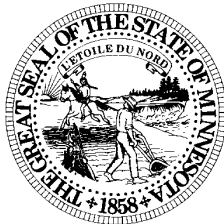


Presenting
Property Tax Appeals
to the
Minnesota Tax Court



Minnesota Tax Court
245 Minnesota Judicial Center
25 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155
(651) 296-2806

www.taxcourt.state.mn.us

Presenting Property Tax Appeals to the Minnesota Tax Court

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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. 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.

Office Hours

Monday through Friday
8 a.m. to 4:30 p.m.

Address

245 Minnesota Judicial Center
25 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

The Judges of the Minnesota Tax Court

Judge Joanne H. Turner
Judge Bradford S. Delapena
Judge Thomas G. Haluska

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 or on the Tax Court website. 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 certain types of parties (such as certain corporations and entities) to have an attorney. See Tax Court Rule 8610.0020 for more detail. (Tax Court Rules may be found on the Tax Court Website, www.taxcourt.state.mn.us.)

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?

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. As the **petitioner**—the person bringing the case—the **burden of proof** rests with you. *You must prove the county assessor erred in order to win your appeal.*

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

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

After you have filed the property tax petition, you will receive an order from the Tax Court requiring you and the county to exchange certain information. The order will be sent to the address shown on the petition. If you move, it is your responsibility to inform the Tax Court of your new address. If the exchange of information with the county does not resolve the case, you and the county will jointly provide information to the Tax Court to help schedule the trial. You will receive written notice of the date, time, and place of

trial. *Failure to notify the Tax Court that you will not attend the trial may result in you losing the case and being charged for court costs, such as fees for the **court reporter** and a fine.*

Where will my case be heard?

Your trial 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 Rev. Dr. Martin Luther King Jr. Blvd, in St. Paul. Arrive at the courthouse early so you will be ready when the trial begins. You must check in with the District Court Administrator on the morning of the trial. The administrator will direct you to the correct room. Most trials begin at 10:00 a.m.

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

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

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

We encourage you to make contact with the county attorney listed on the notice at this time. You may negotiate with the county attorney and reach settlement without having to go to trial. This may save you time and money associated with a court appearance (appraisal cost, court reporter fees, etc.) Negotiation allows you to share information with the county assessor and county attorney so you both understand the nature of the case.

I Have Reached a Settlement With the County – What Next?

If you reach a settlement with the county or wish to dismiss your case, please contact the Tax Court to cancel the court date and for further instructions as needed.

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 trial.

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 trial 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.

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. The fact that your home is assessed as having a higher market value than your neighbors does not automatically constitute "unequal assessment" if it has features or a location that your neighbors' properties do not. To prove unequal assessment, you may use the Minnesota Department of Revenue's **Sales Ratio Study**. The Department of

Understanding Tax Court

While these trials 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.

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.

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. You can research Minnesota laws on classification at many public libraries, most college libraries, and all law libraries. In addition, you can research Minnesota laws on classification through the Tax Court website (www.taxcourt.state.mn.us) and the website of the Minnesota Revisor of Statutes (www.revisor.leg.state.mn.us/statutes).

How do I prove my property is homesteaded?

The assessor may have changed the classification of your property from homestead to non-homestead after title was transferred to another entity, such as a trust. In homestead disputes, you must prove you owned and occupied the property on the **assessment date**. You will need to present evidence regarding the transfer and your continued ownership and occupancy of the property.

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.

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 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.

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 beforehand.**
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 he/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 summarize your case for the judge. This is your opportunity to explain to the judge how the evidence supports your position. 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 trial will continue until all evidence is presented. There is no time limit.

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

Usually the judge will end the trial by taking the case **under advisement**. That gives the judge time to carefully consider the information presented. Both parties will receive the court’s decision within 3 months of the final submission date.

If I win, when will I get my refund?

Refunds are handled by the county; 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 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 trial only for the time spent at the trial, not the time spent preparing for trial. (Tax Court Rule 8610.0150)

Can I appeal my case?

A decision by the Tax Court in a property tax petition brought in Small Claims Division is final and may not be appealed by either party. A Regular Division decision of the Tax Court may be appealed to the Minnesota Supreme Court.

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 taxpayer, 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 and filed contesting the value or classification of the property you own or in which you have an interest.

Petitioner: The person who files a petition against the county in property tax matters.

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 by the judge.

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.



Using the Tax Court Web Site

The Tax Court web site, www.taxcourt.state.mn.us, includes a wealth of information put together to guide you through the Tax Court process. This is public information and is not intended to constitute legal advice.

At the bottom of our Home Page you will find a menu to direct you to the different pages of our web site:

Decisions	Rules	Forms	Contact Us	Directions	Pro Se Information	About the Judges	Links
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Decisions: These are published decisions from 1992 to the present. Use the box on the first page to enter your search term. Search by term (i.e. valuation, homestead, institution of purely public charity), or search by case name, file number, or date, for example. Look at cases that are similar to yours in terms of legal issues and facts. Be warned: the web site does not update the subsequent history of cases reported. You must search the Minnesota Supreme Court web site to determine if a Tax Court case has been reversed or affirmed by the Supreme Court. You can link to the Supreme Court web site through the links box at the bottom of our Home Page.

Rules: These are the Tax Court Rules of Procedure-- to be followed as you work your way through your case.

Forms: These include Tax Court Forms 1 and 7 (used to file your appeal to the Court), Fact Sheets, Procedural Guidelines for Working with the Tax Court, Statement of the Case and *informa pauperis* forms.

Contact Us and Directions: These offer you the Tax Court address, phone number, email address and driving directions to the Minnesota Judicial Center.

Pro Se: Here you will find handbooks to assist you in presenting your appeal to the Tax Court. These in-depth guides are created specifically for taxpayers who represent themselves in Tax Court.

About the Judges: This page introduces you to the three Tax Court Judges.

Links: These will take you outside the Tax Court web site to review Minnesota Statutes Chapters 271 and 278, Minnesota Rules of Civil Procedure, specific information for filing appeals in Hennepin and Ramsey Counties, and Legal Help for low-income Minnesotans.

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

TDD users may call this agency through the Minnesota Relay Service:
Twin Cities 612-297-5353; Greater Minnesota 1-800-627-3529 ask for 651-296-2806.



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