

**November 2009**

***A Note from the Wright County Assessor to the Citizens of the County  
Regarding Estimated Market Values and the Truth in Taxation Process***

I am writing this in hopes of clarifying some of the confusion with the mass appraisal assessment process and the timelines leading to the Truth in Taxation statement which oftentimes leads to telephone inquiries regarding the estimated market value of individual properties.

The Minnesota Legislature passed a law in 1989 that was designed to help property owners understand how the property tax is determined and how they can get involved with local budgeting issues and taxation. This process known as "Truth-in-Taxation" occurs once a year during the months of November and December. It gives property owners an opportunity to review information pertaining to a property tax proposed for their property and to react to local budget decisions before they become finalized. The Truth in Taxation hearing is not part of the property value or classification appeal procedure; that process occurs earlier in the year at the City or Township "Board of Review", the County "Board of Equalization" or at the Minnesota Tax Court.

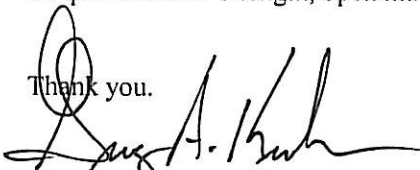
***Understanding the Assessment Timeline:  
Assessment Year vs Payable Year***

The usage of the terms "assessment year" and "payable year" causes misunderstanding among some property owners. The property tax timeline usually spans a period of two years. State law mandates the assessor to value property at market value and classify it according to its use as of January 2<sup>nd</sup> of the assessment year. The assessment year timeline allows for an appeals process and the compilation of tax capacities to which local and state authorities set budgets and levies through a Truth in Taxation process. Taxes are then determined once rates have been finalized and are payable the following year. The current Truth and Taxation notice reflects market values determined as of the January 2, 2009 assessment year which uses statistical data compiled from actual real property sales occurring from October 1, 2007 through September 30, 2008. These are the valuations being used for the taxes that will be paid in 2010.

As many of you are aware, the real estate market is being influenced by extreme economic factors and foreclosures that have not been seen in recent history. Our valuation is a snapshot in time, and during periods in which real estate prices are rapidly changing, mass appraisal assessment values will often lag from what is occurring in the current marketplace. This is true whether the market is appreciating or declining in value. Our current ratio analysis for the 2010 assessment year is indicating that property values are continuing to decline. This will be reflected on the valuation notification that you will receive in March or April of 2010 for taxes that you will pay in 2011. It is important that values of similar properties are equalized with one another so that even in challenging markets, valuations of similar properties will be treated fairly in the taxation process.

The Wright County Assessor's office has highly trained professional appraisers and is fully aware of the market conditions currently affecting real estate. The current market study will include analysis of all qualified arm's length, open market sales and will also include qualified foreclosure sales.

Thank you.



Gregory A. Kramber  
Wright County Assessor