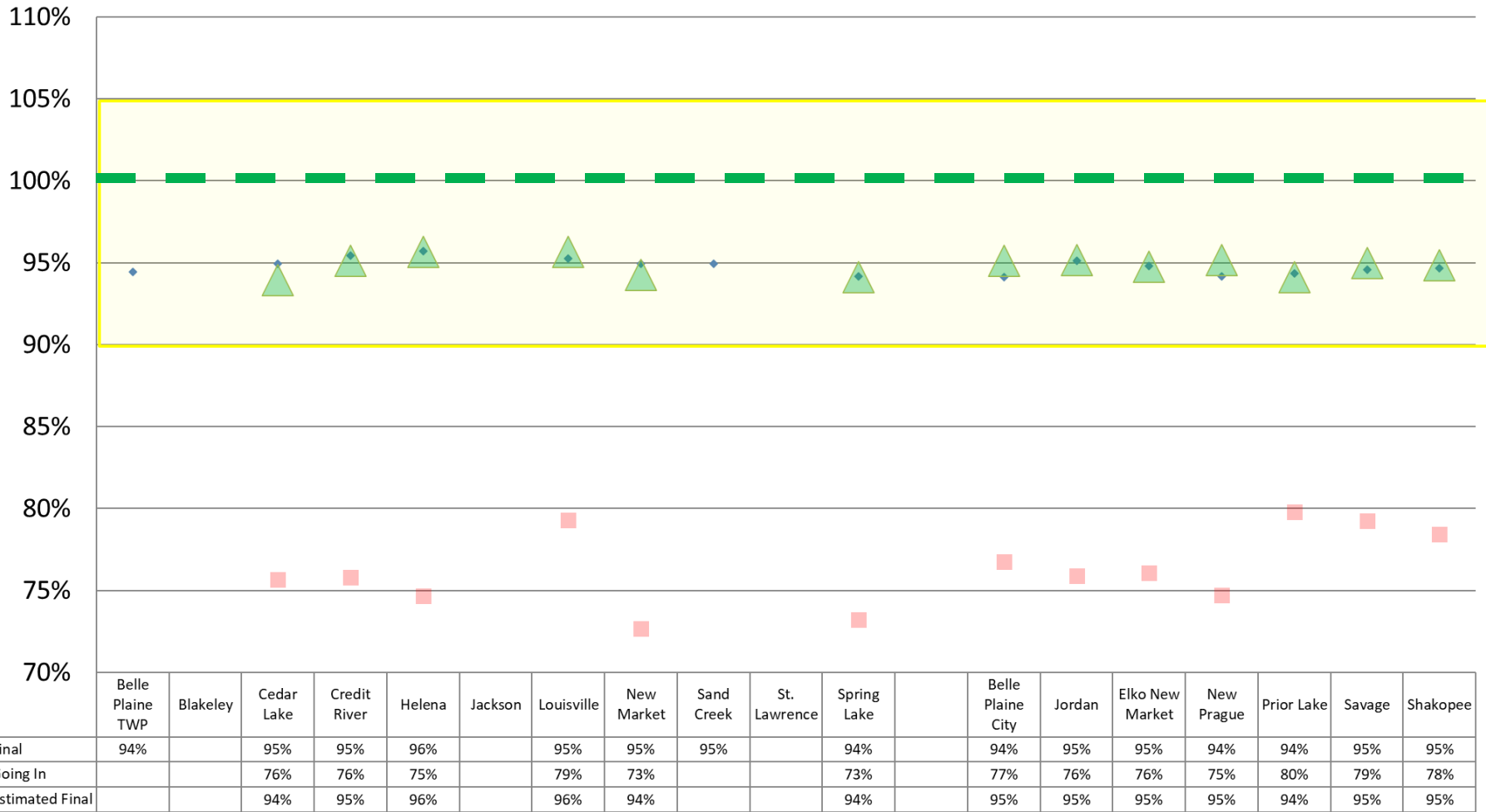


Where we left
off last year

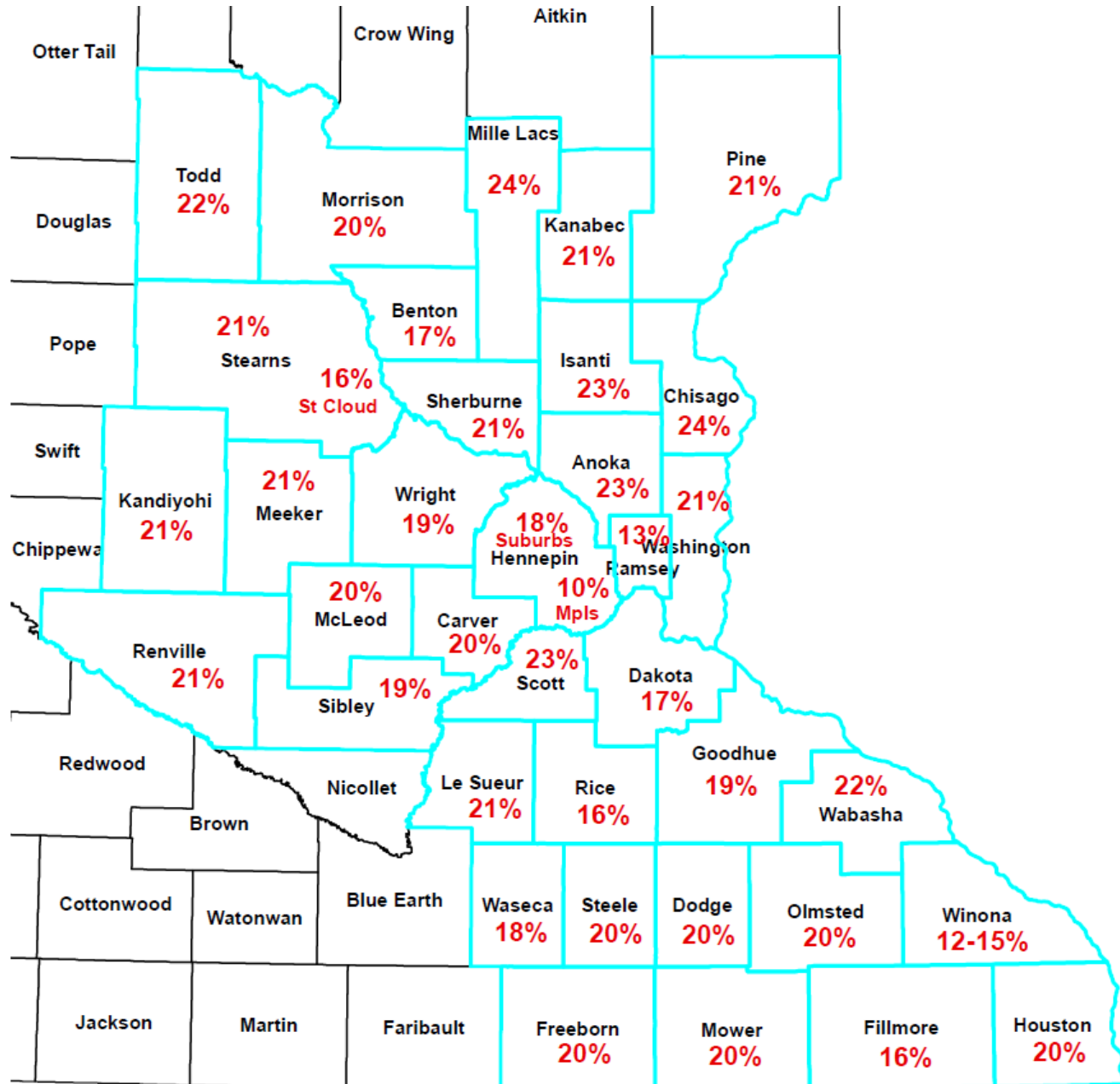
MDOR Final 2021 Residential Ratios



MDOR “going in” 2022 and *projected* final Residential Ratios



% Residential Home Value Changes



Median Residential Home Values

	VALUE	% CHANGE
BP TWP	\$482,900	26%
Blakeley	\$397,600	24%
Cedar Lake	\$590,200	25%
Helena	\$550,400	29%
Jackson	\$533,600	26%
Louisville	\$554,700	21%
New Market	\$592,500	28%
Sand Creek	\$478,900	25%
St. Lawrence	\$523,500	30%
Spring Lake	\$577,100	24%
TWP AVG.	\$528,140	26%

Credit River	\$656,400	29%
BP City	\$299,500	23%
Jordan	\$328,000	25%
Elko New Market	\$398,700	26%
New Prague	\$319,200	31%
SMALL CITY AVG.	\$400,360	27%

Prior Lake	\$418,400	20%
Savage	\$402,900	20%
Shakopee	\$346,500	22%
LARGE CITY AVG.	\$389,267	21%

COUNTYWIDE	\$393,900	23%
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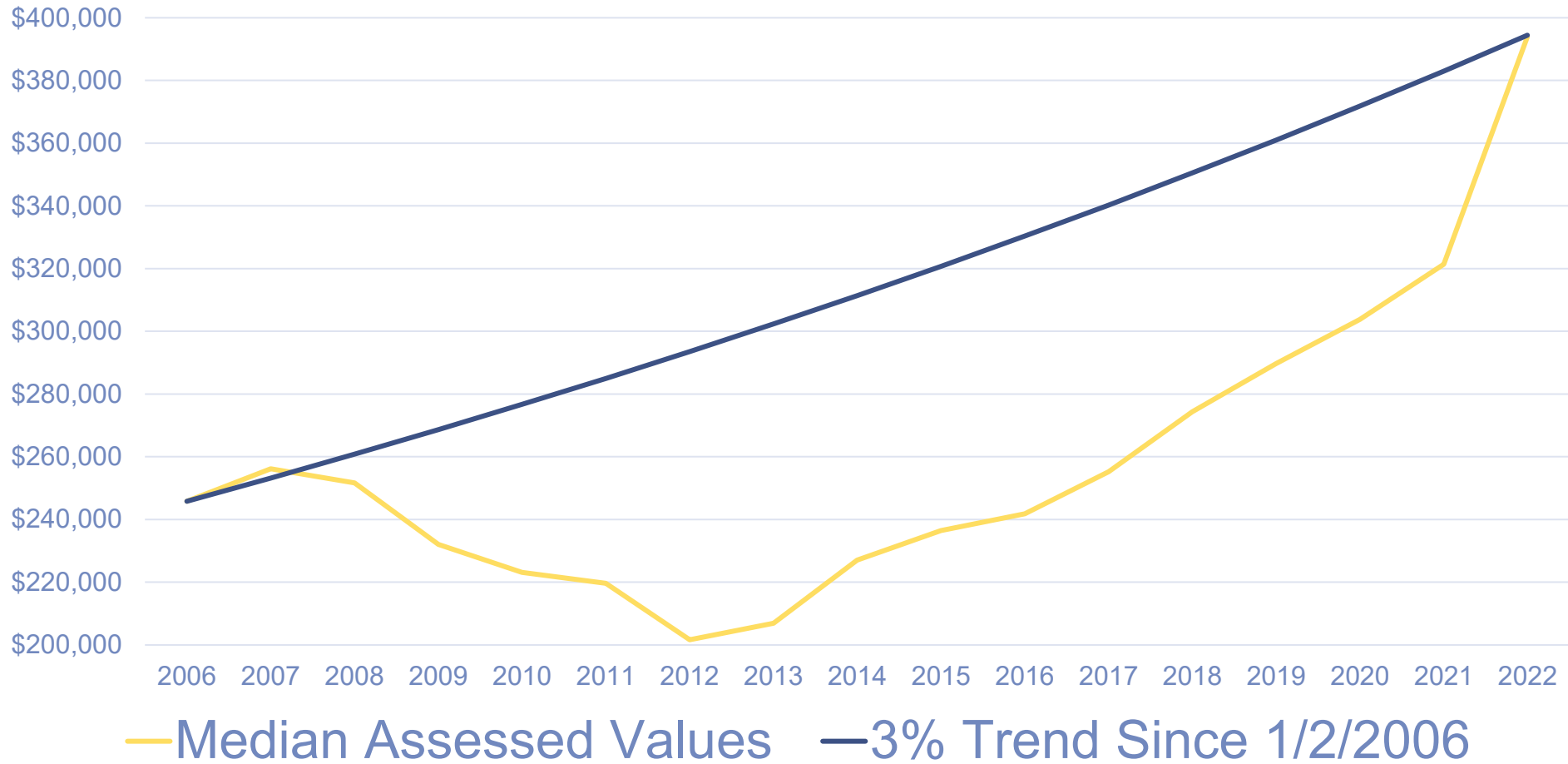
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Sand Creek	\$478,900	25%
St. Lawrence	\$523,500	30%
Spring Lake	\$577,100	24%
TWP AVG.	\$539,800	26%

BP City	\$299,500	23%
Jordan	\$328,000	25%
Elko New Market	\$398,700	26%
New Prague	\$319,200	31%
SMALL CITY AVG.	\$336,350	26%

Prior Lake	\$418,400	20%
Savage	\$402,900	20%
Shakopee	\$346,500	22%
LARGE CITY AVG.	\$389,267	21%

COUNTYWIDE	\$393,900	23%
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Median Assessed Value as Compared to a 3% Trend Line



Value Changes for 1/2/2022 Assessment

Net Change to Existing	
Agricultural	10%
Residential	23%
Commercial	4%
Industrial	7%
Apartments	12%
Overall	18%

	% of 2021 Estimated Value	% of 2022 Estimated Value
Agricultural	7%	6%
Residential	75%	77%
Commercial	5%	4%
Industrial	9%	8%
Apartments	5%	5%
Total	100%	100%

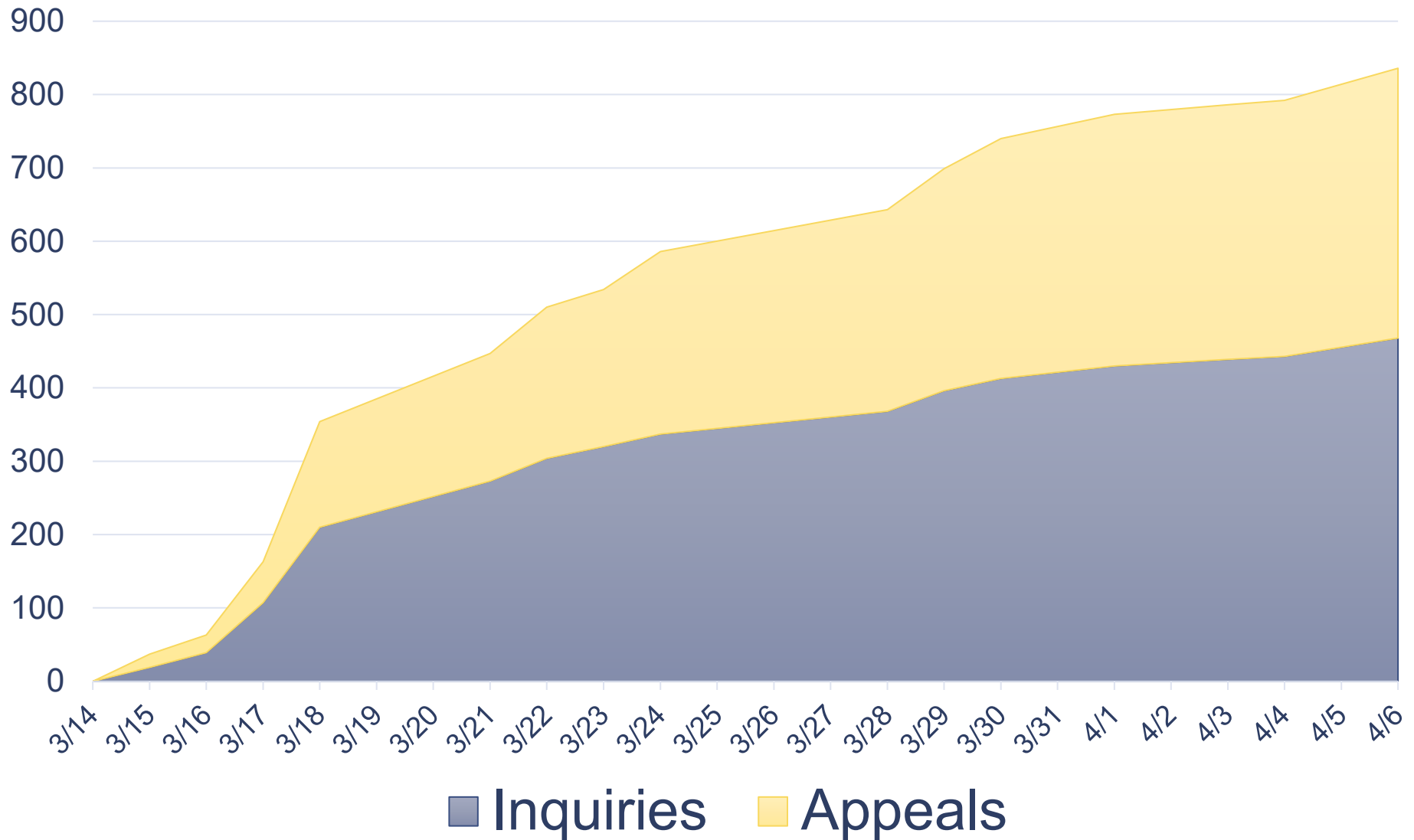
Value Totals for 1/2/2022 Assessment

	Estimate Value
Agricultural	\$1,612,593,600
Residential	\$21,090,863,500
Commercial	\$1,201,167,300
Industrial	\$2,090,171,600
Apartments	\$1,227,771,800
Exempt	\$2,184,236,300
Total	\$29,406,804,100

**Notices mailed around March 14th,
how is that going?**

Appeal Volume Update

Since Mailing 3/14/22



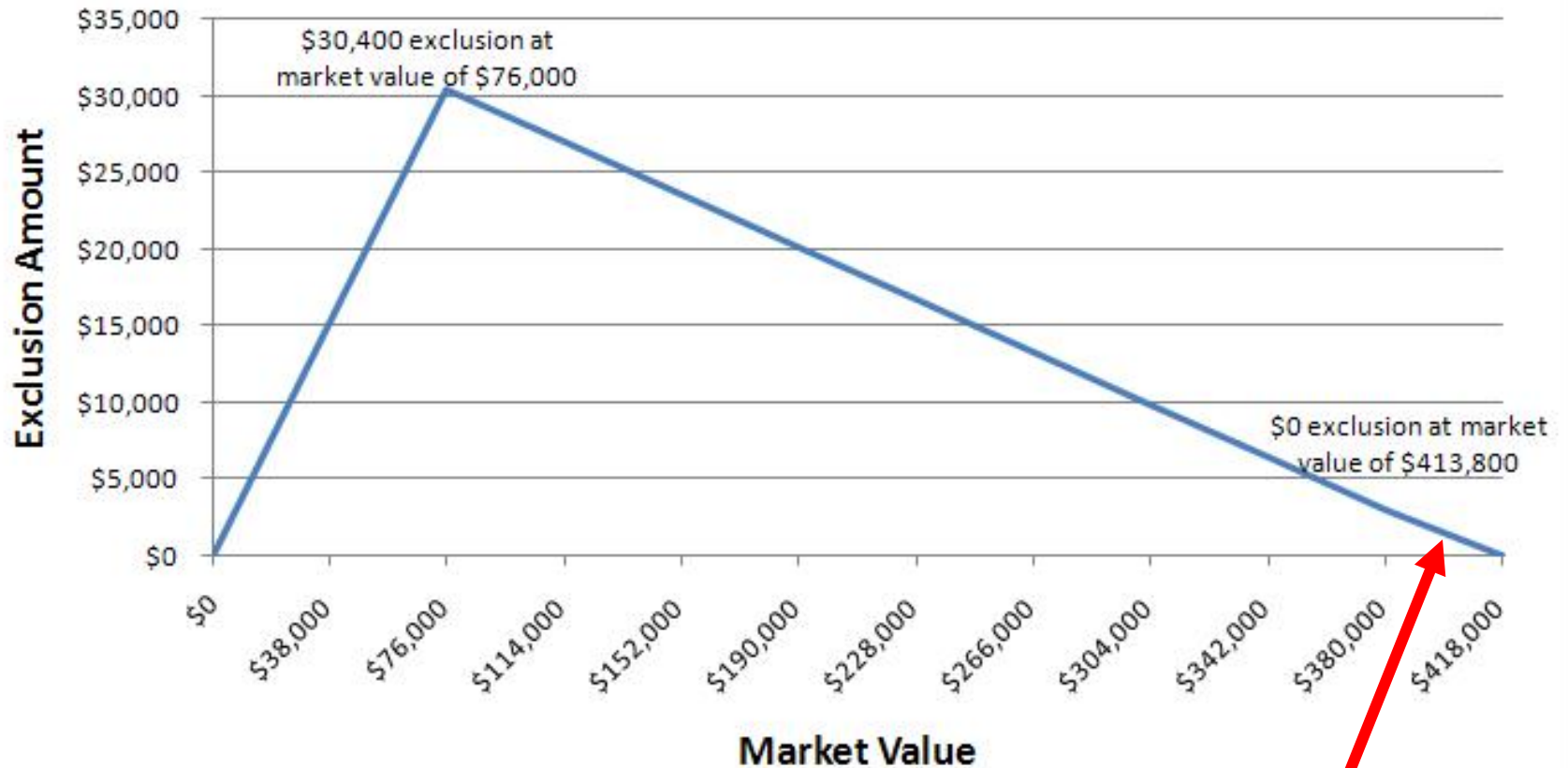
Appeal Volume Update

	10-YR Averages	2018	2022	
Median Res. Value Change	5%	7%	23%	
Calls	737	1137	836	as of 4/6/22
Appeals	320	572	368	as of 4/6/22
% appeals	47%	50%	44%	

What are the most common concerns?

1. What will happen with my taxes next year?
2. What happened to my homestead benefit?
(market value exclusion)
3. Isn't there a law that limits how much you can increase it?
4. If the economy and interest rates change, and the housing market crashes will my value go down?
5. Why didn't my taxes go down when values went down?

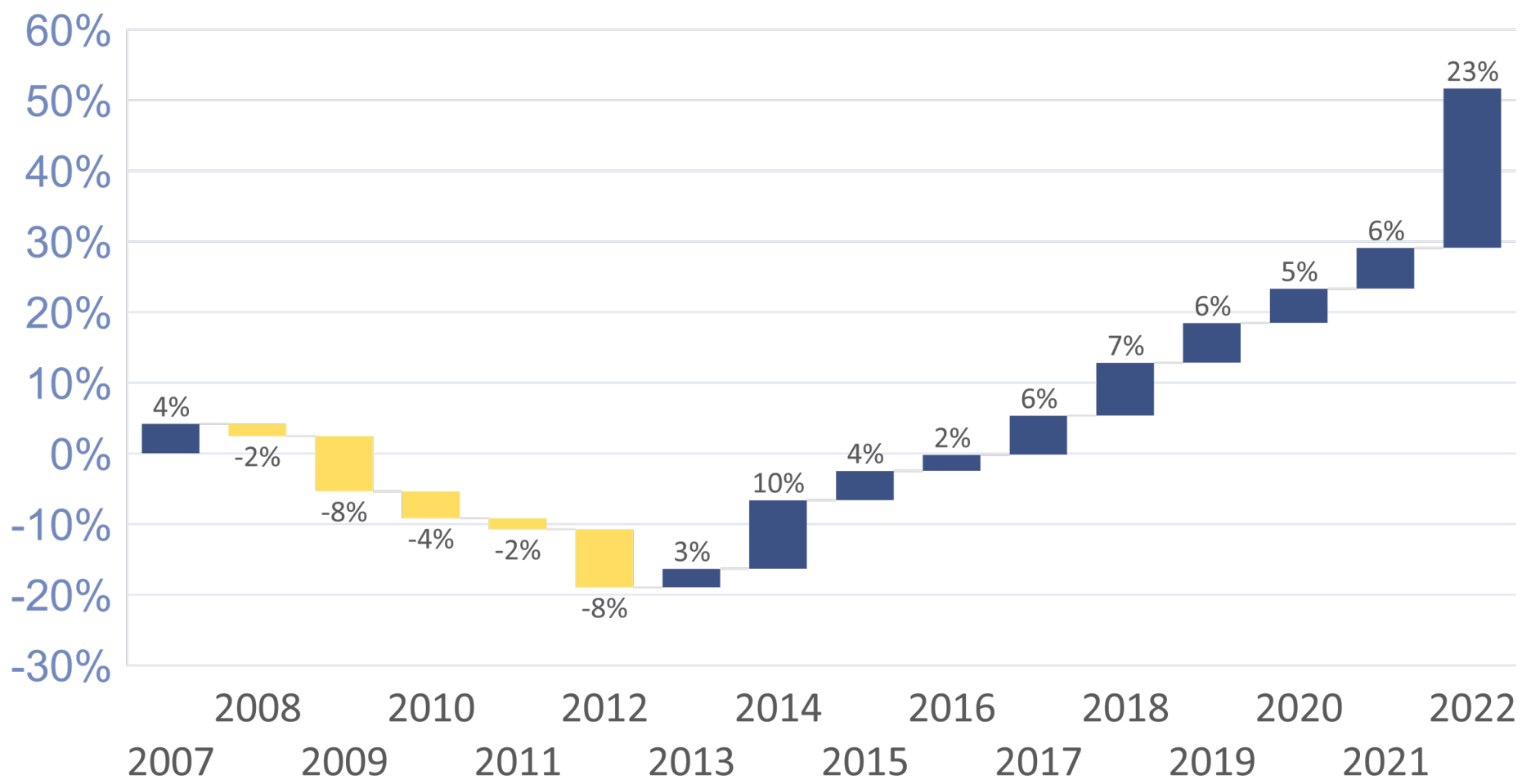
Residential Homestead Exclusion



Scott County Median Value Home

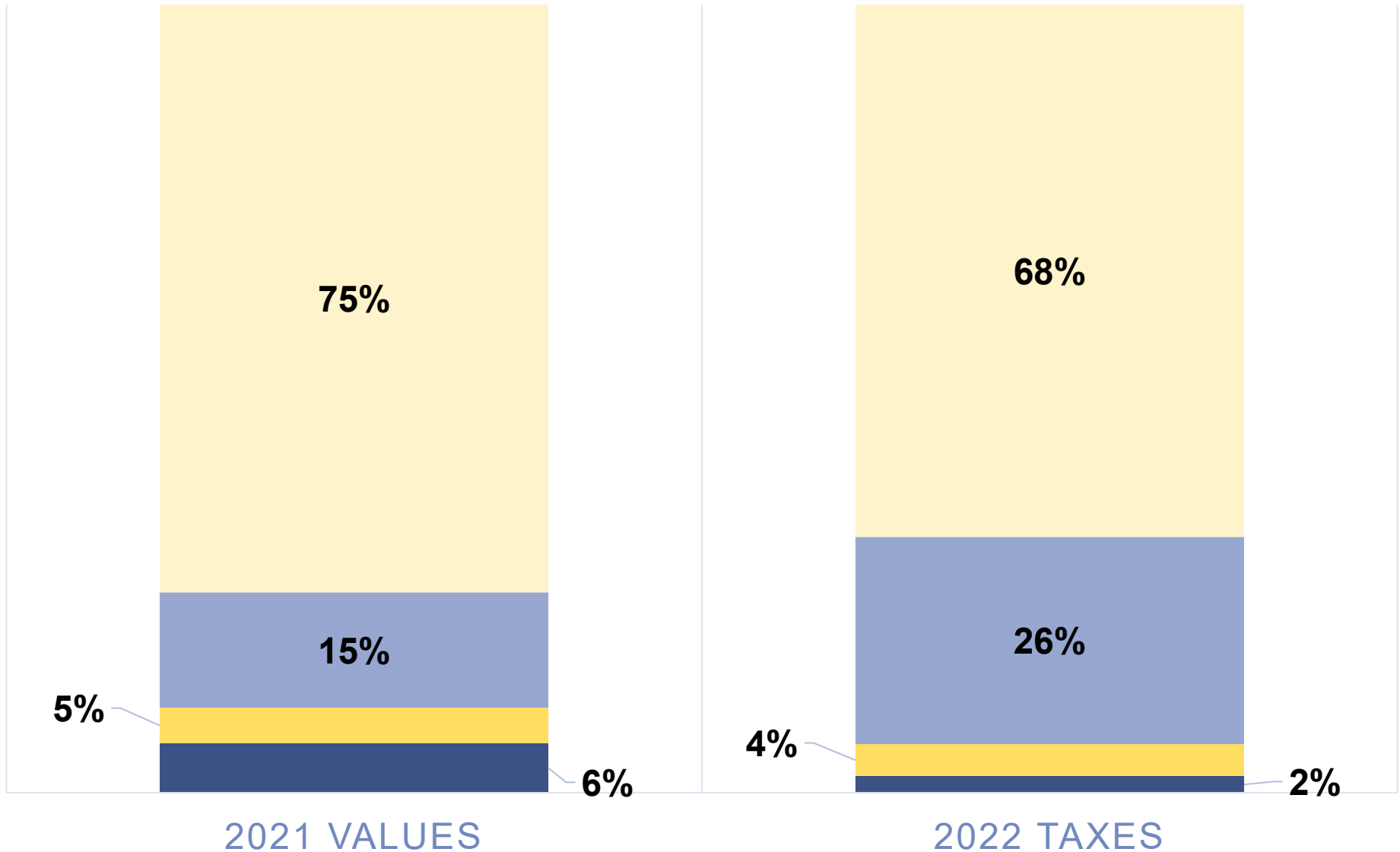
% Median Value Change by Assessment Year

■ Increase ■ Decrease ■ Total



VALUES AS COMPARED TO TAXES PAID, BY PROPERTY TYPE CATEGORY

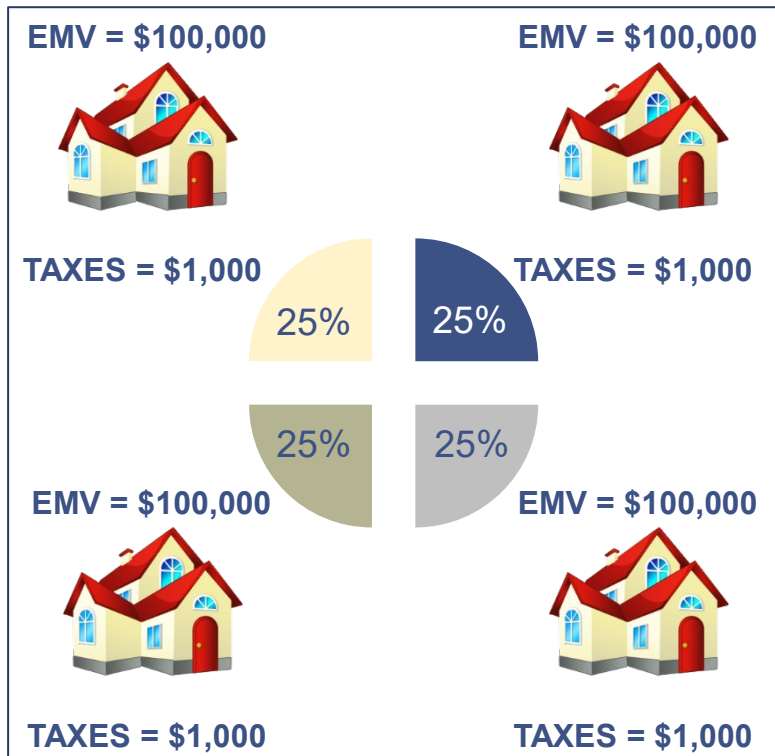
■ Agricultural ■ Apartment ■ Commercial/Industrial ■ Residential



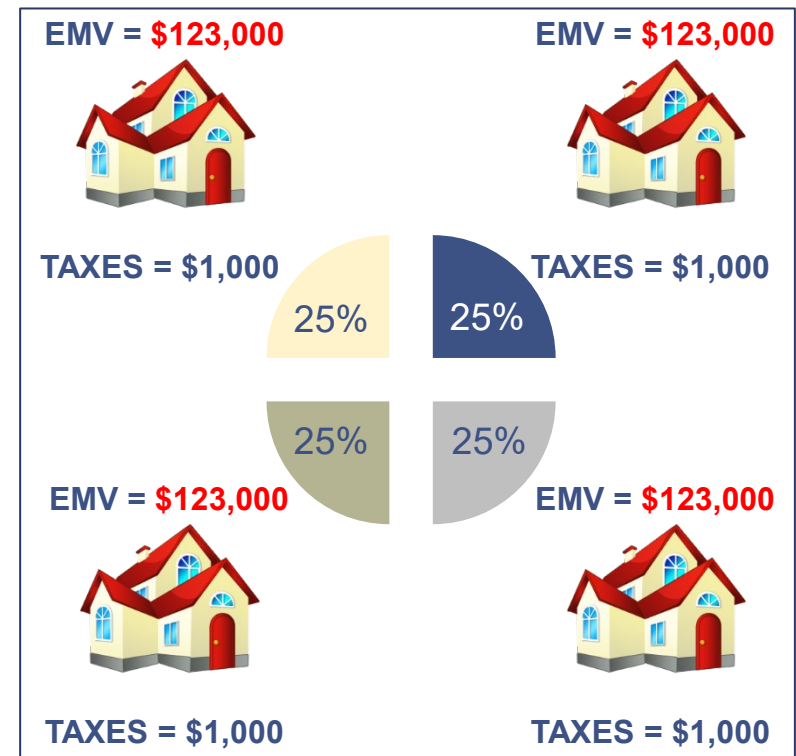
A Four House Town

Overall Value Impact

Assume that the various entities and taxing districts (City, County, School, etc.)
require a total of \$4,000 to operate



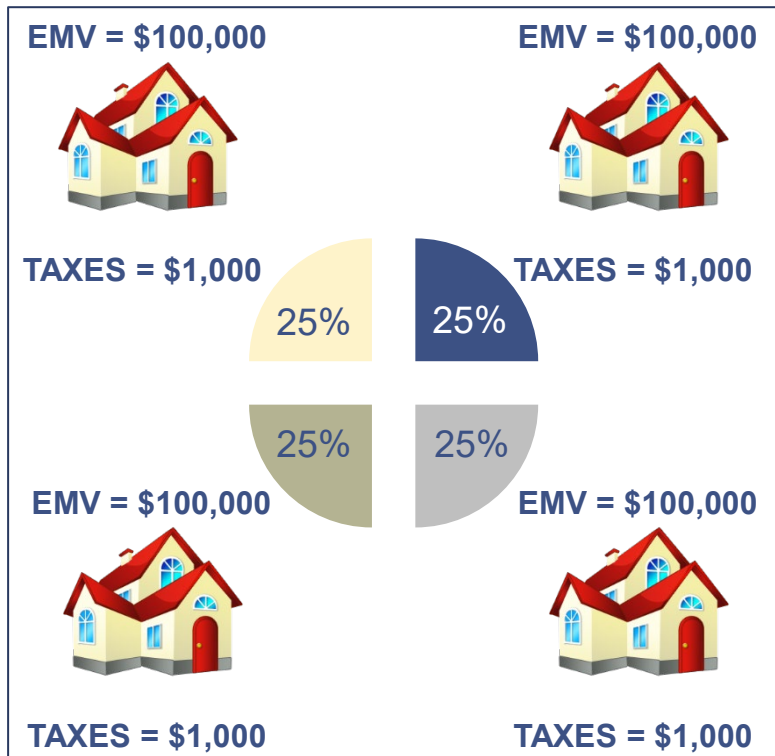
VALUES
Increase
similarly
at **23%**



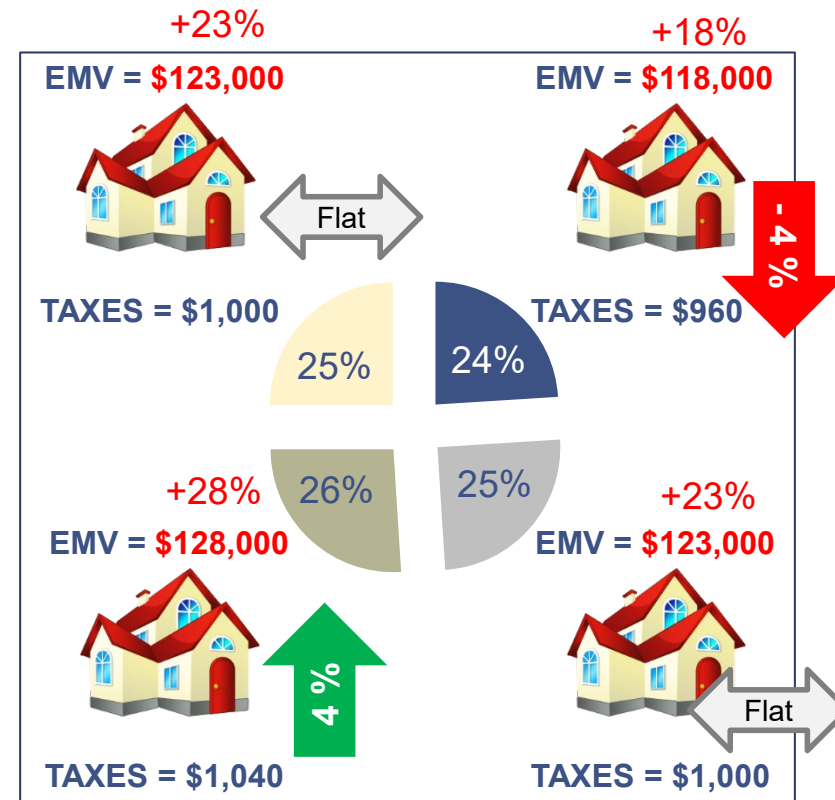
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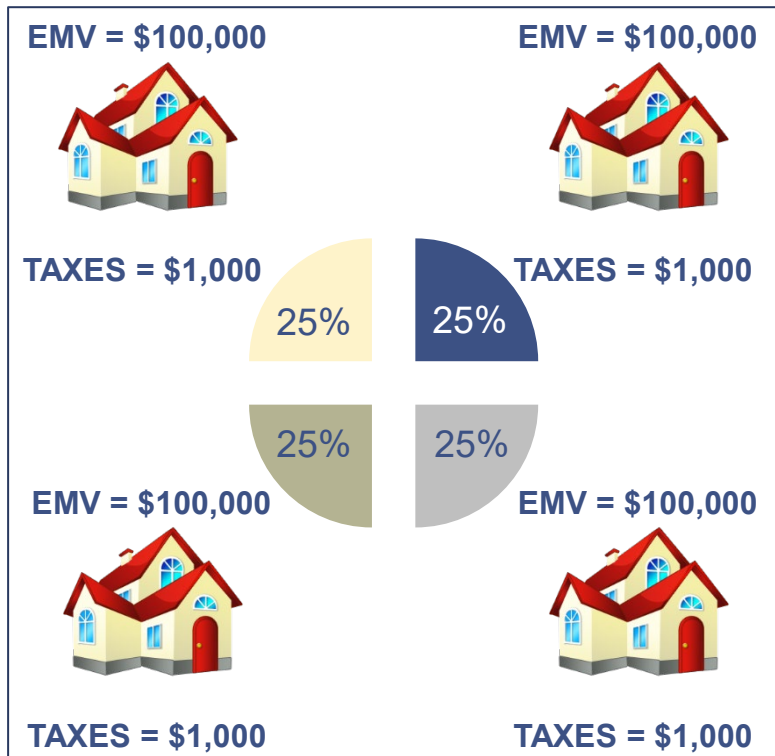
Value
Changes
Vary



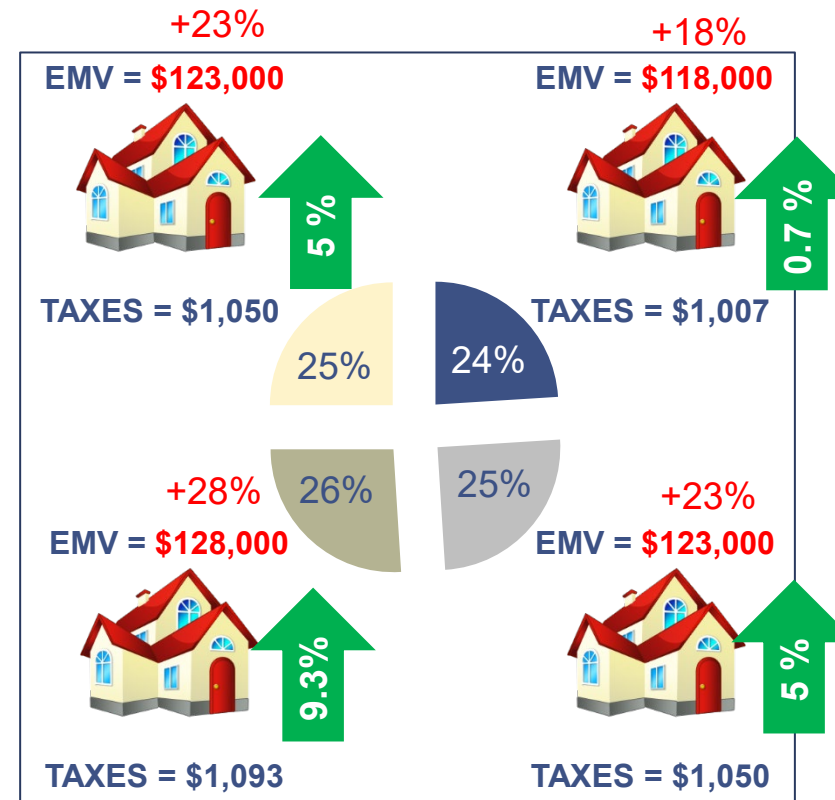
A Four House Town

Overall Value Impact

Assume that the various entities and taxing districts (City, County, School, etc.)
require a total of \$4,200 to operate
+5% Levy Increase



Value
Changes
Vary



What Options May Exist for the Taxpayer?

- Property Tax Refund
- Special Property Tax Refund
 - No income limitation
- Senior Citizen Property Tax Deferral
- Disabled Veteran's Homestead Property Tax Exclusion
- Land Programs
 - Green Acres
 - Rural Preserve
- Special Homestead for Property Owners who are Blind or Disabled
- Understand Appeal Process and Timeline

Who Qualifies

[-]

- Regular - based on your income and property taxes
- Special - based on how much your property tax increased

You may qualify for either or both of these refunds.

REQUIREMENTS TO CLAIM THE REFUND

- You owned and lived in your home on January 2, 2022
- Your **household income** for 2021 was less than \$119,790

- You owned and lived in the same home on January 2, 2021, and on January 2, 2022
- Your home's net property tax increased by more than 12% from 2021 to 2022
- The net property tax increase was at least \$100
- The increase was not because of improvements you made to the property

Thank you!



Questions?