

draft

Lutsen Township
Local Board of Appeals & Equalization Meeting Minutes
May 16, 2024
Lutsen Townhall

Meeting Called to Order: C Friesner called meeting to order at 6:00 p.m.

Pledge of Allegiance Recited

Meeting Attendees: Rachel Espe, Bob Thompson, Jason Ernst, Kyle Monson, Lolli Cooper, Carl Friesner, Chris Homyak, Samantha Mcquatters-Spangle

Approval of Agenda: C Friesner addressed the room and asked if an item needed to be added or removed from the printed agenda? No objection C Friesner made a motion to approve agenda; C Homyak seconded. Motion passed.

LBAE 2023 Meeting Minutes: Read by all supervisors, C Friesner made a motion to approve; L Cooper seconded. Motion passed.

Supervisor C Friesner acknowledged assessor Bob and gave him the floor.

No public appeals presented.

Assessor Thompson provided packets detailing the 17 properties listed for assessor recommendations or property owner appeals that are being recommended to not change as of May 16, 2024. Also listed are properties that owners have called and appealed, a necessary change was acknowledged and both parties agreed to the new recommended changes. Two properties are currently listed as no change with the property owner but are currently under the inspection process.

C Friesner motioned to approve all the assessor recommendations listed on the provided list of board of appeals given by assessor Thompson. L Cooper seconded; C Homyak approved.

Assessor Bob reviewed the remaining information each supervisor received along with 27 recent sales within Cook County, Changes by property, classification type, improvements to types such as residential, seasonal, rural vacant land and impacts of new construction. The total market value increase in Lutsen was 10.6% over 2023 without the new construction factor. The currently average market value increase in Cook County is 13.1%. New construction for seasonal recreational category was significant with the building of the Sauna and Cabins on Ski Hill Road and Trail Cabins on Onion River Rd. The market value increase in Cook County over the last 5-year period is up 73%.

The Homestead market exclusion has been updated for the first time after its implementation in 2012. Homesteaders will now get an exclusion up to 512,000\$

C Friesner made a motion to adjourn; C Homyak seconded. Motion passed and meeting adjourned at 6:13 p.m.

Signature_____

Carl Friesner Lutsen Chairperson

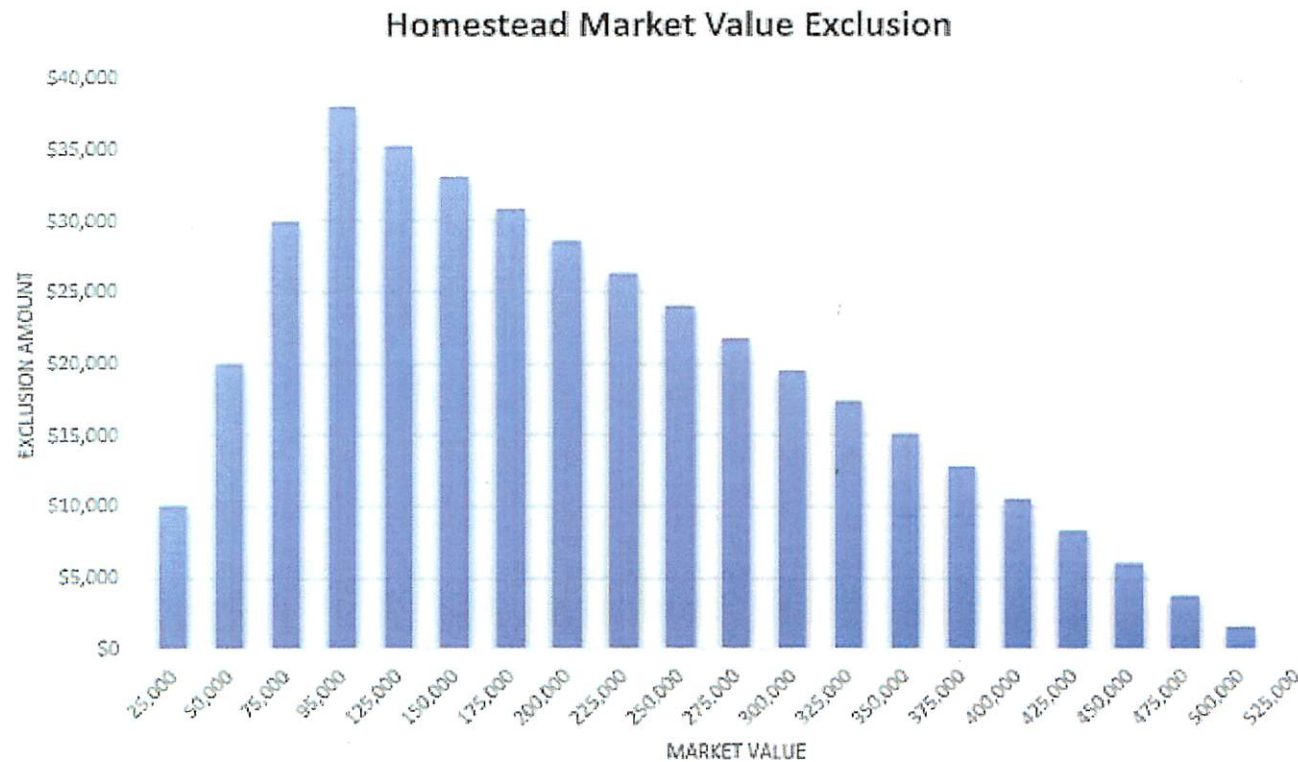
Signature_____

Samantha Mcquatters-Spangle Lutsen Clerk

For taxes payable in 2025:

For homesteads valued at \$95,000 or less, the exclusion is 40% of the market value, creating a maximum exclusion of \$38,000. The exclusion is reduced as property values increase and phases out for homesteads valued at \$517,200 or more.

Properties that are partial homesteads (for example, when only one of two owners lives there) will have a reduced exclusion.



PROPERTY ASSESSMENT IN AN APPRECIATING MARKET



Valuation Date

The recently mailed **2022** Valuation Notice included an estimated property value as of January 2, 2022. That value is utilized in the calculation for taxes payable in **2023**.

Sales Study Period

For the January 2, 2022 assessment the assessor considers sales that occurred between October of 2020 and September of 2021.

Not All Sales Included

Not all sales are representative of the market. Some sales, such as foreclosures, sales between relatives, or sales where the seller or buyer are acting under undue duress are not considered open-market, arm's-length transactions and are not used in sales ratio studies, nor are they used as comparable sales in estimating the value of similar properties.

Appreciating Market

Over this past year the real estate market in Cass County has seen significant gains, greater than experienced in recent history.

Sales occurring prior to the assessment date must be analyzed with consideration given to appreciation that may have occurred between the sale date and the assessment date.

Mass Appraisal Isn't Based on an Individual Sale

It's also true that people purchase property based, at least in part, on their own preferences. This results in perceived "good" and "bad" deals occurring every day. Mass appraisal techniques seek to value all properties based on the sale transactions of many similar properties.

The assessed value is not based on an individual sale, but rather a consideration of many sales, resulting in an indicated value, or "most likely" price.

"Wait a second, I paid \$300,000 for my home and now you're saying it's worth \$360,000. How is that possible?"

The assessment date is January 2 of each year. If the market appreciated, say 20% in your area:

A purchase price of **\$300,000** in January of 2021 would indicate a value closer to **\$360,000** as of January of 2022.

A purchase price of **\$330,000** in July of 2021 would also indicate a value closer to **\$360,000** as of January of 2022.

SEE REVERSE FOR ILLUSTRATION