

Royalton Township Local Board of Appeal and Equalization Minutes
6052 Royalton Road, Braham, MN 55006
Email: royalton@royaltontownship.com -- Website: www.royaltontownship.com
24 April 2023
Unapproved

9:00 a.m., 24 April 2023, Board Chair Marshall Pearson called the Royalton Township Local Board of Appeal and Equalization meeting to order with Supervisor Jeff Schlaeger, Supervisor John Graham, Clerk Duane Swanson, Pine County Deputy Assessor Troy Stewart and County Appraiser Karen Stumne present. Approximately 11 property owners were present. The pledge of allegiance was recited. Chair Pearson reminded the audience that presentations should be limited to two minutes, that comments must be respectful, and everyone would have an opportunity to be heard.

County Deputy Assessor Stewart noted that a quorum of the board was present and that Supervisors Pearson and Schlaeger had valid certifications to be members of the board (at least one member of the board must be certified).

Clerk Swanson noted that no written questions or complaints had been received at the township office.

Assessor Stewart then proceeded to share general details about changes in valuations as they related to Royalton Township parcels. The “big” change this year has been in the valuation of “raw” land which has been driving valuations higher. Royalton had five sales over 34½ acres. These sales are compared to the appraised valuation to determine a ratio of valuation to sales; the Minnesota Department of Revenue requires a ratio of 90-105%. Royalton’s current ratio was 70%, about average for Pine County. However, this meant that valuations had to be raised significantly. For ten residential sales, Royalton’s ratio was 84%. Assessor Stewart noted that the valuation percentage increase does not necessarily equate to a similar percentage increase in taxes. Taxes depend on the levy certified by the county, school district, and municipality, and are usually lower than the percentage increase in valuation. Assessor Stewart encouraged property owners with flood damage to notify the assessor.

Chair Pearson asked that further general questions be held until individual taxpayers with specific questions on their property could be heard.

Kathy Edwardson, PID 295080000, asked how her valuation could increase without a visit by the appraiser. Appraiser Stumne replied that all valuations are subject to ratio changes regardless of visits and that this parcel is scheduled to be visited in 2024.

Greg Schneider, PID 295077000, inquired about homestead property tax exclusions. Assessor Stewart confirmed that homestead exclusions do phase out at the higher valuation levels, so that valuations of over \$413,000 will receive no homestead exclusion, even though they remain homesteaded property. This parcel’s increase in valuation was also due to the ratio changes.

Norman Klocke, PID 290125000, noted that his basement was not finished and other improvements had not been completed. Appraiser Stumne noted that the unfinished basement was recorded on the county records.

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Bruce Mann, PID 295083000, noted that he had called the county and never gotten a response, so he came to the meeting. This parcel is long and narrow and contains a boat launch to which all other parcels in the Maple Shores subdivision have access. After consideration, Assessor Stewart recommended a reduction of .5 to a valuation of \$4,700. Supervisor Schlaeger moved, Supervisor Graham seconded, to approve the recommendation. The motion carried unanimously.

Bruce Mann, PID 295062000, noted that this parcel had increased significantly. Appraiser Stumne noted that the increase was due to the ratio changes.

Ray Dhaemers, representing owner Ann Voltin, PIDs 295059000, 295060000, 295063000, and 295064000, noted that the valuations had increased significantly. He was told that the sale of manufactured homes in the area reflected similar increases. Assessor Stewart noted that if parcels 295059000 and 295060000 were legally combined, the owner would realize a tax decrease on pay 2025 taxes. Appraiser Stumne reviewed the simple procedure (a one-page form) to accomplish this with the County Auditor.

Brian Nordby, PID 290182000, noted that his valuation increased 98½%, that his home was in need of significant repairs and that he has tried to keep his property in good-looking condition. Appraiser Stumne noted that his property had been visited in 2022 and that the classification of his house had been raised from “below average” to “average”. That reclassification drove up the valuation significantly. By consensus, the board recommended a site visit by the appraisers with internal review of the structure to assess its actual condition.

John Kemen, PIDs 290371000, 290386000, and 290370000, noted that comparisons with similar large parcels in Pine County revealed that these parcels were overvalued. After substantial discussion about two dwellings on one parcel, the amount of wetlands versus tillable lands on the parcels, and other factors, the board, by consensus, recommended a site visit by the appraisers.

Wayne Davis, PID 295099000, noted that the road to his parcel was not maintained, that major portions are frequently under water (hence, the structure being on stilts), and that the parcel has electricity but no water or sewer. Upon review, Appraiser Stumne noted that there does appear to be an issue about the valuation of the added porch appearing to be valued twice. Upon her recommendation, the board, by consensus, recommended a site visit by the appraisers. The appraisers offered to visit after the meeting, but the property is currently under water.

Jacque Belland, PIDs 290304000 and 2903000005, noted that his valuations had increased significantly. Upon review, Appraiser Stumne noted that having a green acres designation would reduce the valuation and that some of the nonproductive land would benefit from a rural preserve designation. She stressed that the green acres designation should be completed by 1 May and recommended talking directly to County Assessor Lorri Houtsma to accomplish this designation. Mr. Belland then asked whether the unpaid taxes on tax-forfeited land are assessed to other taxpayers in the jurisdiction. Appraiser Stumne replied “no.” After five years the county usually sells the lands and from the sale a portion of the taxes owed is apportioned to the county, township/city, and school district.

Steve and Debhra Neel, PID 290172000, noted that their valuation had increased from \$349,800 in 2021 to \$630,400 in 2023. Appraiser Stumne noted that a significant portion of this increase was due

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to the house being reclassified from “below average” to “average”. The owners noted that the house has a basement under only part of the house and that a significant amount of the land is wetland. Upon review, the appraisers noted that 18 acres (up from 5) should be classified as wetland and recommended that the valuation be reduced to \$580,000. Supervisor Schlaeger moved, Chair Pearson seconded, to approve the appraisers’ recommendation. The motion carried unanimously. Appraiser Stumne noted that the assessor’s office will send a confirming letter to the owners. She also recommended that Mr. and Mrs. Neel update the property’s ownership status.

Janice Neville, PIDs 290178000 and 290225000, asked what “green acres deferred” on her tax statement means. Appraiser Stumne replied that if sold, the last three years of tax differential will have to be paid.

Appraiser Stumne noted that the county had two additional recommendations for the board’s consideration:

PID 290252000 (Andrew and Nicollette DeVall) had been visited; an internal inspection had been done. The appraisers agreed that a lower valuation was in order; they recommended a reduction from \$292,800 to \$271,000. Supervisor Schlaeger moved, Chair Pearson seconded, to approve the reduction. The motion carried unanimously.

PID 290002000 (Wayde Lerbs) has a visit pending to review the valuation. The appraisers recommended a motion at this time for “no change”, but with possible changes pending the results of that visit. Chair Pearson moved, Supervisor Schlaeger seconded, to approve the recommendation. The motion carried unanimously.

Assessor Stewart asked for an aggregate motion confirming the 17 parcels (10 owners) for which no change has been recommended and for which no separate motion has been recorded. The appraisers and board recognize that some parcels may be visited and that those visits may result in a valuation change. The 17 parcels are: 295080000, 295077000, 290125000, 295062000, 295059000, 295060000, 295063000, 295064000, 290182000, 290371000, 290386000, 290370000, 295099000, 290304000, 290300005, 290178000, and 290225000. Supervisor Schlaeger moved, Chair Pearson seconded, to confirm the “no change” recommendation for these parcels, with the understanding that some of the parcels may be visited. The motion carried unanimously.

Assessor Stewart noted that tillable land in Royalton has a valuation of \$3,200 per acre and that woods/pasture land has a valuation of \$3,600 per acre.

At 11:30 a.m., Chair Pearson moved, Supervisor Schlaeger seconded, to adjourn. The motion carried unanimously.

Respectfully submitted:

Duane P. Swanson, Clerk

Marshall Pearson, Chair/Supervisor

Jeff Schlaeger, Vice-Chair/Supervisor

John D. Graham, Supervisor