

Morrison County Property Sales Indicating an Increase in Value

Morrison County residents should have received their Property Valuation Notices for the 2024 assessment year for taxes payable in 2025. The statements will be included in the same envelope as the 2024 Property Tax Statements and will provide some general property information with the current and previous year's market value and tax classification.

When it comes to determining property value, it all comes down to what similar property is selling for, also known as the market. By law, the assessor is required to value all properties at market value with fair and equitable assessments. The Assessor's job is not to raise revenue or predict sales, but to reflect what the real estate market is doing and how property is selling. A property's estimated market value can change year to year due to market conditions even if no physical changes have been made to the property. There is no limit to the amount of value a property can change; the market determines that.

The County Assessor must value a property at 100% of its market value on January 2nd of each year. The qualified sales are grouped into similar property type and studied to determine if any market changes have occurred. To do this, the ratios are arrayed from high to low and the middle or the median ratio must fall within the 90% to the 105% range. To calculate a ratio, the estimated market value is divided by the sale price. If the median ratio falls outside of the required range, an upward or downward value adjustment must be made.

Within the current sales study, on average, the sale price of residential/seasonal on-water properties are 25% – 40 % higher, residential/seasonal off-water properties are 5% - 15% higher and Agricultural and Rural Vacant Land properties are 0 – 15% higher than what the county had them valued for the 2023 assessment. To fall within the Minnesota Department of Revenue's valuation requirements the county must increase the estimated market values. Not all jurisdictions in the county are selling the same. The sales are broken down into townships and cities and are increased or decreased according to the sales in their areas.

Increased property value does not necessarily mean a higher property tax bill. Entities with tax levy authority (city, township, school district, county, lake improvement districts) determine how much money they need to operate, and that amount is spread across the taxpayers. Each property owner's piece of the pie involves many factors.

Property owners that receive homestead may see their Homestead Market Value Exclusion reduced. The maximum Homestead Market Value Exclusion starts at \$95,000 and reduces as the property value increases.

Those enrolled in the Green Acre/Rural Preserve will see a benefit for the 2024 assessment, taxes payable in 2025. If your property is Agricultural Homestead and you would like to apply for the Green Acres/Rural Preserve program, please contact the Land Services Department at 320.632.0170. The deadline for application is May 1st, 2024, for the taxes payable in 2025. The Department anticipates many inquiries, and your patience is appreciated during this busy time of the year.

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