

# The ABC's of Property Tax Appeals: How to Keep More of Your Own Money

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# “The Only Two Certainties in Life Are Death and Taxes.” Mark Twain

- All property is taxable, unless exempted.
- Exemptions:
  - Schools
  - Hospitals
  - Churches
  - Burying Grounds
  - Public Property
  - Public Charities
  - Personal Property



# Getting the Ball Rolling: The Assessment Process

- Property is assessed as of January 2 for taxes payable the following year.
- Example: Valuations are assessed in January 2015 for taxes payable in 2016.



# “My Taxes are Too High”: Getting Beyond Sticker Shock

- Property Characteristics to Consider:
  - Age
  - Occupancy
  - Condition
  - Access
  - Construction Costs
  - Zoning Restrictions



# “My Taxes are Too High”: Getting Beyond Sticker Shock

- Considerations Regarding Income Producing Properties:
  - If the property produces income (apartment complexes, strip malls, etc.), a property tax appeal will require the production of income information.



# The Lay of the Land: Your Local Assessor

- Some cities have their own assessment staff.
- Some counties (Ramsey and Dakota, for example), handle each.
- Assessors use a “mass appraisal method.”
  - Most properties are assessed with little or no specific information.



# Methods of Appeal

- Administrative Process – Boards of Review
- Petition to Tax Court
  - Most common method of challenge



# The Mechanics of an Appeal

- Find tax information
  - Tax statements
  - Photos, maps, blueprints
  - [www.co.\[insert county\].mn.us](http://www.co.[insert county].mn.us)
- Drafting the tax petition
  - Overvaluation
  - Incorrect classification
  - Exemption





# The Mechanics of an Appeal

- Filing the Appeal
  - Snooze and lose. Deadlines are short and strict!
    - All appeals must be filed by April 30 in the year the taxes are payable.
    - Detailed requirements for service upon the county assessor, county attorney, and district court.



# The Nitty Gritty: Valuing the Property

- Cost Approach
- Income Approach
- Comparable Sales/Market Analysis



# Negotiating the Case

- Goes beyond the typical concept of a lawsuit.
- The assessor is usually not your adversary. Help them.
- Formal discovery is very rare.
- Appeal usually involves multiple tax years.



# The Trial

- “First Setting”
  - Initial appearance before the Court.
- “Second Setting”
  - Set case for a specific date.
- The Trial
  - Assessment presumed valid.
  - Petitioner has burden of proof.



# The Trial

- Picking Witnesses
  - Owner
  - Manager
  - Facilities Engineer
- Trial to Tax Court Judge, No Jury.
- Appeal to Minnesota Court of Appeals.

**Thank You!**



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