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## Property mistakenly valued at \$189 million

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Property mistakenly valued at \$189 million results in tax adjustments in county

An \$18,900 Waconia property that was mistakenly valued at \$189 million is "throwing a wrench" into property tax statements and the Carver County budget. County officials issued a press release Monday detailing the problem that came to light last week.

An error was identified in the estimated market valuations used to calculate Pay 2008 Proposed Property Taxes, according to the release. The County Assessor's Office placed an incorrect estimated market value on a parcel located in the city of Waconia, apparently resulting in extra zeroes being added to the value.

The mistake results in an imbalance in the amount of property taxes the county was expecting to collect. The mistake added about \$900,000 in expected revenue, according to County Administrator David Hemze.

The county is planning to consider recommendations to cut the 2008 budget by \$900,000 so that proposed property taxes will match tax notices sent to residents in November.

"It kind of threw a wrench into everything," said Hemze. "It's unfortunate. It's a mistake and we're concentrating on responding to the mistake and trying to ensure that it doesn't happen again." If the county does not cut the budget by \$900,000, the county portion of property taxes would go up for all properties in the county. The effect would be greatest in Waconia, but Hemze said the average-valued home outside of Waconia would also experience a \$29 increase on top of the number indicated on the November tax notices.

Here is the full news release from Carver County:

### Carver County Pay 2008 Proposed Property Tax Notice Correction

An error was identified in the estimated market valuations used to calculate Pay 2008 Proposed Property Taxes. The County Assessor's Office placed an incorrect estimated market value on a parcel located in the City of Waconia. Proposed property tax notices mailed to Carver County taxpayers on November 13, 2007 were sent to provide taxpayers an estimate of their payable 2008 property taxes based upon their most recently assessed market value and the spending decisions recently proposed by each taxing district.

A correction has been made and may result in an increase in the Payable 2008 City of Waconia, Waconia School District #110, County and Miscellaneous District property tax reported on the proposed tax notice. Because the estimated market valuation was erroneously assigned to a Waconia City property, parcels located in the City of Waconia could potentially experience an increase in city, school and county tax. Parcels located in Waconia School District, outside Waconia City boundaries could potentially experience an increase in their school and county tax. All parcels located in Carver County could potentially experience a minimal increase in their county tax.

Prior to December 10<sup>th</sup>, revised notices will be sent to Carver County taxpayers with parcels located within the boundaries of Waconia School District. Letters communicating the tax impact will be sent to affected Hennepin County taxpayers. Supplemental hearing dates will be included on the revised notices and letters to allow affected taxpayers the opportunity to attend.

The Assessor's Office has reviewed their internal process and the functionality of the assessment software programs provided by our vendor to ensure accuracy in future valuation certifications.

Consistent with the information reported on the initial notices, revised tax amounts will not include the Waconia School District bond referendum approved at the November 5<sup>th</sup> General Election.

Mark Lundgren, Division Director

Carver County Assessment, Property Tax Records and Taxpayer Services

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