

Town of Crystal Bay

Board of Appeals and Equalization

Minutes

May 4th, 2023

- I. Attendance: Paul Hartshorn, Karl Klinker, Colby Abazs, Noah Middlefeldt, Gregg Swautwoult, Gary Nikolai, Stacy Breden, Randy Josephson, Deb Johansen, Judy Linman, Craig and Jacqui Kouba, Cynthia Smallwood, Barret Stavseth, Bernie Jouna, Jachie Wyciff.
- II. Paul called the meeting of the Crystal Bay Town Board to order at 1:10 pm.
- III. Presentation: Noah Midlfelt (while waiting for the arrival of second board member)
 - A. Greg Swartwoult is the County assessor. Andy Fellows is an appraiser. There was a bill relating to the homestead tax valuation rules last year that didn't pass in that session. There is some version of that bill in this year's sessions and if passed it would likely change taxes and valuations. Lake County saw an increase of about 15% average overall in property valuations. 6 properties were sold in Crystal Bay Township in the lookback window. The median sale price was 35% higher than the assessed value. Lake County increased to match this in current valuations. The county also does physical review revalues on a rotating 5 year basis and this year the southern part of the township was under such review which can lead to bigger changes for affected properties. The inspector for our area is no longer working for the county so they are carrying the work until a new person can be hired. The market value of new construction in Crystal Bay came to just over \$1 million.
 - B. The audit and review process for if you feel your property is incorrectly assessed is to raise concern here at the Town Board of Appeals and Equalization meeting and then one can also bring concerns to the County meeting.
 - C. If your property is homestead classification but over the homestead \$415k cutoff you can still apply for tax credits to refund some of the tax costs. If your taxes go up more than 12% you can claim for refunds. Those refunds are partly income based.
- IV. Resident Comments
 - A. Why do 6 property sales change everyone's valuations? This is a state set number at which point an audit of sale price relative to valuation is done which leads to area wide adjustments if there is more than a 10% variance.
 - B. Does this also cause valuations to go down if sale prices are lower than valuations? Yes if there are enough sales to do an audit. It did happen back in the 2008 era.
 - C. How do we deal with locals getting priced out of living here with the increasing valuation and taxing of properties? The rules are set at the state level and there are very limited options for how to address this inequity. Crystal Bay Township is currently engaged in community conversations and research to try and figure out what legal options are available to help support locals continuing to live here.
 - D. To be considered Homestead property one must own it in their own name and use it as their primary residence.

V. Property Appeals

A. Eagle Ministry 27-5707-05730

1. The property ID that we are requesting the appraisers to look at in person and reevaluate is 27570705730. Please read below the request for reanalyzing of this property value to be placed on your minutes of the next meeting
2. We are disputing the value of the 40 acres property owned by eagle ministry at 7197 Air Base Road Finland Minnesota. Upon sending this email before May 4th indicates that we'd like to keep this open until Greg has a chance to get up and preview the property for the first time from their department. Values were determined only by guesstimation not real view of the property since it was built in 2016..
3. I understand by emailing you this will get on your minutes so that this can be held open until the weather permits him to get up there for this. Do you need any further information from us that is not already given in this email.

B. Gary Nikolai 27-5707-26190

1. There is a \$50 shack on the lake that has no utilities and is small and old.

C. Barret Stavseth 27570717800

1. Some small new works were done increasing the value. Most of the increase was due to overall market increase.

D. Deb Johansen 27-5707-15920

1. Was reappraised in 2022 which led to dramatic increase in that year. Room above the garage was downgraded in quality after review.
2. MOTION: Upon reinspection some factors to the buildings were noted and so the board moves to reduce the building value to \$307,034 for a total valuation of \$36,4512, motioned by Paul, seconded by Karl, passed by unanimous consent.

E. Cynthia Smallwood 27-5707-21915

1. Being retired and with a fixed income how am I supposed to live out the rest of my life in this property without getting priced out.
2. Senior citizen deferral can allow taxes to be deferred and paid at one's death. There is an 8% interest on the deferred tax payments.

F. Craig Kouba 27-5707-10440

1. Two Cabins without running water on the property. The deductions for missing features on the valuation is much less than it would cost to add such features. Cabin 2 could use a relook as to conditions and classification. A recalculation
2. MOTION: Accept a recommended new classification of the second "Cabin" as a Sauna for a new total valuation of \$277,762. motioned by Paul, seconded by Karl, passed by unanimous consent.

G. Randy Josephson 27-5707-09550

1. House and several garages and storage sheds.

H. Judy Linman 27-5707-24320

1. 6637 Leskinen Rd. Small temporary cabin was added to the property while building a house. The assessment is done based on what is there at the time irregardless of

foundation type. There was an adjustment made from previous conversation with the county.

- I. Motion to adjourn the meeting at 3:05 pm. motioned by Paul, seconded by Karl.