

**Minutes of the  
Board of Appeal and Equalization  
Harris Township  
Wednesday, May 8, 2013  
9:00am**

Pursuant to due notice and call thereof, a Local Board of Appeal and Equalization was conducted on Wednesday, May 8, 2013 at 9:00am at the Harris Town Hall, with following officers of the board present: Supervisors Larry Key, Gary Rosato, Dennis Kortekaas, and Clerk Michele Smith. Absent: Treasurer Becky Adams.

Also in attendance were Brian Connors-Itasca County Assessor, Christa Rajala-Assessor/Appraiser for Harris Township,, and Russ Namcheck & Jim Pietila- County Assessor/Appraisers.

There were 3 Harris Township residents in attendance.

**1. Opening Comments**

Chairman Kortekaas opened the meeting and then it turned over to County Assessor Brian Connors. Connors introduced the Local Board of Appeal and Equalization: Supervisors Key, Rosato, and Kortekaas

Connors explained that this meeting was to review the 2013 classifications and assessments/valuations of Harris Township properties that are used to calculate taxes payable in 2014. Any person feeling aggrieved could discuss their complaint with the Board and Assessor. The meeting was to be kept orderly and anyone becoming loud or out of order would be asked to leave. The complaints would be reviewed in the order they appeared on the sign-in list.

It was noted that Supervisor Rosato had his current local Board of Appeal and Equalization training and certification, prior to today's meeting.

It was further noted that in order to appear before the *County* Board of Appeal and Equalization, a resident needed to appear before the *Local* Board of Appeal, either in person or via letter. The board will need to make a motion, second, and approve that a resident has the right to appear before the County Board of Appeal.

This is a meeting of the residents; the local board should be addressed with all grievances – not the county Assessor. A reminder was given that this meeting is about property valuations - not about taxes.

Connors explained that at the end of today, the board would have two choices – to adjourn, or to recess if more information is needed. If recessed, the date for a second meeting date must be set within 20 days. At that time, they would then finalize any issues and adjourn.

For clarification, Connors explained that only 2 things could be changed at today's meeting:

- The classification for 2013 (such as homestead vs. non homestead, business vs. residential, etc.) that will affect taxable payable in 2014.
- The valuation amount that is shown on the yellow form from the county. (This was *not* a meeting to discuss *taxes* – but rather the property valuations and classifications.)

County wide changes were noted by Connors:

- Sales: Un-platted, rural vacant land was reduced by 10%; one small area by 5%, and zone 1 & 3 were reduced by 20%. (Does not include lake shore.)

In Harris Township (By Christa), the following was noted (*see handout – attached*)

- Land zones – Harris Twp has 2: Zones 1 (north) & Zone 2 (south) – which is more residential
- Zone 1 had a 20% decrease, and Zone 2 had a 10% decrease – based on sales last year.

- Price per acre chart was reviewed – including “Green Acres” (It was noted that the county has no control over rates the “Green Acres” rates; these are set by the state.)
- “Sales Groups” reviewed – which included some outlying properties in order to have 6 sales included
- Sales in Harris were noted; the sales ratio was 103.0% (after changes to tables were made); the median needs to be between 90-105%. However, future changes still need to be made to Harris Township and so the final ratio for seasonal or single family residences will be 100.8%
- The County will be dividing Harris into additional neighborhoods, as requested by board last year.

Rosato asked if lower assessed value means lower taxes. Connors replied that overall it would not because the county budget (levy) does not change, and so taxes still needs to be divided among all property owners.

**Consider property owners complaints and answer questions about their assessments.**

With no other comments or questions, the residents were called in order of sign-in, to discuss their grievances with the Local Board of Appeal and Equalization:

**1.**

<b>Taxpayer name(s):</b> Michael H. Ives (Burl)	<b>Parcel number (s):</b> 19-016-4105
<b>Address:</b> Sunny Beach Road	<b>Classification:</b>
<p><b>Nature of grievance:</b>  Ives has a 100 ft lot on the lake, and 1.5 acres. His home is a 3 bedroom/3 bath, 2800 sq feet. He is bound to where the house sits due to well/septic. He can't get any bigger – but did add a 10x14 entryway. He has a new roof (shingles) due to hail damage in 2012. House sits on piers – no basement. The main structure is older – a 1972 A-frame model with additions (lean-to roofs). He has a shed. However, even though the neighbors all have much larger homes, his home was valued more than his father's and only slightly less than other neighbors with homes twice the size of his.</p> <p>Ives pays a lot more than his neighbors per foot of lake shore: \$1,800/foot. His father (and neighbor)'s value is only about \$900/foot, and they share the same shore line. The neighbor to the east has lakeshore valued at only \$700/foot.</p> <p>Overall, Ives wanted to know why his piece of property and home are valued so much higher than his neighbors on both sides.</p> <p>Current values:  House: \$250,000 (which is because it's on the lake – would not get if on diff property) – went up 14,000 since last year.  Property now \$183,000 (down slightly)  Total EMV for both: \$433,500</p> <p>Connors:</p> <ul style="list-style-type: none"> <li>• The increase to the home value were caused by the new addition put on to the house (entry way)</li> <li>• The net valuation for lake shore based on county sales increased overall, and tables were adjusted accordingly.</li> </ul> <p>Ives, Connors and the board looked at the value of properties surrounding Ives, and did see that his lakeshore was valued \$300-500 more per foot more than his neighbors, who had larger lots/more lake shore. However, Connors advised the board to consider the total EMV of the property - as that's what sales are based on – rather than look at tables, and the cost per foot of lakeshore. Connors noted that the Board could reduce the valuation amount for property, but recommended not chasing the tables and rates.</p> <p>Ives noted that his real problem is with land value, not the house. Overall, he was okay with house value – but he felt his land (and lakeshore) is way overvalued and he's paying more than it's worth.</p>	

The Board asked Ives what he felt would be a fair valuation of his property. Ives commented that he'd previously asked for a \$100,000 reduction – and was granted \$40,000. The value history of his property has been a see-saw since 2006, but he liked the 2006 value of \$163,000 when the market was good – and felt that's what it should be today. Therefore, he asked for a reduction of \$20,000 in value.

**Action taken:**

***A motion was made by Supervisor Key to reduce the land value of Burl Ives property by \$10,000 to \$173,800. The motion was seconded by Supervisor Rosato and upon roll call, passed by a unanimous vote.***

**2.**

<b>Taxpayer name(s):</b> Todd Christensen	<b>Parcel number (s):</b> Many: 24 parcels in platted development. (see #s noted below)
<b>Address:</b> Oak Island Estates – on Sunny Beach Road	<b>Classification:</b>
<p><b>Nature of grievance:</b>          Christensen refinanced his development at Grand Rapids State Bank (GRSB). Their rep (who has 34 year experience, but was not a licensed appraiser) valued the 24 unsold lots at \$408,000, based on comparable sales. The county's valuation was \$777,600 for the 46.93 acres.</p> <p>Only two of the largest lot sold (in 2007 or 2008) for \$33,000 per lot. And currently, each lot is valued at 34-40,000 - almost double what they're actually worth, as Christensen said he can't sell them for that. He'd be happy to get \$20-\$25,000 for any of the remaining lots.</p> <p>Connors:</p> <ul style="list-style-type: none"> <li>• After reviewing the comparables from GRSB, he noted some concerns on the validity of some comparisons. There are very limited comparable sales of platted land in Harris Township. 2 of 3 sold were at 66% &amp; 75% (apx) of ratio, with 1 at 133% of the ratio.</li> <li>• The county's valuations vary from 34 to 60,000 per lot. All a little different value – due to slight variation in size.</li> <li>• Taxes are increasing due to "plat law" kicking in, which is based on a complicated formula.</li> <li>• Unfortunately, the county cannot lower value due to <i>lack</i> of sales; they can only lower based on similar sales; however, Connors acknowledged that there have been very few sales. He asked the board for a brief recess to review the case at greater length.</li> </ul> <p><b><i>Supervisor Rosato made a motion to recess the meeting at 10:32 a.m. to allow Connors time to review comparable sales to Oak Island Estates. The motion was seconded by Key, and the meeting was recessed.</i></b></p> <p><b><i>At 10:37 a.m., Chairman Kortekaas reopened the meeting.</i></b></p> <p>Connors reported out:</p> <ul style="list-style-type: none"> <li>• It's almost impossible to find an appraisal report that can't be nitpicked – and critiqued. The bank got some sales and said what it's worth, but GRSB was looking at the plat as a whole, with a value of \$22-23,000 per lot.</li> <li>• Of the comparables used by the bank, one was on a lakeshore – and so was not valid. Two other sales that the bank used, should not be included per Connors.</li> <li>• While the taxpayer says he's unable to sell the lots at their current value, and feels their EMV is too high, Connors felt the current values are fair. However, if comparable sales occur, they could be used to reevaluate.</li> </ul> <p>Christensen's values of 24 lots: Low is \$17,300 (could throw out – it's a nonconforming size) and high is \$40,800</p>	

He's paying \$8,100 /year in taxes is a hardship – and may put him out of business.

Connors advised the board that they could make a motion to value all parcels at the same price – or put a cap on the value for this assessment date only. The value may change at next assessment based on multiple sales.

Again, the bank said the land value is \$408,000 for the platted property (24 lots still owned by Todd) or apx 20,000 per lot, compared to the county's valuation of \$777,600

**Action taken:**

***Supervisor Rosato commented that Christensen is in a hardship situation and that the board has had cases like this come up in prior years. Therefore, he made a motion to put a cap value on the Oak Island Estate plat of \$25,000 for the remaining 24 unsold lots, with the following PID #s:***

19 – 521-

1. 0101
2. 0102
3. 0103
4. 0104
5. 0105
6. 0106
7. 0107
8. 0108
9. 0109
10. 0110
11. 0111
12. 0112
13. 0113
14. 0114
15. 0115
16. 0116
17. 0117
18. 0118
19. 0201
20. 0202
21. 0203
22. 0206
23. 0208
24. 0301

***Supervisor Key seconded the motion, and upon roll call, motion carried by a unanimous vote.***

**3. Letter of appeal received from:** (copy attached to these minutes)

<b>Taxpayer name(s):</b> Dennis Perreault – CALLED (SEE HANDOUT)	<b>Parcel number (s):</b> 19-565-0080
<b>Address:</b> Ruff Shores	<b>Classification:</b>
<b>Nature of grievance:</b> Perreault called to verify some property data, including the dimensions of his garage/sauna, and home dimensions. The County performed a site visit on 5-6-13, and re-measured. Changes were made to the square footage for the crawlspace versus slab on the house, and also the dimension for the proportions allotted for the sauna/ garage square footage. The result was a decrease in the EMV of (\$300). However, because the call and site visit happened less than 10 days prior to Board of Appeal, the County was unable to make the change.	

**Action taken:**

***A motion was made by Supervisor Kortekaas, seconded by Supervisor Rosato, to lower the EMV of Dennis and Debra Perreault by (\$300) to \$442,100 based on the site visit results. Upon roll call, motion carried by a unanimous vote.***

**4. Letter of appeal received from:** (copy attached to these minutes)

<b>Taxpayer name(s):</b> Suzane Shetka	<b>Parcel number (s):</b> 19- 425-0100
<b>Address:</b> Harbor Heights Road	<b>Classification:</b>

**Nature of grievance:** (SEE HANDOUT)  
Tom Shetka called to state the value of this property on Pokegama Lake (inherited through his wife’s parents) was too high. He agreed over the phone that the characteristics of the buildings and lakeshore matched with the county records, but he emailed 2 sales for comparables to his property. One of these was a foreclosed – so it didn’t count. She emailed him the sales used in study for Pokegama Lake. He was unable to attend the meeting, so she’s bringing before the board, and asking to affirm that the value remains unchanged so that the owner can appear before the county board of appeal and equalization.  
  
EMV: 412,100

**Action taken:**

***Supervisor Rosato made a motion to affirm the value of Suzanne Shetka’s property as listed for \$412,100 – with no change, but that the owner could appear before the County Board of Appeal and Equalization. Supervisor Key seconded the motion, and upon roll call, the motion passed by a unanimous votes.***

***With no other residents on the docket, nor any other letters of appeal to review, Supervisor Kortekaas made a motion at 11:12 a.m. to adjourn and close the Local Board of Appeal and Equalization meeting. The motion was seconded by Supervisor Rosato and upon roll call, the motion carried and the meeting was adjourned.***

Respectfully submitted,

Michele Smith, Clerk