

Presenting Property Tax Appeals to the Minnesota Tax Court

You have appealed your Minnesota property tax assessment. You now have an opportunity to tell a Minnesota Tax Court judge why you believe the county assessor erred in determining the value or classification of your property.

A Tax Court judge hears the facts of the case and decides the legal issues. The judge does not take sides and cannot help you make your presentation. If you have decided to appeal your case without the assistance of an attorney, you will have all of the rights and obligations of lawyers appearing before the court.

This pamphlet helps you understand the property tax appeal process and your rights and responsibilities in dealing with the court. It explains the issues involved in property tax appeals. This pamphlet is intended to provide public information, not legal advice.

Finally, please remember that negotiation is the best way to settle most disputes. Consider making one last attempt to settle your case with your county assessor and attorney.

If you need other information about your case, contact the Minnesota Tax Court at 651-296-2806.

Upon request this information can be made available in alternate format such as large print, Braille or cassette tape.

Appealing Your Property Tax Assessment

Minnesota property taxpayers have a right to appeal the assessment of their property if they believe the assessment is in error. The Minnesota Tax Court is an independent court created to hear tax-related disputes. Here are some commonly asked questions about property tax assessment appeals.

Who decides my case?

Minnesota property tax assessment appeals are decided by one of Minnesota's three Tax Court judges.

Do I need a lawyer?

You do not need a lawyer, although you may wish to hire one. Rules of Civil Procedure and Rules of Evidence apply to property tax appeals just as they do in other litigation. These rules may be found in libraries. Only you can decide whether you need an attorney to help with your case. In Small Claims Division cases attorneys are permitted, but not required. In the Regular Division, Tax Court rules require parties to have an attorney in certain situations. See Tax Court Rule 8610.0020 for more detail. (Tax Court Rules may be found on the Tax Court Website.)

Who will represent the county in my case?

Your case is against the county and its **assessor**. The **county attorney** represents the county and the assessor.

If I act as my own attorney, what are my responsibilities?

Like a lawyer, you must gather evidence and research the legal or factual issues involved in your case. You may wish to call **witnesses** and question them. You will have the right to question or cross-examine any witnesses brought by the county attorney. You also are the Minnesota Tax Court's main contact on your case. If your case is settled or needs to be delayed or any other significant developments occur, you must contact the Tax Court.

As the **petitioner** – the person bringing the case—the **burden of proof** rests with you. In every type of legal dispute one party has what is called the burden of proof, or the greater responsibility to prove its case. Minnesota law assumes that the county assessor has correctly assessed or classified your property. *You must prove otherwise in order to win your appeal.*

You also may be a witness, giving **testimony** on your behalf and responding to questions from the county attorney. You may testify about your property, how you use the property and its current condition. You, as owner, may give the court your own opinion of the property's value or use. Even if you are not an **appraiser**, you know your property and can provide the Tax Court with valuable information about it.

How will I know when my case is going to be heard?

After you have filed the property tax appeal form, you will receive notice of a hearing date for your case. The notice will be sent to the address shown on the petition. If you have moved, it is your responsibility to inform the Tax Court of your new address. Tax Court cases generally are heard within one year of filing the appeal. You will be given three months notice of the date for the hearing. The notice from the court will include the time and location of your hearing. If the Tax Court is hearing several cases in your county on that date, cases will be heard in the order listed on the notice. *Failure to notify*

*the Tax Court that you will not attend the hearing may result in you losing the case and being charged for court costs, such as fees for the **court reporter** and a substantial penalty.*

Understanding Tax Court

Once you file your appeal, the jurisdiction for your case shifts to the Minnesota Tax Court. Your local district court no longer has responsibility for the case. Direct your questions to the Tax Court.

Where will my case be heard?

Your hearing will be held at the county courthouse in the county where the property is located. Ramsey County cases are heard at the Minnesota Judicial Center, Second Floor, 25 Constitution Avenue, in St. Paul. Arrive at the courthouse early so you will be ready when the hearing begins. You must check in with the District Court Administrator on the morning of the hearing. The administrator will direct you to the correct room.

What happens if I cannot appear in court on the scheduled date?

If you cannot appear on the scheduled date, notify the Minnesota Tax Court as soon as possible but no later than noon the day before trial. It may be possible to re-schedule your hearing for another time, if the county agrees. If you do not attend your hearing and the Tax Court has not been notified in advance, you may lose your case and incur a penalty.

May I negotiate a settlement after the hearing date has been set?

Yes! In the time between the setting of the hearing date and the hearing, you may negotiate with the county attorney to reach a **settlement**. Settling may save you and the county time and money. If you do settle, please contact the Minnesota Tax Court immediately. Settlement negotiations before the hearing also will give you a chance to share information with the county assessor and county attorney. If settlement negotiations fail, please contact the Tax Court prior to your hearing to indicate your case definitely will be heard.

Will I be contacted by the Court before the hearing?

Yes. The Court Administrator will contact you to let you know the name of the judge who will preside at your hearing. The phone number you provide on your petition is important for this reason. Please provide the number at which you can be reached during business hours, or both home and work phones.

Preparing Your Case

Property tax appeals usually involve questions of fact. How much is a property worth on the local market? What is its use? How does it compare with similar properties nearby? These are the issues on which you must present evidence at your property tax hearing.

The most common reasons for filing a property tax appeal are:

- You think the **estimated market value**, as determined by the assessor, is greater than the property's actual value on the open market.
- You believe the property is **unequally assessed** when compared with other, similar properties.
- You believe that the **classification** of the property (residential, agricultural, commercial, etc.) is incorrect.

How do I prove the valuation of the property is incorrect?

Because the burden of proof rests with you, the petitioner, you must present factual evidence to disprove the assessor's valuation of your property. To prove the value of the property is too high, you must present expert evidence as to its actual value. It is insufficient to merely cast doubt on the assessor's estimated market value. How much does an appraiser say the property is worth? Check the records of recent property sales in your area, which are filed with the County Recorder. At the recorder's office, ask for the certificates of real estate value (CRVs) from the past year for properties in your taxing district. These are public documents that describe the actual sales prices of properties in your county.

If you present an appraiser's written report of the property's value, the appraiser must attend the hearing to testify. Court rules of fairness require that the opposing party have an opportunity to question any witnesses. Similarly, the county attorney may not present any written evidence from an expert, without having the expert available for you to question. You may call other witnesses that can offer information about your property and its value. However, the Tax Court does not normally rely heavily on the testimony of non-expert witnesses in making its decision.

Understanding Tax Court

While these hearings are called property tax appeals, it is not the taxes that are at issue. It is the value of the property on which the taxes are assessed. You must present evidence about the property's value, not how much you or others pay in taxes.

How do I prove unequal assessment?

If this is your concern and you checked this box on the petition, you must first present evidence of the value of your property, such as an appraiser's report. Then you must show that the property was assessed "unequally" compared to similar properties.

Assessments often vary in a taxing area, due to important differences in properties. So, if your home is assessed as having a higher market value than your neighbors that does not automatically constitute "unequal assessment." To prove unequal assessment, you may use the Minnesota Department of Revenue's **Sales Ratio Study**. The Department of Revenue maintains records of all property sales in every taxing district of the state. A Sales Ratio Study compares how closely assessed values relate to actual market prices in sales between disinterested parties. If assessed values lag behind market values, the sales ratio is less than 100 percent. If the Sales Ratio Study indicates a ratio of less than 90 percent for your type of property in your taxing district, you are entitled to relief.

Understanding Tax Court

Remember that classification is based on use. If your classification has been changed but the property's use has not, the change is not necessarily an error. Your property may have been improperly classified earlier. For instance, if your classification was changed from agricultural to residential, you must show evidence that the property is used for agriculture. It is not enough to say that it has always been classified as agricultural. How is it used?

How do I prove my property has been classified incorrectly?

All property in Minnesota is classified according to its best use, such as commercial, industrial, agricultural or residential. In addition, residential property is classified as homesteaded – that is, the owner lives in the residence – or non-homesteaded, which is when the home is owned by another person or entity other than the resident. If you intend to dispute the classification of your property, you need to prove how you use the property. If the assessor has changed the classification and the property has not been sold or transferred, you must prove that your property should be in a different classification. Go to the library and look up Minnesota laws on classification. You will find the Minnesota State Statutes in many public libraries, most college libraries, all law libraries and the Tax Court website.

How do I prove my property is homesteaded?

In homestead disputes, you must prove you owned and occupied the property on the

assessment date. You may have transferred title to another entity such as a trust and caused the assessor to change the classification from homestead to non-homestead, for example. You will need to present evidence regarding the transfer.

The Day of the Trial

What should I bring to court?

Bring all of the evidence you wish to present, such as photographs or written reports. Make sure your witnesses are in the courtroom. There is usually an easel in the courtroom that you can use to present evidence. If you need other special equipment, such as a videotape player, blackboard or other equipment, you must make your own arrangements.

How will I know it's time for my case?

When you arrive at the courthouse, check in with the District Court Administrator or for Ramsey County, check in with the receptionist on the second floor of the Minnesota Judicial Center. The administrator will tell you the order in which cases will be heard. The judge will call your case from the bench, which is your signal to come forward.

Who speaks first?

As the petitioner, you will be asked to present your evidence first. If you bring witnesses, the county attorney will be allowed to question them. You will be allowed to question the county's witnesses as well.

Do I have to bring witnesses?

No, but it might be difficult to prove your case without information supplied by witnesses, such as an appraiser. In most Tax Court cases, the owner of the property testifies and presents an opinion of value or use. The Tax Court does not normally give as much weight to testimony from non-experts as it gives testimony from trained appraisers.

How can I make a strong presentation?

Here are some points to remember as you plan your presentation:

- **Do your preparation.** Make a list of key points you wish to make. Keep it with you for reference.
- **Follow courtroom etiquette.** Be on time. Dress neatly. Call the judge "Your

Honor". Address the Court, not the county attorney or assessor. Stand when addressing the Court.

- **Set the scene.** The Tax Court judge has never seen your property. Tell the judge something about your property right away so she will understand your arguments more fully. Where is the property located? What buildings are on it? How are the buildings used? How much did you pay for it? How long have you owned it? Have you made improvements? Are there natural features, like creeks or ponds, that affect the value or use of your property? Pictures may be helpful. Describe the issues that are in dispute in the case.
- **Ask specific questions of witnesses.** Whether you are questioning a witness you have brought or one the county attorney called, ask specific questions to gather information. Do not argue with witnesses.
- **Keep your presentation brief and factual.** If you have prepared well, you should know exactly what evidence you want to present. Do it directly and factually.
- **Listen respectfully to the opposition.** After you have told the court your story and called your witnesses, it will be the county's turn to make its case. Listen respectfully. Do not interrupt. Make notes on any points you would like to clarify further when it is your turn to question the county's witnesses.
- **Be prepared to sum up your case.** After both sides have brought their witnesses, you will get a chance to sum up your case before the court. This is your opportunity to pull your evidence together so that the judge understands your views. Again, keep your statements brief and factual. A long speech will not improve your case if the facts do not support your view.

How long will the trial last?

The hearing will continue until all evidence is presented. Most Tax Court hearings last one to two hours, sometimes more. There is no time limit.

When will I find out if I've won my case?

Usually the judge will end the hearing by taking the case **under advisement**. The hearing will end without a decision and the judge will have time to carefully consider the information presented. Both parties will receive the court's decision within 90 days of the hearing.

If I win, when will I get my refund?

Refunds are handled by the county and the county will send you a check. Similarly, if you owe money, it is up to you and the county to arrange payment.

What costs of the trial am I responsible for?

You are responsible for any costs related to preparing and presenting your case. If your case is heard in the Regular Division, a court reporter must be present to record what is said. You are responsible for paying the court reporter. *Please make arrangements to pay the court reporter before you leave the courthouse.*

Can I be repaid for the money I've spent on my case?

The Minnesota Tax Court has the authority to order that you be repaid for your costs. To recover costs you must win your claim and provide an **affidavit** of the costs you have incurred. This would be a list of expenses with receipts. The court will award costs for fees of experts testifying at the hearing only for the time spent at the hearing, not the time spent preparing for trial.

Can I appeal my case?

Cases heard in the Small Claims Division of Minnesota Tax Court cannot be appealed. The judge's decision is final. If your case is heard in the Regular Division, you can appeal it to the Minnesota Supreme Court. If you wish to pursue this option, you are encouraged to consult an attorney for assistance.

Glossary

Affidavit: A written statement of facts made voluntarily and confirmed by the oath or affirmation of the party making it. An affidavit must be sworn before a person having authority to administer oaths, such a notary public.

Appraiser: A person with some qualified professional training and experience, engaged by a party to make a value estimate.

Assessment date: The assessment for each year is set on January 2 of the preceding year. So, the assessment date for taxes payable in 2000 is January 2, 1999.

Assessor: The county officer charged with determining the market value and classification of property for tax purposes.

Burden of proof: The greater responsibility to prove a claim correct. In property tax disputes, the burden of proof rests with the petitioner.

Classification: How a property is best used as defined in Minnesota law. Classification determines the rate at which a property is taxed.

County attorney: The county's legal representative. The county attorney defends the county's interest in property tax cases.

Court reporter: The independent person who records all testimony presented at the trial.

Estimated market value: The assessor's estimate of the price at which a property might sell on the open market.

Petition: The document you signed contesting the value or classification of the property you own or in which you have an interest.

Petitioner: The party bringing a petition – or claim – against the county.

Presumption: The assessor's estimated market value and classification are presumed valid in property tax appeals. The burden is on the petitioner to prove that the value differs or that the classification is incorrect.

Respondent: The party against whom a claim is brought. In property tax disputes, this is the county that assessed or classified the property.

Sales Ratio Study: A comparison made by the Minnesota Department of Revenue of all sales between disinterested parties and the estimated market value of properties in a taxing district. The sales ratio is indicated in percentage.

Settlement: An agreement reached through negotiation by parties involved in a legal dispute.

Testimony: Information supplied by people involved in a dispute. Testimony is given under oath -- a legally binding promise to tell the truth.

Transcript: A written record of the testimony at trial prepared by the court reporter.

Under advisement: Under consideration.

Unequal assessment: A claim that a property was assessed at a rate higher than comparable properties in a taxing district.

Witness: An individual with information about a legal dispute who is called to provide that information to a court.



Questions? Send E-Mail to info@taxcourt.state.mn.us

Deaf/Hard of Hearing/Speech Impaired Only: TDD users may call the Minnesota Tax Court through the Minnesota Relay Service. Greater Minnesota 1-800-627-3529. Ask for 651-296-2806.

Information on our website is available in other formats on request.

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