

What is market value?

Minnesota Statute 272.03 defines “Market Value” as “the usual selling price ... at the time of assessment”. It is the most probable price that a property should sell for in a competitive and open market under all conditions requisite to a fair sale. It is assumed the buyer and seller are each acting prudently and knowledgeably, and it is assumed the price is not affected by undue stimulus.

Why is a market value established for my property?

Market value is one of the three main components used in determining property taxes:

- The market value established for your property determines your fair share of the total property tax burden, regardless of what the total tax burden is.
- Minnesota state law determines how the total tax will be distributed among the various types of property in the state, such as apartment, commercial and industrial, and residential property.
- The amount of money that is needed to fund local services determines the actual dollar amount of property tax you will pay.

Of course, the actual calculation of your property tax is a little more complicated. Changes in the city’s property tax base, special property classifications, state mandates, and other statutory requirements, like fiscal disparities and tax increment financing will affect the actual dollar amount of property tax that you pay.

How is my market value determined?

At least once every five years, a Bloomington appraiser will visit your property to collect and/or verify the information that is needed to establish your market value. Information, such as the size, quality, age, condition, and income and expense data (for income producing properties) is required to make sure a fair market value is established. This property information is entered into a computerized system, which aids the assessor in establishing market value. Sales information is also collected each year. Sales information is used to update the rates that are used to compute market value. The result is an estimated market value for each parcel of taxable property in the city. The estimated market value established for your property should be close to its probable selling price if placed on the open market.

How am I notified about my market value and property class?

In late February or early March of each year, the assessor’s office sends you a notice. This notice provides you with the following information:

- The market value that was established by the assessor.
- The property class that was established by the assessor.

- The limited value. This is a statutory value and is limited to a fixed percent over the prior year's limited value.
- The "This Old House" value exclusion (if you are eligible). See the brochure *Answers To Your Questions About the "This Old House" Property Value Exclusion*
- The taxable value after all limitations and exclusions. This is the value that will be used to calculate your property taxes.
- Local Board of Appeal and Equalization information.
- County Board of Appeal and Equalization information.
- Minnesota Tax Court information.
- A "This Old House" value exclusion notification.

You may also call the Bloomington Assessor's Office anytime during normal business hours for value and classification information.

What should I do if I feel that my property value or classification is incorrect?

Contact your assessor. Many property owners' concerns can be explained or resolved by simply making a phone call to the assessor's office. If the assessor cannot adequately resolve the problem, you may make an appeal as outlined below:

- **Local Board of Appeal and Equalization.** The Bloomington Local Board meets in April of each year. If you wish to appear before the Local Board, you must submit a timely application. Before you apply, you may want to discuss your concerns with the assessor's office. Come prepared. Know the real estate market by searching for properties that have sold that are similar to yours. Information like this may be acquired from newspapers, real estate professionals, or through real estates sites on the Internet. Also, refer to any recent appraisals that may have been done for your property.
- **Hennepin County Board of Appeal and Equalization.** The Hennepin County Board meets during the last two full weeks in June at the Hennepin County Government Center. If you wish to appear before the County Board, you must submit a timely application. In order to appear before the County Board, you must first appear before the Local Board of Appeal and Equalization.
- **Minnesota Tax Court.** The Minnesota Tax Court is located at 25 Constitution Ave., St. Paul, MN. 55155. All appeals to Tax Court must be filed on or before April 30 of the year the tax becomes payable (M.S. 278.01, Subd. 1). Note: Owners of income producing properties must file income and expense data with the Bloomington assessor within sixty (60) days after the filing deadline. Failure to provide this information may result in a dismissal of the petition (M.S. 278.05, Subd. 6).

Bloomington assessing personnel are available to help answer your questions Monday through Friday, from 8:00 am. to 4:30 pm. Our phone numbers are listed below.

Revised: November 27, 2006