

**TOWN OF EUREKA
BOARD OF APPEALS AND EQUALIZATION MINUTES**

The Eureka Township Annual Board of Appeals and Equalization was called to order on April 21, 2009, at 10:40 p.m. by the Town Board Chair, Jeff Otto

The meeting was held in the Eureka Town Hall at 25043 Cedar Ave, Farmington, MN. The following Town Board Members were present: Supervisors Jeff Otto, Dan Rogers and Nancy Sauber.

There were three representatives from the Dakota County Assessor's Office: Gloria Pinke, Supervisor; Darwin Renner, Supervisor of the Appraiser section that works in Eureka Township; and Shannon Sailor, who has done reevaluations in the Township. Shannon is very familiar with properties in Eureka. The purpose of the meeting is for the Town Board, sitting as the Local Board of Appeals and Equalization, to review County assessments and classifications should there be an appeal by landowners. The County has placed these assessments and classifications on properties within Eureka Township as of January 2, 2009, and these are the basis of taxes payable in 2010.

Value notices were mailed March 3rd and 4th along with the tax statements for 2009. The County held open book meetings the last two weeks in March. Four residents from Eureka attended these open book meetings held by the County. There were also eleven phone calls from Eureka landowners. There will reviews on ten of the properties.

State law requires assessors to value properties at 100% of the actual Market Value, or what it would sell for on the open market. The Department of Revenue requires the County to maintain a level of assessment between 90 and 105% of actual open market sales that have taken place in Dakota County. The sales used to determine these values took place between October 1, 2007, and September 30, 2008. The residential values decrease in Eureka Township was 5.5 %, compared to the County at 8 %. The 2009 median residential value in Eureka (337 residences) was \$292,800. In 2008 the average residential value was \$309,800. A lower residential value does not necessarily equate to lower taxes.

The total taxable Market Value for Eureka Township for next year is \$279,163,600. The total taxable Market Value for taxes payable in 2009 (last year's assessment) is \$275,845,300. This is an increase of 1.2%. The new construction value, which is \$2,582,100, was \$2,691,600 last year. New construction value was down.

Agricultural Market Value is based on sales within Dakota County. This is for both the Market Value and the High Value on parcels enrolled in the Green Acres program. Parcels in Green Acres carry two values, the actual value and the agricultural value. The value of the best tillable land (A grade soils) went from \$11,000 per acre for taxes payable this year to \$8,300 per acre for taxes payable next year. This is a decrease of 25%. Ag land is not selling for the number of buildable sites as it had been in previous years. There were seven sales in Dakota County. Three of these sales were for tillable land.

The Department of Revenue uses sales of agricultural land in 5 southwestern most counties in the State of Minnesota to determine the Market Value of these ag lands. The theory is they don't

have development pressure. When farmland is selling in these areas they are selling for the agricultural value. For the taxes paid in 2009, the Department of Revenue set the value of the best tillable land for Green Acres and Ag Preserve in Dakota County at \$3,500 per acre. This year the value per acre is \$4,400. Green Acre and Ag Preserve taxable value increased 25%.

The Limited Market Value Law has a sunset in 2009 for taxes payable in 2010. Property values were increasing so very rapidly in the last 8-12 years that the Legislature wanted to put some type of limitation on the highly increasing values. Under the Law, values could increase only a certain percentage over the previous year's values. Many agricultural properties in Dakota County currently have a Limited Market Value. Because of the elimination of the Limited Market Tax Law, taxable value increases will probably result next year.

There were eight Eureka citizens present at the meeting. Gloria Pinke opened the floor to a question-and-answer session. Upon completion of this session the assessors met individually with citizens to review their tax statements and answer their questions.

There has never been a limit on the amount that taxes can change. There has been a limitation on the amount taxable value can change on Residential and Agricultural properties. Landowners should bear in mind, when comparing tax changes from one year to the next, that the classification of the buildings on the property may have changed.

Some properties have Limited Market Value, and some properties don't. Those with Limited Market Value have been paying a lower share of the levy than others. In 2010, all properties will be taxed on their Actual Market Value.

A property has to have at least 10 acres in agricultural use to qualify as agricultural property.

The value of new improvements refers, for example, to a shed or building, a remodeling of a basement, or new construction that was not finished in the prior year.

Pole shed values in Eureka Township have been assessed at a very low level for many years. The pole shed schedule has been updated to reflect the current value of pole sheds.

Green Acre parcels are grandfathered until 2013. Non-productive acres will automatically come out. A three-year payback will be implemented on non-productive acres at that point in time. Non-productive acres can be removed until January 2010 without penalty (paying deferred tax). There is a new program called Rural Preserve Program. Property owners can take their non-productive acres and place them in the Rural Preserve Program.

All citizens' questions were addressed by the County Assessor representatives. No citizens approached the Town Board for decisions regarding any appeals.

Since there no more citizens with questions to be answered, Jeff Otto moved to adjourn. The motion was seconded by Supervisor Dan Rogers. The motion carried.

The meeting was adjourned at 12:11 p.m..