

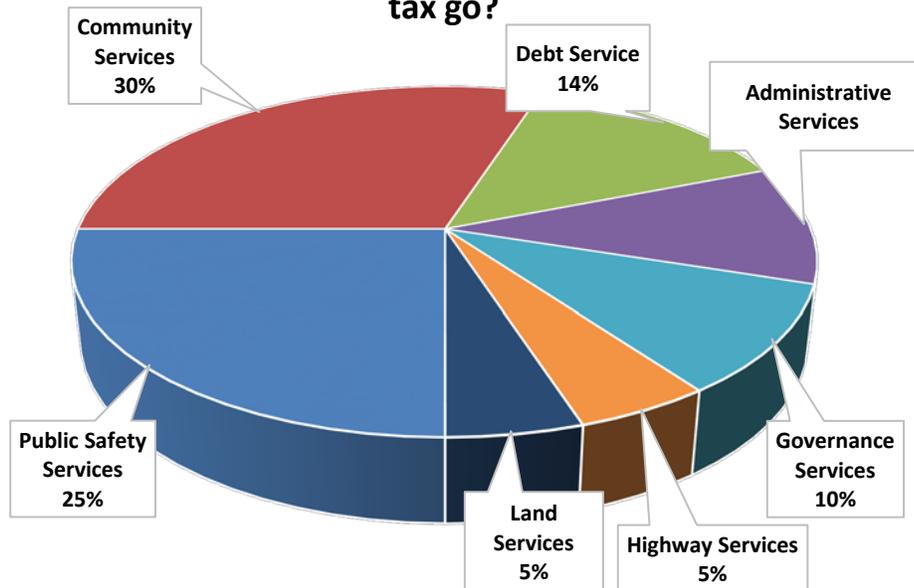


County Increases Property Tax Spending For 1st Time in 9 Years

For the 1st time in nine years, the Crow Wing County Board has increased the amount of taxes collected from property owners. Here are the reductions in past years and increase for 2019

<u>YEAR</u>	<u>LEVY</u>	<u>\$ DECREASE</u>	<u>% DECREASE</u>
2011	\$35,721,696	(\$500,000)	(1.38%)
2012	\$34,876,657	(\$845,039)	(2.37%)
2013	\$34,737,542	(\$139,115)	(0.40%)
2014	\$34,660,859	(\$76,683)	(0.22%)
2015	\$34,464,912	(\$195,947)	(0.57%)
2016	\$34,426,999	(\$37,913)	(0.11%)
2017	\$34,385,687	(\$41,312)	(0.12%)
2018	\$34,353,471	(\$32,216)	(0.09%)
2019	\$36,753,448	\$2,399,977	6.99%

Where does the County portion of your property tax go?



PAY YOUR PROPERTY TAXES IN THE LAND SERVICES BUILDING.

Here are your payment options:

- **In person** via cash, check or credit card. We are located in the Land Services Building at 322 Laurel Street Suite 15, Brainerd, MN 56401.
- **By mail** via check or money order. Postmarks will be used to determine if a payment is subject to late penalties. Please make sure to mail payments 2-3 days prior to the due date to ensure postmark is applied correctly.
- **Online** via e-check, debit or credit card. Log onto the county website at www.crowwing.us, click on Online Services, and select "Pay Your Taxes" under Land Services. You will need your 8-digit parcel identification number for each parcel paid.
- **Via telephone** with e-check, debit or credit card by calling 1-855-473-7027. You will need your 8-digit parcel identification number and follow the stated prompts.



Land Services Department
Land Services Building
322 Laurel Street, Suite 15
Brainerd, MN 56401

Important change to your 2019 Property Tax Statement and Valuation Notice

The 15-digit parcel id has been updated to an 8-digit parcel id.

- The first two numbers indicate the city or township the property is located in.
- The second two numbers indicate what section the property is located in or indicate personal property/severed mineral interest.
- The last four numbers are random.

UNDERSTANDING THE PROPERTY TAX PROCESS

Highlighted below are some of the major components – and challenges – of the property assessment process and issues to be aware of when reviewing your valuation notices.

- **A State Prescribed Process.** Although counties perform the bulk of assessment work in Minnesota, the policies and procedures they follow are determined by the state legislature. State rules govern how we classify and value these properties, based on physical characteristics, use of the property, and sales of comparable properties during a prescribed period. We can only use “arms-length” transactions for comparable sales, which, for example, preclude us from using foreclosure sales when we determine values. In addition, State rules require Crow Wing County assessed values to fall within a statistical range determined by the State. If our assessment is lower than or higher than that range, the State requires all property values to be raised or lowered accordingly.
- **The Time Lag Confusion Factor.** The state’s assessment rules also require us to use property sales that occurred as much as 18 months ago to determine assessed values. This time lag creates confusion when current market conditions do not reflect sales that occurred up to a year-and-a-half ago. For example, the current notices reflect the 2019 assessment based on sales of comparable property that occurred between October 2017 and September 2018. The result: 2019 assessed values may not reflect current market conditions. In periods when real estate prices are rising, this time lag delays increases in valuations. But during time of declining values, it understandably generates inquiries from taxpayers concerned that the assessment does not reflect current market conditions.
- **Assessment vs. Taxes.** Although all of us rightly are concerned with the assessed value of our property, the spending decisions of local governments – County, Cities, Townships and School Districts – determine whether tax rates go up or down. For example, if the assessed value of all properties in Crow Wing County went down equally by 10 percent, property taxes could still be higher if the budgets of local governments were higher. Assessment valuations are determined without regard to tax rates, but according to comparable sales values as discussed above. The tax rate is determined at a later point, based upon the level of spending approved by local elected officials at the County, City, and Township and School District levels. Local units of government determine how much they need to run their operation – values are only used to determine how big a share of that spending each of us will have to pay.
- **Slicing the Spending Pie.** Paying property taxes is like slicing a pie. Government spending is the pie. The value of each property determines how big a slice of that pie each property owner pays in taxes. There are five main reasons why a property owner may see higher taxes one year to the next. They are:
 - 1) Government spending went up.
 - 2) The property’s market value decreased at a lower rate than other properties.
 - 3) The property’s market value increased at a higher rate than other properties.
 - 4) The property classification changed.
 - 5) The State changes the rules, as it did in 2011, converting the homestead credit to homestead exclusion. If none of these things occurred, property taxes owed should not be more from one year to the next.
- **Questions or Concerns.** We will address your concerns in a courteous and professional manner. We expect to be held accountable to our standard of excellent customer service and well-managed policies and procedures. Please feel free to contact our office by phone, email or in person with questions or feedback you may have. We are located in Brainerd on the main floor of the Land Services Building, 322 Laurel Street. Our phone number is 218/824-1010 and our email address is landservices@crowwing.us. Or, visit our website at www.crowwing.us.

We look forward to working with you!