



Tax Appeal

It's that time of year again! Because the value and classification of real estate is established as of January 2nd of each year, you should have received the Notice of Valuation and Classification (a.k.a., your property tax bill) in January or early February. Like all costs associated with owning and occupying commercial real estate, you should be reviewing and thinking about your property tax bill – and not overlooking that you have the opportunity to appeal it and hopefully lower your ownership or occupancy costs. As an owner, you should pay attention to the deadlines noted below, and seek the advice of other owners or brokers in your area regarding valuation. As a tenant, you should review your lease to determine if you have a right to contest the property taxes yourself, and if not, you should be asking your landlord what their plans are for contesting the property taxes.

How do you decide whether to appeal? Look at the tax notice. Two of the most important pieces of information found on the Notice of Valuation and Classification are the property's estimated market value and the property's classification. Based on that information, an appeal typically focuses on the following arguments:

- 1 The estimated market value is greater than the property's actual market value;
- 2 The property classification is incorrect;
- 3 The property is unequally assessed when compared with other properties;
- 4 The property is exempt from taxation.

Even though the property tax is being contested, the tax must still be paid when it is due. Failure to pay the tax on the due date will result in the automatic dismissal of the appeal. The appeal will, however, be automatically reinstated if the tax plus interest and penalties is paid within one year of the dismissal.

So you've decided to appeal – now what? A property tax appeal can follow one of two avenues. An appeal can be taken to the Local and County Boards of Appeal and Equalization, or it can be taken to the Minnesota Tax Court. If you choose to appeal to your Boards of Appeal and Equalization, you must do so in the year the Notice of Valuation and Classification is received. You must also first present your case to the local board, often at the city level. The tax notice should contain the exact date the local board will meet. If the decision of the local board is not satisfactory, you can further appeal to the

County Board of Appeal and Equalization. This board typically meets in June, with the exact date again listed on your tax notice. An appeal to the Minnesota Tax Court can later be pursued if the County Board's decision is not satisfactory.

The other option is to directly appeal to the Minnesota Tax Court. If you chose this route, you have until April 30th of the year the tax becomes payable to appeal your tax assessment. This means that any appeal based upon the notice received in February of 2007 must be filed by April 30, 2008, and any appeal based upon the notice received in February of 2006 must be filed by April 30, 2007. In other words, there is still time to appeal the valuation received at this time last year!

On an appeal involving income producing property, two additional deadlines apply. First, within 60 days after the April 30th deadline, the County Assessor must be given financial information regarding the property, including income and expense figures, verified net rentable areas, and anticipated incomes and expenses. Second, at least five days before trial, the County Assessor must be given a copy of any appraisal which will be presented at the hearing as evidence. Failure to comply with either of these

Oh the Joy of Paying Taxes...

The IRS spends God knows how much of your tax money on these toll-free information hot lines staffed by IRS employees, whose idea of a dynamite tax tip is that you should print neatly. If you ask them a real tax question, such as how you can cheat, they're useless. So, for guidance, you want to look to big business. Big business never pays a nickel in taxes, according to Ralph Nader, who represents a big consumer organization that never pays a nickel in taxes...

Dave Barry (1947 -), "Sweating Out Taxes"



After eight years of sweat, tears and fun I have earned the SIOR designation. According to the website "SIOR represents today's most knowledgeable, experienced, and successful commercial real estate brokerage specialists." Aside from having more letters behind my name, the designation is a testament to the good fortune I have working with friends and clients. 2006 was my best year yet: over 1.5 million square feet leased or sold and 91 transactions completed.

THANK YOU for making the designation a reality.

two deadlines will result in the dismissal of the appeal.

The appealing party has the burden to show that the valuation or classification is inappropriate, as Minnesota law presumes that the County Assessor has correctly valued and classified the property. This means that the appealing party must present sufficient and proper evidence of the market value of the property, or use of the property, as of the January 2nd assessment date in order to be successful. If sufficiently convincing, the court has the authority to lower the property's value, or change its classification, often resulting in significant savings to those who own and occupy the property. So pay close attention – and if you think your property taxes are getting too high, consider an appeal. It will not only provide a one-time savings on the tax bill, but the lower valuation or different classification will carry forward as the basis for future increases.

*Dennis Olson is an attorney with L.D. Martin & Associates, Ltd. and specializes in real estate valuation litigation, including property tax appeals and eminent domain. If you have any questions regarding this article or your property tax bill, he can be reached at (952) 856-5511.



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HIGHLIGHTED PROPERTIES



Eagandale Business Campus I-IV – For Lease
Eagan, MN

- Excellent location, easy access to I-35E & I-494
- 14' clear height, office/showroom property
- Vacancies from 3,200 – 18,000 sf
- Dock and drive-in loading
- Low operating expenses, available now



Turf Supply Building – For Sale
Eagan MN

- 16,050 sf on 2.06 acres - expandable
- Drive-in loading, yard space
- Excellent Eagan location – near Coca-Cola
- 12' & 13' clear



PENALTY BOX AWARD



his one's for my pal Tom Sieben – He is the top Criminal Defense Attorney in Dakota County!

MADISON, WIS. (AP) — Lawyer Rick Petri can really empathize with his client. Police arrested the lawyer for drunken driving after he went to the station to pick up a client — who had been arrested for the same offense. “I can’t tell you how humbled I am, how embarrassed I am,” said Petri, who once prosecuted drunken drivers. The attorney said he had gone for a couple of drinks, went home to catch a quick 40 winks and the police station called him and told him to come pick his client up at the jail. The officer at the jail asked if the attorney had been drinking and the attorney said he didn’t think he was that drunk. The officer ‘objected.’

Rick’s exact quote is “I was wrong” making it the first time in history that an attorney has used the words “I,” “was” and “wrong” in the same sentence.



London in 51 hours

One of my perpetual goals is to use my passport at least two times per year – so when I got the call from Anna Newman, a longtime friend from UW-Madison who works in HR for MetLife, seven days later I was on a plane to London. Anna spends 2-3 weeks every few months working in London. London is an excellent city. We went to *Wicked*, my first show ever, and toured the Churchill War Museum. Of course I saw Big Ben, the Eye of London, Westminster Abbey and the Palace. What amazed me was how friendly Londoners are – the hospitality was first class. I traded 17 air hours for 51 earth hours, and the trip was worth the jet lag.

