

market condition trend for a representative group, the trend will be applied to the sale prices of all sales in that group in order to determine what the prices would have been if the sale had occurred in January 2023. These adjusted sale prices are then compared to EMVs to determine each sales ratio, which are then aggregated and analyzed by county, city/township, property type, and water influence status. Each of these steps are further detailed in the following sections.

## Sales Reporting

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Sales information is the basis of the Sales Ratio Study. In Minnesota, all real estate transactions over \$1,000 must be reported on an electronic Certificate of Real Estate Value (eCRV) according to [Minnesota Statute 272.115](#). On January 1, 2022, this consideration amount will increase to \$3,000.

Counties and the Department of Revenue use the sale information reported on an eCRV to verify the sale, determine the sale's eligibility for the study, and perform the Sales Ratio Study.

The following sections will define how sales information should be reported and how it will be used in the study.

### eCRV Submission Timeline

The 2022 Sales Ratio Study will include sales that occurred from January 1, 2021 through September 30, 2022. For sales that occur in this period, only those sales with an eCRV that is accepted by the county by November 1, 2022 will be included in the 2022 Study. Note that sales that do not meet this deadline for the 2022 Study will still be used in the 21-month studies of the 2023 Sales Ratio Study, assuming they meet all other criteria.

Sales included in the 2022 Study must be submitted to the Department of Revenue by 5 p.m., November 10, 2022. This deadline is necessary to allow county assessors and PTCOs sufficient time to review the reports issued by the Department of Revenue, for counties to appeal applied market condition trends, and for the Department's appeals panel to meet and review appeals. See [Trend Appeals](#) for more information on the appeals process.

More information on eCRV can be found on the Department's [website](#).

### Primary Parcel ID for Multi-Parcel Sales

If there are multiple parcels included in a sale, the county must identify which parcel is the primary parcel. The primary parcel ID for the sale will appear on the county [sales listing](#). It is important that all non-primary parcels are also reported on eCRV so that the Department of Revenue can accurately determine the total EMV for the sale. See Sales Listings for more information.

### Combining multiple eCRVs into one good sale:

When a property sells with two or more eCRVs they may be combined into one "good" sale. To determine if the eCRVs should be combined, consider the following:

- If one of the deed types is subject to a possible finance adjustment (i.e. CD) and the other is not (i.e. WD), then the two eCRVs should not be combined.
- The purchase price needs to have been negotiated as a group, and not as individual owners (county will need to verify this).
- A note needs to be made on each eCRV that clearly explains that the county has combined this eCRV# with another eCRV# to make one good sale.
- The sale/s that are combined with the another eCRV will need to be rejected (Reject reason 4).

The single combined eCRV must reflect ***all*** of the information from the individual eCRVs. Combine totals for: parcel numbers, sales price, deeded acres, tillable acres, structures, conservation data, etc. Do not include legal descriptions and buyer/seller names.

An optional text box is available when a county *accepts* a sale for the state study. This is where you can state what eCRV numbers and values were combined with this sale. We do not want this information only in workflow notes so others may see it.

## Determining Sales Ratio Property Types

Property types are determined for each sale based on the information reported on the eCRV. Each sale can only be assigned one sales ratio property type. Accurate reporting of the following fields is critical for ensuring that sales get assigned the correct sales ratio property type:

- Property Type Group—County tab, under Property Types

The Property Type Group describes generally the type of property included in the sale. For guidance on classifying commercial or industrial sales, see [Reporting Commercial and Industrial Sales](#).

- Primary Type for Study Indicator—County tab, under Property Types

This indicator determines which Property Type Group reported for a sale will be used to determine the sales ratio property type. Generally, the Property Type Group with the most value should be the primary type, but there are many exceptions to this rule. Contact your PTCO with any questions.

- Land/Building Indicator—Property tab, under Property Description Questions

This indicator describes whether Land and Buildings, Land only, or Buildings only were included in the sale, to determine if the sale should be classified as a bare land sales ratio property type.

- Deeded Acres—Property tab or County tab, under County Data

The deeded acres field describes whether an agricultural/rural vacant sale is more or less than 34.5 acres. This field is necessary only for agricultural and rural vacant sales.

- Agricultural Classification Acreage—County tab, under Property Types

For sales with both agricultural and rural vacant property types, the acreage amounts from the classification table will be used to determine whether a sale is considered 2a, 2b, or mixed. This table is necessary only for agricultural and rural vacant sales. For guidance on classifying 2a and 2b land, see [Reporting Agricultural and Rural Vacant Sales](#).

For a list and description of the sales ratio property types, see [Property Types](#). The Sales Ratio Property Types document on our [website](#) describes how information from eCRV is translated into sales ratio property types.

If the Department of Revenue cannot determine the sales ratio property type from the information reported on the eCRV, the sale will be flagged on the county's sales listing for further review. See [Sales Listings](#) for more information.

## Reporting Commercial and Industrial Sales

It can sometimes be difficult to classify a property as either commercial or industrial. In an effort to ensure that sales are classified consistently across the state and to provide clarity to counties, the Department of Revenue recommends the following property uses be classified as **Industrial** for the Sales Ratio Study:

- Self/mini-storage
- Warehouses, including general, distribution, office, R&D/engineering, refrigerated, computer/data, and transit
- Manufacturing, including food processing, agribusiness related, high tech, general light, and general heavy
- Energy (not utility), including fuel production, fuel storage, refinery, wind energy conversion systems, and solar energy conversion systems
- Grain elevators
- Mineral deposits
- Gravel pits
- Waste/recycling

Any use not listed above should be considered commercial for the Sales Ratio Study. Deviations from these recommendations are allowed with an explanation in eCRV. Consult with your PTCO on any questionable properties.

A change in use from commercial to industrial or industrial to commercial should not be rejected as a use change, as both uses reside with the same class (3a). Within eCRV, under the County Tab > Property Types, the 'Property Type Group' should be based on the Buyer's planned use of the property. As always if there are extenuating circumstances with a sale, contact your PTCO.

## Sales of Property with both Commercial and Industrial use

Sales of properties with both commercial and industrial use, shall be placed in the property type (commercial or industrial) in which the majority of the value is assigned. Properties where a single building includes both a commercial and industrial use shall be classed according to the predominant use of the building, either all commercial or all industrial. Properties containing multiple buildings may be classed by individual building as above. For example, a property having a mini-storage and a convenience store on the same parcel, would require a split class, commercial/industrial.

## Reporting Agricultural and Rural Vacant Sales

In addition to reporting deeded acres, the Sales Ratio Study requires reporting the number of acres in 2a and 2b land identified as tilled, pasture, meadow, woods, waste, exempt wetland, exempt native prairie land, ditch/road, first acre site value, non-HGA additional site value, and other. In many parts of the state, sales will include a mixture of 2a and 2b lands. The acreage detail allows the Department of Revenue to assign the correct sales ratio property type to each sale. See [Property Types](#) for more information. Accurate reporting of the acreage detail is also critical for determining each county's Green Acres value.

Definitions for each of the 2a/2b classifications are consistent across eCRV and PRISM. Definitions for each classification type can be found below.

- **Tilled:** Real estate devoted to, or cultivated productively for, the annual growing of agricultural products for sale, or that is tillable even if currently fallow.
- **Pasture:** Non-tillable real estate on which grass or other vegetation eaten as food by grazing animals grows, which is set aside for use by domestic grazing animals as part of a farm or ranch. (This usually requires fencing to restrict animal movement. Pasture land may include stands of trees if used for grazing by domestic animals.
- **Meadow:** Non-tillable real estate serving as a habitat of rolling or flat terrain where grasses predominate, typically containing a significant variety of annual, biennial and perennial plants. Meadow is grass land from which hay could be cut, distinguished from tilled land where alfalfa has been sown.
- **Woods:** Non-tillable real estate having stands of trees, including integral open space, and including felled areas that are awaiting restocking. Woodlands may support an understory of shrubs, herbs, or grasses. Some stands of trees could be considered "pasture" if used for grazing by domestic animals.
- **Waste:** Non-tillable real estate that cannot be used economically for agricultural use or production. Such land types include blowouts, river wash, marshes, swamps, sloughs (including wetlands covered all or part of the year with water, but not so deeply or permanently as to be classified as water surface per se), badlands, steep hillside, large deep gullies (including streambeds and banks, bluffs, and rock land).
- **Ditches and Roads:** Road, road right-of-way, and ditch acres that are included in deeded acres.
- **Other:** Any 2a or 2b land not included in the defined categories.
- **1<sup>st</sup> Acre Site:** First acre of a building site (1<sup>st</sup> acre of HGA).
- **Non-HGA Site:** Building site in excess of 1<sup>st</sup> Acre Site.

eCRV also allows counties to report acreage information related to exempt wetland and exempt native prairie land, if applicable. See the definitions below:

- **Exempt Wetland:** As defined by [Minnesota Statute 272.02, Subd. 11](#), "wetlands" means:
  - Land described in section [103G.005, subdivision 15a](#) (as public wetlands);

- Land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes, provided it is preserved in its natural condition and drainage of it would be legal, feasible, and economically practical for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice; or
- Land in a wetland preservation area under sections [103F.612](#) to [103F.616](#).

"Wetlands" under clauses (i) and (ii) include adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands, but do not include woody swamps containing shrubs or trees, wet meadows, meandered water, streams, rivers, and floodplains or river bottoms.

- **Exempt Native Prairie:** Land defined by [Minnesota Statute 272.02](#), Subd. 12, and determined by the Commissioner of the Department of Natural Resources as native prairie. Pasture land used for livestock grazing purposes is not considered native prairie.

## Reporting Special Assessments

In most cases, the inclusion of special assessments in the study can complicate the determination of the sale price without significantly improving accuracy. Special assessments for a sale should only be reported in eCRV if the buyer paid off delinquent special assessments and delinquent taxes owed on the property. These are costs that the buyer assumes in order to complete the transaction and are necessary for understanding the terms of the sale. Current and future special assessments that the buyer pays are generally considered the cost of owning the property rather than the cost of buying the property and do not need to be reported. This field can be found on the Sales Agreement tab of eCRV.

There may be special circumstances in which non-delinquent special assessments should be reported. Discuss any non-delinquent special assessments that should be included in the study of the sale with your PTCO. A manual adjustment to the sale price can be made for any buyer paid special assessments that had a known effect on the sale price. See [Sale Price Adjustments](#) for information on how special assessments are used in the study.

## Reporting Water Value Influence

If the sale was influenced by the presence of water, water value influence must be reported on eCRV. Water value influence is necessary to determine whether a sale should be considered on-water or off-water for the purposes of the Sales Ratio Study (see [Regions](#) for more information on how water influence affects the study). This field can be found on the County tab, under Property Attributes. The available water influence options are defined below, including how they are used in the Sales Ratio Study. These definitions are consistent with PRISM water codes.

- **Lake:** Sale of a property physically located on, or having immediate access to, a lake with a valid DNR Water Code. This includes properties with egress accessibility, properties located across the road with a dock, and properties with shared immediate access and views. These sales will be considered **on-water** for the Sales Ratio Study.

- **River:** Sale of a property physically located on, or having immediate access to, a river with a valid DNR Water Code. This includes properties with egress accessibility, properties located across the road with a dock, and properties with shared immediate access and views. These sales will be considered **on-water** for the Sales Ratio Study.
- **Pond, Creek, or Stream:** Sale of a property physically located on, or having immediate access to, a pond, creek, stream, or other small body of water. These bodies of water should not have DNR issued IDs. Anything with a valid DNR issued ID should be reported as a lake or river. These sales will be considered **on-water** for the Sales Ratio Study.
- **Other:** Sale of a property that does not qualify for the other indicator types but has some sort of water influence. This includes but is not limited to properties across the road from a body of water with no egress accessibility or dock and properties with shared immediate access to a body of water but with no views. These sales will be considered **on-water** for the Sales Ratio Study.
- **Swamp or Slough:** Sale of a property physically located on, or having immediate access to, a swamp or slough. These sales will be considered **off-water** for the Sales Ratio Study.
- **None:** Sale of a property that is not on any type of water and does not have any water influence on value. These sales will be considered **off-water** for the Sales Ratio Study.

In some cases, a pond, creek, or stream may have no influence on the value of a property and a swamp or slough may have an influence on the value of the property. In these cases, the county should consult with their PTCO on assigning these sales a different water influence so they may be more appropriately studied as either on-water or off-water.

Counties may elect to remove the consideration of water influence in their county for the purposes of the Sales Ratio Study. Consult with your PTCO if you think there is little water influence in your county, and notify Data & Analysis if you would like the consideration of water influence removed for your county. If your county elects to remove the consideration of water influence in your county for the purposes of the Sales Ratio Study, water influence information will be ignored for the purposes of the Sales Ratio Study only. Water influence on a sale should still be accurately reported on eCRV, and water codes for each property should still be accurately reported in PRISM. This information may be used for other purposes beyond the Sales Ratio Study.

## Rejecting Sales from the Study

All open market, arm's-length sales should be included in the Sales Ratio Study. An "open market sale" is one in which the buyer and seller are acting prudently and the price is not affected by undue stimulus. Neither the buyer nor the seller are under great pressure to complete a transaction in a short time. An "arm's-length sale" is between two parties, both of whom are seeking to maximize their gain from the transfer. Open market, arm's-length sales that are included in the Sales Ratio Study are referred to as "good" sales.

Sales must be verified to determine if it was an open market, arm's-length transaction. Counties must perform sales verifications. The Department of Revenue does not verify sales.

If a sale is determined to not be an open market, arm’s-length sale, it may be rejected from the study. The reject field in eCRV can be found on the County tab, under County Data. Counties recommend a reject reason, and PTCOs confirm or deny this recommendation. The table below lists the reject reasons available in eCRV, along with the old sales file code associated with that reason. Detailed explanations and criteria for each reject reason can be found in [Reject Reason Definitions](#).

### Sale Reject Reason Codes

02 - Relative Sale	18 – a. Default (on contract for deed), b. Rewrite of Terms
03 – a. Exempt Party, b. Government Agency Sale	19 - Relocation
04 - Partial Interest Sale	20 - Leaseback
05 – Statutory Classification Change	21 - Bank Sale (including HUD sales)
06 – a. Income Guarantees, b. Non-cash, c. Unusual Financing	22 - Below Minimum Down Payment
07 – a. Physical Change, b. Renovation	23 - Sale Under Minimum
08 – a. Correction Deed, b. Quit Claim Deed	24 - Multi County Sale
09 – a. Estate Sale, b. Gift, c. Trade	25 – a. Agricultural Preserve, b. Assessment Agreement
10 - Prior Interest Sale	26 - Not Typical Market
12 - PTCO Instructed Reject	27 - Court Ordered Value
14 – a. Contract Payoff, b. Mortgage Assumption	29 - Allocated Sale Price
15 – a. Forced Sale, b. Foreclosure, c. Legal Action, d. Short Sale	30 - Assessor Restricted Value
16 – a. Split/Combined Sales, b. Value Not Available	31 - Assemblage
17 - Excessive Non-Real Property	

These reject reasons are not strict rules for rejection. A sale that may meet reject criteria can still be considered an open market, arm’s-length transaction. Consult with your PTCO on any questionable rejections. The circumstances of each sale should be considered individually. A rejected sale will not be used in any studies in any year, including State Boards, Tax Court, and Adjusted Net Tax Capacities.

### County Study or State Study

In eCRV, a user has the option to reject a sale in two different ways on the County tab, under County Data: the state study and the county study. There are many circumstances in which a sale should not be included in the Department’s Sales Ratio Study but the county may want to consider the sale good for their internal studies, or vice versa. Rejections for the county study are ignored by the Department. If a sale should not be included in the Department’s Sales Ratio Study, please ensure that the correct recommendation is made for the state study.

# Reject Reason Definitions

## 02 Relative Sale

Sales between close relatives (marital relationships, parents, children, siblings, aunts, uncles, nephews, nieces, grandparents grandchildren, legal guardian, stepparent/stepchild, other relative) or corporate affiliates are usually non-open market transactions. Guidelines for corporate affiliates include corporate relationships between businesses.

## 03 a. Exempt Party, b. Government Agency Sale

Sales involving governmental agencies as buyers or sellers of property, and all sales involving public utilities (including railroad and pipeline companies). This also includes sales involving charitable, religious, or other institutions which qualify for a property tax exemption.

## 04 Partial Interest Sale

Sales of less than the total interest of the property. Sales involving life estates, encumbered leases, fractional interest, and mineral rights may be rejected for this reason. If more than one sale occurs and the combined sales equal the total interest, the sale could be used. This reject reason should be supported with a comment. If the rejected sale represents one portion of a “good” transaction, the comment should refer to the eCRV that combines all portions of the sale.

## 05 Statutory Classification Change

Sales involving a change from one legal property class to another will be reviewed. Changing from residential to commercial use is an example of a class change. A class change would not be involved if a restaurant were converted to an office building, since both uses would be classified as commercial property. A change of class from seasonal-recreation residential to residential or vice versa should not be rejected. Sales should not be automatically excluded if the class changes are among the agricultural, rural vacant, or managed forest classes. The property should remain in the class it was in before the sale. A change in use from commercial to industrial or industrial to commercial should not be rejected as both uses reside with the same class (3a). Within eCRV, under the County Tab > Property Types, the ‘Property Type Group’ should be based on the buyer’s planned use of the property. As always if there are extenuating circumstances with a sale, contact your PTCO.

Statutory Classification Change requires that most of the value will be moved to a different property classification. This reject reason should be supported with a comment.

## 06 a. Income Guarantees, b. Non-cash Financing, c. Unusual Financing

This includes sales that have non-monetary consideration and sales that have terms that result in extremely large financing adjustments. These would include:

- Zero interest payments for a long period



## 09 a. Estate Sale, b. Gift, c. Trade

Any sale of Residential/SRR properties using a personal representative or conservator's deed are to be rejected as a 09 (estate sale).

Residential / SRR sales that are the 'estate of' or '... estate' without a personal representative deed or conservator's deed could also potentially be rejected if:

- The property is sold by the heirs. The sale may or may not be reflective of the market and should be a flagged by the county for further research to determine how the sale price was set. For example, was the property sold just to settle the estate as quickly as possible? If it was and it is determined that the motivation of the heirs to sell was different than a typical seller, the sale can be rejected for 09 (estate sale).
- The sale is determined not to be representative of the market. For example, it sold differently than other similar properties and this is supported by market evidence, the sale may be rejected for as R-26 (non-typical of market).
- Trades of properties or transfers in which nonmonetary items, such as stocks, bonds, or personal property are used as the medium of exchange.
- Sales to a trustee for the benefit of some beneficiary.
  - Sales of other property types are subject to verification and may be included.
  - Property sold by the heirs after probate must be verified and may be rejected under other criteria.

## 10 Prior Interest Sale

Sale where the buyer exercised an option to purchase and the price was determined in the last study period or earlier. This reject reason must be supported with a comment.

### Sales to tenants

These sales should not be automatically rejected. Under some circumstances, these sales may reflect market value and should be carefully scrutinized.

- Was the property marketed and available to other potential buyers?
- Was there a purchase option contained in the lease? Was it exercised?
- How was the sale price determined? i.e. appraisal, negotiation...
- Did the buyer or seller consider the sale price over/under their opinion of market value?
- Are there other comparable sales that would support the price paid for the subject sale?
- Did rents received prior to the sale influence the sale price?

## **12 PTCO Instructed**

Sales with unique reasons for rejection authorized by the PTCO. Additional explanation should accompany every use of this reject reason.

### **14 a. Contract Payoff, b. Mortgage Assumption**

Sale of interest in or payoff of a contract for deed or mortgage assumption, unless 5% or more is paid down by the buyer.

### **15 a. Forced Sale, b. Foreclosure, c. Legal Action, d. Short Sale**

- Sales to avoid foreclosure, such as short sales or sales back to the bank.
- Sales involving legal actions such as foreclosures, divorces, bankruptcies or sheriffs' sales. To be rejected, a sale must be ordered by a court. All other sales must be verified and may qualify for rejection under other criteria.

### **16 a Split / Combined Sales, b. Value not available**

Split sales that are:

- Classified as something other than agricultural, rural vacant land, or managed forest
- Agricultural, rural vacant land or forest management consisting of fewer than 34.5 acres.
- Agricultural, rural vacant land or forest management consisting of greater than 34.5 acres if the assessor's value is not available for the needed study years.

### **17 Excessive Non-Real Property**

Non-assessed and significant or unknown non-realty sales including:

- Sales in which a significant, but unknown portion of the total price is non-realty, such as personal property, business value, franchise fees, etc.
- Sales in which there is a significant, known amount (50% or more) of non-realty included in the sale price, such as personal property, franchise fees, etc. If the sale includes a large but well-documented non-realty portion, it may be used in the sales ratio study.
- Sales of non-assessed property.

### **Hotels and motels**

The sale of these properties generally include:

- Land & building
- Personal property
- Business value

- Identifying the value of the non-realty portions so analysis can be conducted on the value of real estate sold is the challenge. There are however, industry standards that are used in determining this allocation. The IAAO recommends using income and expense data to isolate income attributable to intangibles and capitalize those income streams to arrive at intangible value. Unfortunately we don't always have access to income and expense information. However, the market has historically displayed enough information to model estimates as follows:
  - For limited service hotels, the total of these intangible items is often 20-25% of sales price.
  - For full service hotels, the value is often 25-35% of sale price.
  - The reported value of intangibles in eCRV often only lists personal property.
  - This amount is often overstated and an amount for business value is often understated or not reported.

In practicing mass appraisal, if the value of intangibles reported in any fashion is at or very close to the ranges identified above, the sales can be considered valid for ratio. If verification reveals the reported amounts should be adjusted, the adjustments can be made to qualify the sale. If reported amounts fall outside this range and verification does not lead to information that can be supported by the market, the sale may be excluded. Sale price per room can be used as a measure to compare to other market sales in considering inclusion of a sale for study. This reject reason must be supported with a comment.

### **18 a. Default (on contract for deed), b. Rewrite of Terms**

eCRVs which are rewrites of the terms of a contract for deed. If a rewrite occurs within a year of the original contract, both will be deleted. If it is more than a year, the original sale will be used.

### **19 Relocation**

Sales involving a relocation company.

### **20 Leaseback**

Sales where the property is leased back to seller for more than six months. This does not include short-term leases, such as to get crops harvested. This reject reason must be supported with a comment.

Sales of these properties should not automatically be rejected from use in the sales study. These sales should be carefully reviewed. There are numerous considerations that may lead to the conclusion that the sale may indeed reflect market value.

- The term and rental rate of the lease should be considered. A lease back of only a few months at market rate rents may not have any impact on the sales price. The type of property being conveyed will influence the decision concerning lease term and rental rates. If lease terms are unable to be verified, the sale should probably be rejected from study.
- Was the property marketed and available to other potential buyers?
- Are there other comparable sales that would support the price paid for the subject sale?

- How was the sale price determined? i.e. appraisal, negotiation...

## 21 Bank Sale (including HUD sales)

Any sale from a bank, HUD, FMHA, or any governmental lending institution, to a private party. These sales will be considered for use in the study only in regions where they are so prevalent that they mirror the actions of buyers and sellers of non-foreclosed property. Thorough verification is necessary before the PTCO will consider including these sales.

Sales of repossessed property may be considered for use in the study. Thorough verification is required before these sales can be used. They should only be used if the sale meets the “open market, arms-length” requirement. Resales of repossessed property by lending institutions will not be adjusted for financing terms. Only the most recent non-rejected resale will be considered.

## 22 Below Minimum Down Payment

The minimum down payment for the study is five percent, unless the sales verification proves that the chance of default was extremely low or that the term is one year or less. Many warranty deed sales, especially residential sales with nominal down payments, are insured loan sales, and the buyer is considered a good risk. No down payment can be an acceptable form of financing on a warranty deed sale.

## 23 Sale Under Minimum

Sales below the minimum values are rejected.

Property Type	Minimum Price
Bare land sales	\$10,001
All other property	\$25,001

## 24 Multi County Sale

Sales of property located in more than one taxing jurisdiction, which do not have separate appraisals for the components of the sale, may be excluded.

## 25 a. Agricultural Preserves, b. Assessment Agreement

All sales enrolled in Metropolitan Agricultural Preserve ([273H.10](#)) where the assessment is not its full market value, and sales subject to minimum assessment agreements in which the sales price is less than the minimum assessment agreement.

## 26 Not Typical Market

Sales that are not advertised, listed, or promoted to potential buyers. A sale with this reject reason and no explanation attached will **not** be automatically rejected by the PTCO. Additional documentation is required.

While this reject reason is valid, a blanket rejection of all sales that are “not advertised, listed or promoted” would reject many sales that still meet the Department of Revenue guidelines for sales that are open market and arms-length. IAAO recognizes the following as methods of marketing:

- Listing with a real estate broker
- Auctions
- For sale by owner
- Internet marketing
- Newspaper advertisements
- Sealed bids
- Word of mouth

Three tests have been developed in an effort to: 1) maximize the number of sales in the study sample, 2) provide appraisers with all possible sales that reflect market value and market trends, and 3) help to establish benchmarks for current and future assessments.

The following three tests will help determine if the sale should be rejected or accepted for the study.

1. Was the sale exposed to the market, or announced and/or promoted through realtor listings, newspapers, or other publications, advertisements, brochures, or other promotional or informational mailings, including if the property was for sale by owner?
  - If **YES**, the sale **SHOULD NOT** be rejected.
  - If **NO**, go to test 2.
2. Was an appraisal done prior to the sale to establish the sale price or to be used as a starting point for negotiations?
  - If **YES**, the sale **SHOULD NOT** be rejected.
  - If **NO**, go to test 3.
3. Did the sale involve a willing and informed buyer and a willing and informed seller, neither of whom were under duress to buy or sell, and is the sale price typical of the market for this type of property in your assessment district?
  - If **YES**, the sale **SHOULD NOT** be rejected.
  - If **NO**, the sale **SHOULD** be rejected.

If it is determined through the verification process that the sale should be considered as a market comparable and meets all other acceptance criteria, then the sale should be included in the study.

Agricultural/rural vacant, apartment, and commercial/industrial sales should not be rejected simply because the property was not advertised. However, individual situations may warrant this reject reason on these property types.

Transfers with doubtful title should be rejected.

Sales that represent IRS 1031 exchanges should be analyzed to determine if the sale price is representative of market values. If so, the sale is valid for the study. If not, the sale should be rejected.

It may be very difficult to determine if the sale should be rejected for this reason or not. Highly unusual or questionable sales may be encountered. Questions concerning whether a sale should be rejected from or included in the study should be reviewed with the county assessor and the PTCO. **A sale rejected with this code with no explanation will not be automatically rejected. Additional documentation is required.**

### **27 Court Ordered Value**

Sales with court ordered values that do not involve post-sale stipulations or abatements. The estimated market value to be used in calculating sales ratios shall be the value established by the assessor before any stipulations or abatements resulting from appeals by property owners. Sales with court established values that were not the result of pre-trial stipulations or abatements are not used in the study.

### **29 Allocated Sale Price**

Sales with allocated sales prices.

### **30 Assessor Restricted Value**

Assessor's value limited by Plat Law in the first calendar year of when the plat is filed.

### **31 Assemblage**

Properties bought by one buyer to put together a package for later development or change. This reject reason must be supported with a comment.

## Split Sales

Agricultural and rural vacant split sales should be included in the Sales Ratio Study. For example, if a farmer sells 40 acres from a 160-acre farm, this would be considered a good split sale. Agricultural and rural vacant split sales consisting of fewer than 34.5 acres should NOT be included in the study. Split sales that are not agricultural or rural vacant should also be rejected from the study.

When a good split sale occurs, the county assessor must ensure that the value is split promptly and a new parcel ID is assigned so that these sales can be properly analyzed for the study.

## Resales

If a property sells more than once within the study period, only the most recent good sale is included in the study. Older sales will be automatically removed from the study by the Department of Revenue based on matching parcel IDs. The county should not reject resales in eCRV if they were otherwise good, open market, and arm's-length transactions.

## Net Improvements

There are certain situations where, due to net improvements on the property, a sale price cannot be reasonably compared to the necessary EMVs. In the following situations, the sale should be rejected from the study:

- If net improvements occurred after the assessment date but before the sale, the sale should be rejected. In these cases, the assessed net improvement amount may be affected by the sale price so the study cannot accurately measure a county's assessing level.
- If the sale occurred between October 2021 and December 2021 and net improvements occurred after the sale but before the 2022 assessment, the sale should be rejected. If these sales were accepted, the 2023 EMV would have to be adjusted by 2021 net improvement value which might have been impacted by market forces in the 12+ months since the improvement.
- Only positive Net Improvements should be entered.

For more information, see the [Net Improvement EMV Adjustments](#) flow chart, which describes whether a sale with net improvements should be accepted or rejected, and how the accepted sales will be adjusted.

Sales that occurred between January 2021 and September 2021 were already accepted or rejected in the 2021 Study. Those accepts and rejects still apply for the 2022 study.

## Sales Listings

The Department of Revenue compiles the information reported through eCRV into sales listings for each county for all good sales in the study period. These sales listings are issued to each county regularly to represent the data that the Department will use to perform the study. It is each county's responsibility to ensure that the appropriate sales are being included in the study and that the information for each sale is correct. Data & Analysis performs audits on all sale data to help identify and flag sales that may require additional review. These

flags will also be displayed on the sales listing. See the Sales Listing Companion document for more details about the information provided on the sales listings. Counties should notify their PTCO of errors on the listing as early as possible so that they can be corrected in eCRV.

A listing of rejected sales will also be created for each county for the study period.

## PRISM Reporting

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Counties are required to send the Department of Revenue four parcel-level PRISM files each year. Parcel information from PRISM is matched with sale information from eCRV based on parcel ID.

Land, building, and net improvement EMVs from the following PRISM files will be used in the 2022 Sales Ratio Study:

- PRISM Submission 2: **2021** Adjusted Assessment. The EMVs on this file will be used to calculate market condition trends. See [Market Condition Trends](#) for more information.
- PRISM Submission 2: **2022** Adjusted Assessment. The EMVs on this file will be used to calculate preliminary ratios. See [Preliminary Ratios](#) for more information.
- PRISM Submission 1: **2023** Preliminary Assessment. The EMVs on this file will be used to calculate final ratios. See [Final Ratios](#) for more information.

Exempt values reported on these PRISM files will also be used in the 2022 Study. Exempt values are only required to be reported to the Department of Revenue every six years on PRISM Submission 2. The last exempt reporting year was 2018 and the next is 2024. However, counties have the option to report exempt values on PRISM Submission 2 in any year.

If a county reports exempt values on any given Submission 2, those values will be used to adjust EMVs. See [EMV Adjustments](#) for more information on what is adjusted and when. If a county chooses to report exempt values in a non-required reporting year, there is no requirement that the values be updated from the last required reporting year. Choosing to report exempt values in non-required years may help counties reduce time spent editing sales information for the study and will improve the accuracy of the Sales Ratio Study.

The county should pay particular attention to the EMVs on their sales listing. EMVs reported in PRISM can be overridden for Sales Ratio Study purposes in eCRV. Notify your PTCO if an EMV needs to be changed in eCRV. Exempt values will not be added to EMVs overridden in eCRV. If there is exempt value that should be included in the EMV for the purposes of comparing the assessed value to the sale price, the value should be entered into eCRV under an “Exempt” Property Type Group on the County tab, under Property Types.

For more information on PRISM, see the [PRISM webpage](#). Please notify Data & Analysis if you would like to see other PRISM information on the sales listings.



# Sale Price Adjustments

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In order to determine a market sales price, the Department of Revenue may adjust a sale's gross sale price by several factors included in the terms and financing of the sale. These adjustments allow the sale price to be compared to the assessor's EMV.

The net sale price is the gross sale price after adjusting for the terms and financing of the sale. See the equation for net sale price below.

$$\text{Net sale price} = \text{Gross sale price} - \text{personal property} - \text{seller paid points} + \text{delinquent special assessments and delinquent taxes paid by buyer} + \text{financing adjustments}$$

Gross sale price, personal property, seller paid points, and delinquent special assessments and delinquent taxes paid by buyer are reported directly on the Sales Agreement tab of eCRV. See [Reporting Special Assessments](#) for details on which special assessments should be reported on eCRV. Financing adjustments are determined by the Department of Revenue based on financing arrangements reported on the Sales Agreement tab of eCRV. See the following [Financing Adjustments](#) section for more information on when and how these financing adjustments are made.

The net sale price is used in all ratio calculations, including those ratios used to determine market condition trends. Once the market condition trend is determined, it is applied to the net sale price. See [Market Condition Trends](#) and [Ratios](#) for more information on these calculations.

## Financing Adjustments

[Minnesota Statute 270.12](#) requires that financing adjustments are made when performing the Sales Ratio Study. The Department of Revenue calculates a financing adjustment for sales with non-market financing in order to estimate what the sale price would have been with market financing. Any sale with an assumed mortgage or a contract for deed will be considered for a financing adjustment.

Financing adjustments are based on basic present value equations. The Department determines the present value of payments using the market rate rather than the contract rate over the length of the contract. This can be replicated in Excel using the following formula:

=PV(rate/p, nper, pmt)

- **Rate** is the market rate. Market rates are published on the Department of Revenue's [Interest Rate Bulletin](#).
- **P** is the annual number of payments. If the contract calls for annual payments, this number will be 1. If semiannual, 2. If quarterly, 4. If monthly, 12.

- **Nper** is the total number of payments that will be made over the length of the contract.
- **Pmt** is the payment amount.

If there are multiple financing arrangements, the present value must be calculated for each arrangement.

If there is a balloon payment, the present value of the balloon payment is determined using the following formula, where “# of Years” is the number of years between the original contract date and the date of the balloon payment:

$$PV_{Balloon} = \frac{Balloon\ Amount}{(1 + Market\ Rate)^{\#\ of\ Years}}$$

Once the present value is determined for each financing arrangement and the balloon payment (if applicable), the present values are summed for a total present value. The sum of the contract amounts for each arrangement is subtracted from the total present value to get the financing adjustment amount for the sale.

There are several conditions where a financing adjustment will not be automatically made on an assumed mortgage or contract for deed sale.

- The contract rate is within half a percentage point of the market rate. Market rates are published on the Department of Revenue’s [Interest Rate Bulletin](#).
- The determined financing adjustment is less than 1% of the net sale price.
- There are more than two financing arrangements.
- The payments are for “Principal Only” or “Interest Only” and no balloon payment is reported.
- The payment type or payment for is reported as “Other.”

While an automatic adjustment will not be made, sales that meet at least one of the last three conditions will be flagged on the sales listing. Counties should review these sales to determine a suitable financing adjustment, if any.

The Department’s automatic financing adjustments may not be appropriate for specific sales, as determined during the sales verification process. In these cases, the adjustment can be manually overridden by the PTCO. Work with your PTCO to determine a more appropriate financing adjustment for these sales.

### Interest Rate Bulletin

The Department of Revenue publishes market rates for the purposes of the Sales Ratio Study on the [Interest Rate Bulletin](#). There are three separate rates for residential/seasonal residential recreational, agricultural/rural vacant, and commercial/industrial/apartment sales. This bulletin is updated quarterly.

## EMV Adjustments

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The Department of Revenue may adjust the assessor’s EMV for the purposes of the Sales Ratio Study in order to accurately compare the EMV to the net sale price. If there were net improvements on a property before or after

the sale, that property’s EMV may be adjusted by the net improvement amount for particular years. If there are certain types of exempt property included in the sale, that exempt value may be added to the EMV. Each of these EMV adjustments are detailed below.

### Net Improvements

If there were net improvements on a property that sells within the 2022 study period, certain EMVs may need to be adjusted by the net improvement amount in order to compare the EMV to the sale price. Net improvements that occur before January 2, 2021 and after January 2, 2023 do not affect EMV adjustments. The [EMV Adjustments for Net Improvements Flow Chart](#) describes when and how EMVs are adjusted for net improvements. A high resolution version of this flow chart is available on our [website](#). Note that net improvements that occur during an assessment year are reported in the following assessment year, i.e. net improvements that occur in 2021 will be reported to the Department of Revenue in 2022 and will be called 2021 net improvements.

There are certain situations where these adjustments to the EMV cannot be made and the sale should be rejected. See [Rejecting Sales from the Study](#) for more information on when sales should be rejected for net improvements.

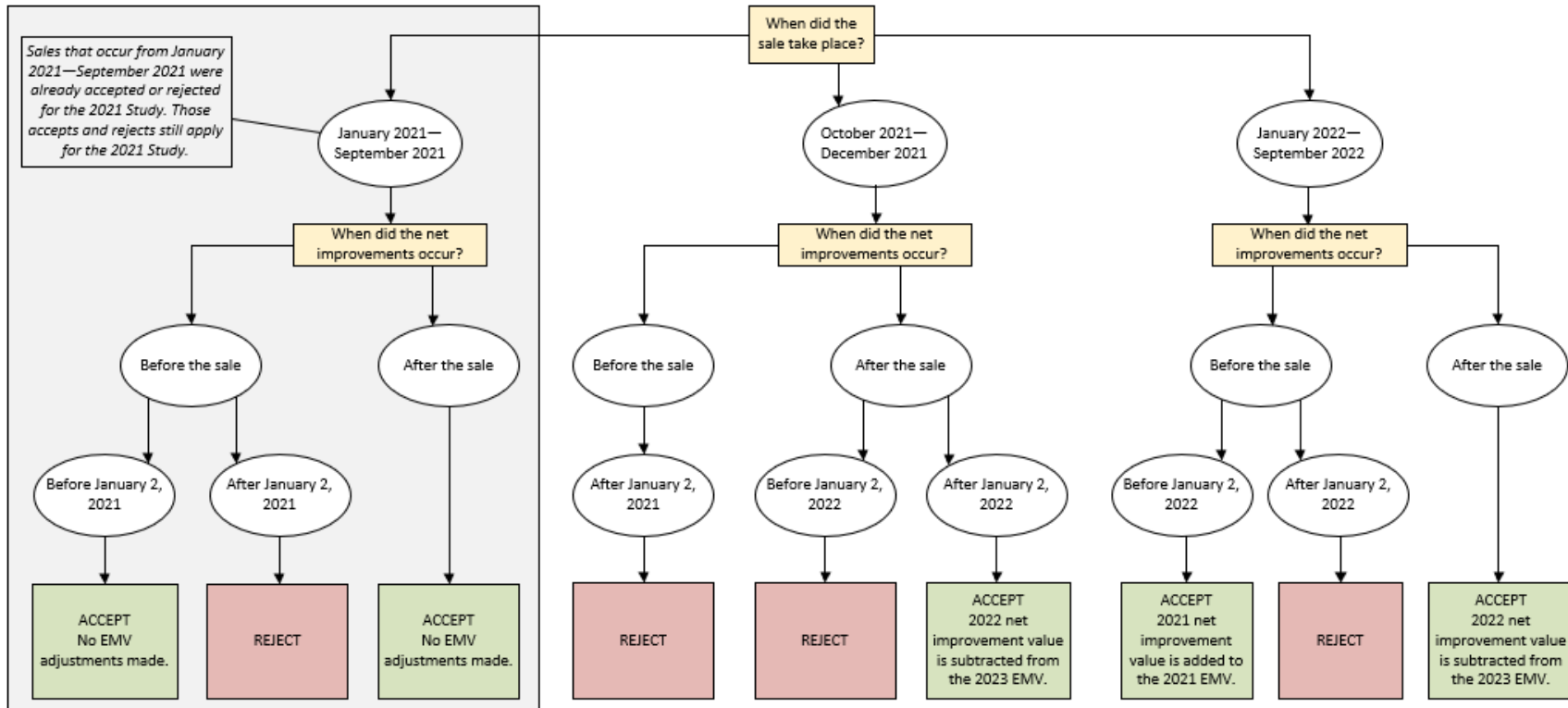
### Net Improvement Adjustment Example

Sale Date	Sale Price	Net Improvement Date	Net Improvement Amount	2021 EMV	2023 EMV
June 2022	\$200,000	June 2021	\$50,000	\$125,000	\$180,000

In this example, if the 2021 EMV is not adjusted, the inverted ratio used for market condition trends (see [Market Condition Trends](#)) would be 160% ( $\$200,000 / \$125,000$ ) because the 2021 EMV does not reflect the net improvements. This would not be comparing apples-to-apples, since the sale price includes the net improvement value but the 2021 EMV does not. Therefore, this sale needs its 2021 EMV adjusted by the 2021 net improvement amount reported in 2022.

Now, the adjusted inverted ratio for trend calculations would be  $\$200,000 / (\$125,000 + \$50,000)$ , or 114%. The final ratio will not require any adjustments for net improvement value because the 2023 EMV includes that value already, as does the sale price. The final ratio would be  $\$180,000 / \$200,000$ , or 90%.

# 2022 Criteria EMV Adjustments for Net Improvements Flow Chart



## Sales Ratio Property Types

Sales Ratio Property Type Code	Sales Ratio Property Type Description
01	Residential (less than 4 units)
02	Apartments
03	Non-commercial seasonal residential recreational
06	Commercial
07	Industrial
08	Public utility
09	Railroads
10	Mineral
14	Seasonal recreational commercial and resorts
20	Personal property
21	Residential bare land
22	Apartment bare land
23	Seasonal recreational bare land
26	Commercial bare land
27	Industrial bare land
30	Exempt
31	Agriculture 2a - land with buildings more than 34.5 acres
32	Agriculture 2a - bare land more than 34.5 acres
33	Rural Vacant 2b - land with buildings more than 34.5 acres
34	Rural Vacant 2b - bare land more than 34.5 acres
35	Managed Forest 2c - bare land more than 34.5 acres
36	Agriculture 2a - land with buildings less than 34.5 acres
37	Agriculture 2a - bare land less than 34.5 acres
38	Rural Vacant 2b - land with buildings less than 34.5 acres
39	Rural Vacant 2b - bare land less than 34.5 acres
40	Managed Forest 2c - bare land less than 34.5 acres
47	Mixed 2a, 2b - land with buildings more than 34.5 acres
48	Mixed 2a, 2b - bare land more than 34.5 acres
49	Mixed 2a, 2b - land with buildings less than 34.5 acres
50	Mixed 2a, 2b - bare land less than 34.5 acres
51	Manufactured home parks
52	Short Term Rentals

## Property Type Aggregations

Various sales ratio property types are combined into like groups to form property type aggregations. The Sales Ratio Property Type Aggregation table below describes which property types are combined to form these aggregations. A high resolution version of this table is available on our [website](#).

Market condition trends are determined based on the following property types/aggregations:

- 02 – Apartments
- 06 – Commercial
- 07 – Industrial
- 91 – Residential/Seasonal Residential Recreational
- 93 – Agricultural/Rural Vacant Bare Land

All of the sales in each of these property types will then be separated by region. See [Regions](#) for more information.

Note that some property types fall within more than one aggregation and some property types do not fall in an aggregation at all. The aggregations noted with an asterisk (\*) in the table below include property types that also fall in the 93 aggregation. In those aggregations, sales that are also in the 93 aggregation will be adjusted by the 93 trend while all other sales in the aggregation will not be adjusted by a trend. The 96 aggregation is used as a catch-all aggregation for property types which are not used to calculate market condition trends and ratios. Although sales in the 96 aggregation will not be used in the Sales Ratio Study, they may be good sales studied in other ways.

If it is determined that the improvement value had minimal impact on the price paid for the land (general rule of thumb is 5% or less of the total EMV), these sales should be considered as land only sales (PT 93).

Use	Aggregation Code	Aggregation Description	Property Type Code	Description
Ratio + Trend	02	Apartments	02	Apartments
Ratio + Trend	06	Commercial	06	Commercial
Ratio + Trend	07	Industrial	07	Industrial
Ratio	90	Bare Land LESS than 34.5 acres 2a, 2b, 2c, and mixed	37	Agriculture 2a - bare land less than 34.5 acres
			39	Rural Vacant 2b - bare land less than 34.5 acres
			40	Managed Forest 2c - bare land less than 34.5 acres
			50	Mixed 2a, 2b - bare land less than 34.5 acres
Ratio + Trend	91	Residential/Seasonal Recreational Residential	01	Residential (less than 4 units)
			03	Non-commercial seasonal residential recreational
Ratio	92*	Bare Land MORE than 34.5 acres 2b, 2c, and mixed	34	Rural Vacant 2b - bare land more than 34.5 acres
			35	Managed Forest 2c - bare land more than 34.5 acres
			48	Mixed 2a, 2b - bare land more than 34.5 acres
Ratio + Trend	93	Bare Land MORE than 34.5 acres 2a, 2b, 2c and mixed	32	Agriculture 2a - bare land more than 34.5 acres
			34	Rural Vacant 2b - bare land more than 34.5 acres
			35	Managed Forest 2c - bare land more than 34.5 acres
			48	Mixed 2a, Rural 2b - bare land more than 34.5 acres
Tax Court	94	Commercial / Industrial	06	Commercial
			07	Industrial
Ratio + Trend	95*	Bare Land + Land with Buildings MORE than 34.5 acres 2a, 2b, 2c, and mixed	31	Agriculture 2a - land with buildings more than 34.5 acres
			32	Agriculture 2a - bare land more than 34.5 acres
			33	Rural Vacant 2b - land with buildings more than 34.5 acres
			34	Rural Vacant 2b - bare land more than 34.5 acres
			35	Managed Forest 2c - bare land more than 34.5 acres
			47	Mixed 2a, 2b - land with buildings more than 34.5 acres
			48	Mixed 2a, 2b - bare land more than 34.5 acres
NOT USED	96	Miscellaneous property type codes. Sales not included in ratios or trends	08	Public utility
			09	Railroads
			10	Mineral
			14	Seasonal recreational commercial and resorts
			20	Personal property
			21	Residential bare land
			22	Apartment bare land
			23	Seasonal recreational bare land
			26	Commercial bare land
			27	Industrial bare land
			30	Exempt
			36	Agriculture 2a - land with buildings less than 34.5 acres
			38	Rural Vacant 2b - land with buildings less than 34.5 acres
			49	Mixed 2a, 2b - land with buildings less than 34.5 acres
			51	Manufactured Home Parks
52	Short Term Rentals			

## 2022 Study Timeline

Date	Deadline
January 1, 2021	Beginning of the 21-month study period.
October 1, 2021	Beginning of the 12-month study period.
January 1, 2022	Beginning of the 9-month Tax Court study period.
July 2022	First sales and reject listings of the study sent to counties and cities.
August 31, 2022	Region changes requests are due to Data & Analysis.
September 1, 2022	2022 PRISM Submission 2 is due.
September 30, 2022	End of all 2022 Study periods.
October 2022	Data & Analysis begins issuing preliminary trends and ratios. Data & Analysis will accept trend appeals as long as a county has reviewed and cleaned all their study period sales for the property type they are appealing.
November 1, 2022	All eCRVs for sales within the 21-month study period must be accepted by the county. Sales from the study period accepted after this date will not be included in the 2022 Study.
November 10, 2022	All eCRVs for sales within the 21-month study period should be submitted to the Department of Revenue.
December 2022	Trends are frozen and edits to eCRVs will no longer affect the determination of trends. Trend appeals are due at least one week later. Exact dates to be determined.
January 2023	Appeals panel reaches their determination and counties are notified. Trends are final and final preliminary ratios are issued. Exact date to be determined.
April 1, 2023	2023 PRISM Submission 1 is due. Data & Analysis will issue final ratios to each county as they successfully submit their PRISM file. Counties should review their sales listings for errors, specifically the 2023 EMV.
June 2023	State Board of Equalization convenes to review study results and issue orders.



Sales Verification Questionnaire

Parcel Identification Number(s) _____	
Auditor ID (CRV) _____	eCRV # _____
Verified By _____	Date contacted _____
Verified with: Buyer _____ Seller _____	Name _____
Confirm Purchase Information: Date of Sale _____	Purchase Price _____
Terms: Cash CFD New Financing _____	Personal Property Value _____

*These are additional questions for the county to ask after they have used the information on the CRV's and other sources at their disposal to determine if a sale remains in the study or not.*

PLEASE ANSWER THE FOLLOWING QUESTIONS:

- 1) How was the property marketed (auction, real estate agent, displayed For Sale by Owner sign, internet, etc.) and length of time on the market?

What was the property's original listing price? \_\_\_\_\_ Any price reductions? \_\_\_\_\_

**If the property was not listed by a real estate agent use tests 1, 2, & 3**

**Test 1:** Was the sale exposed to the open market, announced or promoted through realtor listings, auction, newspapers, publications, brochures, craigslist, or for sale by owner?

Yes or No (if no, go to test 2)

**Test 2:** Was an appraisal done prior to the sale to establish the sale price or used as a starting point for negotiations?

Yes or No If no, how did you arrive at a purchase price? \_\_\_\_\_ (if no, go to test 3)

**Test 3:** Did the sale involve a willing and informed Buyer and Seller under no duress to buy or sell and is the sale typical of the market?

Yes or No

*If you answered yes to any of these three tests, the sale is most likely open market.*

- 2) Was there an appraisal made on the property in the last three years? Would you be willing to share the property value indicated in the appraisal and purpose of the appraisal?
- 3) Was the seller/buyer a friend or relative? Have you had any other prior business relationship with the seller/buyer?
- 4) How much time elapsed between the date of the purchase agreement and the closing date?
- 5) Are there circumstances known to you which would have caused the seller to sell (or the buyer to buy) at a price below or above the fair market price? (i.e. short sale, pre-foreclosure, relative sale, cancellation of a previous sale, an estate sale)
- 6) Any recent changes to the property that affected the sales price?

Condition of property? \_\_\_\_\_ Improvements Needed \_\_\_\_\_

Recent Remodel? \_\_\_\_\_ Were funds of repairs (replace flooring, roofing, siding, windows, remodeling, etc.) included in the purchase price? What was the value/cost of these items?

- 7) Was the property rented or leased at the time of sale? (How long and for how much? Did this impact the sale price? Did this include an option to buy? If so, was the option to buy simply the first right of refusal or was a price established at the beginning of the lease?)
- 8) Is there a leaseback agreement between buyer/seller? (How long and for how much? Did this impact the sale price?)
- 9) What influenced you to buy this particular property rather than another? Did you consider any other properties before deciding to purchase this one? Would you be willing to share that information?
- 10) Have there been any changes in the property since you bought (sold) it? Are you planning any future changes to the property?
- 11) Would you please confirm the planned use of the property: Residential Seasonal Rec Agricultural  
Commercial/Industrial Other: \_\_\_\_\_

*Note to the person verifying the sale:*

*Please see additional questions for income producing properties and agricultural sales.*

**Sale good for study? Yes or No      Reject# \_\_\_\_\_**

Comments:

Additional income producing properties and agricultural sales questions:

- 1) If this was an income producing property was a 1031 exchange involved? If yes, answer the following:
  - a. Were there other similar properties for sale at the same time?
  - b. Did the 1031 influence the purchase price?
  - c. Was there an extension for the 1031?
- 2) If this was an income producing property were there additional sources of income to the business such as Bar/Restaurant/Billboards etc.?
- 3) What is the gross potential income at the time of sale?
- 4) What is the vacancy and credit loss at the time of sale?
- 5) What are the operating expenses at the time of sale?
- 6) What is the net operating income at the time of sale?
- 7) Are there any tenants on long term leases? When are these leases set to renew?

Additional Agricultural Questions:

*(If it was an auction sale and the county has a copy of the auction advertising/flyer please attach)*

1. Was there a buyer's premium? If so what was the amount? Did the sale price include the buyer's premium?
2. Did the sale price hinge upon leasing or buying other land? If yes – what were the terms?
3. Has there been tiling done on the parcel? \_\_\_\_\_
  - a. If not, will you be tiling the land and what will the approximate cost be?
4. How many acres are irrigated?
5. Are any acres enrolled in a **conservation easement program**? (common examples CRP, RIM, CREP)
  - If yes, what program and how many acres in each program?
  - Was it new enrollment or re-enrolled?
  - What year does the current enrollment expire?

Additional Questions for Apartments:

1. Did the sale price include an existing business?  
If Yes, What is the value of the business and how was it determined?
2. Was the purchase price based on the properties net operating income?  
Existing Revenue \_\_\_\_\_  
Existing Expenses \_\_\_\_\_  
NET INCOME \_\_\_\_\_  
Cap Rate (mult) \_\_\_\_\_

3. Rental Income:

Unit Size (sq. ft.)	Type of unit	# units	Monthly Rent

4. Indicated Vacancy at time of sale:
5. Who are you major competitors:

Additional Questions for Hotel/Motel:

1. Did the sale price include an existing franchise/business?
  - a. If Yes, What is the value of the business and how was it determined?
  - b. What franchise was purchased?
2. Was the purchase price based on the properties net operating income?
  - a. Existing Revenue \_\_\_\_\_
  - b. Existing Expenses \_\_\_\_\_
  - c. NET INCOME \_\_\_\_\_
  - d. Cap Rate (mult) \_\_\_\_\_
3. Number of rooms available:
4. Room Types:
  - a. Number of Single
  - b. Number of Double
  - c. Number of Queen
  - d. Number of King
  - e. Number of Suites
5. Prior Year Average Daily Rate
6. Year to date Average Daily Rate
7. Forecast Year End Average Daily Rate
8. Total number of Occupied Room Nights
9. Who are you major competitors:

**SALES VERIFICATION QUESTIONNAIRE**

1. Asking price \$ \_\_\_\_\_
2. How was the asking price determined?      Real estate agent \_\_\_\_\_      Appraisal \_\_\_\_\_  
Other: \_\_\_\_\_
3. How was the selling price determined?      Same as above \_\_\_\_\_      Negotiated \_\_\_\_\_  
Other: \_\_\_\_\_
4. How was the property sold? (through a real estate agent, by owner, estate sale, etc.)  
\_\_\_\_\_
5. How long was the property on the market? \_\_\_\_\_
6. Do you feel that this transaction meets the definition of an arms-length transaction? Yes \_\_\_\_\_  
No, because \_\_\_\_\_
7. Do you feel that this sale represents the fair market value of the property? \_\_\_\_\_  
If your answer is no, please explain \_\_\_\_\_
8. Was the transaction between members of the same corporation or business? Yes\_\_\_ No\_\_\_
9. Was other real estate traded for this property? Yes\_\_\_ No\_\_\_
10. Was this transaction paying off an earlier contract? Yes\_\_\_ No\_\_\_
11. Was the transaction between members of the same family? Yes\_\_\_ No\_\_\_
12. Were the financing terms of the sale typical of today's market? Yes\_\_\_ No\_\_\_  
Down Payment \$ \_\_\_\_\_      Interest Rate \_\_\_\_\_%
13. Was there any other consideration, monetary or non-monetary, given in addition to the sale price listed above? Yes\_\_\_ No\_\_\_  
If yes, please explain and give your estimate of the amount \_\_\_\_\_
14. Did you make any changes to the property after the sale? Yes\_\_\_ No\_\_\_  
I yes, please explain and give the additional cost \_\_\_\_\_
15. Did the sale price listed above include any of the following? Yes\_\_\_ No\_\_\_  
If yes, please indicate the amount if known. Leave blank if unknown or not applicable.  
Property other than real estate \$ \_\_\_\_\_      Special Assessments \$ \_\_\_\_\_  
Machinery & Equipment      \$ \_\_\_\_\_      Assumed mortgages \$ \_\_\_\_\_  
Appliances      \$ \_\_\_\_\_      Unpaid taxes      \$ \_\_\_\_\_  
Furnishings      \$ \_\_\_\_\_      Goodwill/blue sky      \$ \_\_\_\_\_

# Assessor Commercial Exchange



## SALE VERIFICATION QUESTIONNAIRE

GBA/sq ft/unit:  
\$/sq ft or Unit:  
Year Built:  
Use:

Was the agreement signed before or after COVID? Date: \_\_\_\_\_

Certificate No: _____	Verification Date: _____
Plat/Parcel No: _____	Verified With: _____
Sale/Agreement Date: _____	Title/Position: _____ Phone: _____
Means Of Transfer: _____	Is The Sale Good? _____

- What is the total sale price: (including personal property, special assessments, back interest & taxes, liens, mortgages & contracts, and closing costs assumed by buyer? B S A \$ \_\_\_\_\_
- What is the value of any business, franchise, or personal property involved with the sale and how was it established? (please itemize) B S A \_\_\_\_\_
- Was this property openly marketed for sale to the general public? (With whom?) (List price?) B S A \_\_\_\_\_
- Are the terms of sale on the CRV correct? B S A \_\_\_\_\_
- Do any of the following apply? Give details below.
 

00 Good Sale	07 Physical change after	29 Allocated or Multiple property sale	09 Trade, gift, or inheritance
01 Old sale	assessment date and before sale date	30 Assessed value under plat law	15 Forced sale/legal action
05 Use change	22 Less than 5% down payment on	02 Relative sale, Associates	16 Property division or split
10 Lessee purchase	CD	04 Partial interest sale	17 Excessive non real property
10 Previous interest	24 Property spans multiple counties	06 Non-cash financing	21 Bank sale no marketed
19 Relocation sale	26 No market exposure or appraisal	08 Conduit/correction deed	23 Sale price under \$5,000
20 Sale – leaseback	28 Nursing home- Mobile home park	14 Sale of interest in CD/Payoff	## 1031 Exchange
31 Assemblage		18 Rewrite of terms of CD	## Adjacent property owner
03 Government/exempt party sale		25 Ag preserve, RIM, TIF	## Other _____
		27 Court ordered value	
- In your opinion, was this a fair market transaction? B S A \_\_\_\_\_
- How was the agreed upon price or value determined? B S A \_\_\_\_\_
- If this is vacant land, what is the gross and usable size? Zoning? Intended use? And available utilities? B S A \_\_\_\_\_
- Are there any unique characteristics about the property such as environmental factors, occupancy, etc.? B S A \_\_\_\_\_
- What is the condition of the property and does it need corrective measures of any kind and what are the estimated costs? B S A \_\_\_\_\_
- Did the buyer inspect the property at or prior to the sale? B S A \_\_\_\_\_
- Was an appraisal done for any reason within the past year? (By whom?) (When?) (Value?) B S A \_\_\_\_\_
- What is the projected holding period on this investment? B S A \_\_\_\_\_
- Are there any future income guarantees from the seller? B S A \_\_\_\_\_
- Did the buyer have knowledge of the operating income at the time of sale? B S A \_\_\_\_\_
- What is the gross potential income at the time of sale? (ACT) (PRO) (EST) B S A \_\_\_\_\_
- What is the vacancy and credit loss at the time of sale? (ACT) (PRO) (EST) B S A \_\_\_\_\_
- What is the operating expenses at the time of sale (ACT) (PRO) (EST) B S A \_\_\_\_\_
- Were reserves included in the operating expenses? (ACT) (PRO) (EST) B S A \_\_\_\_\_
- What is the net operating income at the time of sale? (ACT) (PRO) (EST) B S A \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

For Office Use Only Study Period: 10/01/ 19 to 09/30/20	Rejection Code: _____	Date: _____
Date CRV Received from Auditor: _____ <11/01	Good for Study: _____	Initials: _____

Abbreviations: B S A = Buyer, Seller, Agent or representative. (ACT) (PRO) (EST) = Actual, Projected by buyer, Estimated by appraiser.

## 2021 Sales Listing Companion

This document describes the columns in the sales listings issued by the Property Tax Data & Analysis Unit. Additional information on the study can be found in the [Sales Ratio Study Criteria](#).

Counties can contact their PTCO or Data & Analysis with any questions regarding the sales listings. If information on the sales listing is incorrect, please contact your PTCO to resolve the issue. Please contact Data & Analysis with any requests for additional columns of eCRV data, PRISM data, or edit flags.

Excel Column	Column Name	Description and Codes
<b>Study Status</b>		
<b>A</b>	Study Status	<p>Describes if the sale is included in the Department of Revenue’s Sales Ratio studies.</p> <ul style="list-style-type: none"> <li>• G: Good. Included in sales ratio studies.</li> <li>• I: In progress. This sale has been submitted to the state and is awaiting final review. If a county provided a reject reason for the state study, this sale will appear on the reject sales listing.</li> <li>• X: Reject. Not included in any sales ratio studies. These sales are only on the reject sales listing.</li> </ul>
<b>MCAST Fields</b>		
These columns automatically load into MCAST to determine trends and other statistics. DOR Data & Analysis Unit will avoid making changes to these columns so MCAST can be used.		
<b>B</b>	eCRV Number	Unique identifier of a sale, generated by the eCRV application.
<b>C</b>	Primary Parcel ID	The primary parcel ID, as identified by the Primary PID check box on the Parcels section of the County tab of eCRV.
<b>D</b>	Sale Month	The month the sale took place. Sale date is in column BK.
<b>E</b>	Sale Year	The year the sale took place. Sale date is in column BK.
<b>F</b>	Net Sale Price	The sale price after adjusting for personal property, seller paid points, special assessments, financing adjustments, and PTCO adjustments. Column F = X – Y – Z + AA + AB + AC.

<b>Excel Column</b>	<b>Column Name</b>	<b>Description and Codes</b>
<b>G</b>	Adjusted 2020 EMV	The total 2020 EMV adjusted for exempt value and net improvement value. Column G = AD + AE+ AJ+ AL. Ensure that there are no blank or 0 EMVs in this column for proper market condition trend calculations.
<b>H</b>	Adjusted 2021 EMV	The total 2021 EMV adjusted for exempt value. Column H = AF + AG + AM. Ensure that there are no blank or 0 EMVs in this column for accurate preliminary ratios.
<b>I</b>	Adjusted 2022 EMV	The total 2022 EMV adjusted for exempt value and net improvement value. Column I = AH + AI + AM – AK. Ensure that there are no blank or 0 EMVs in this column for accurate final ratios.
<b>J</b>	PT Aggregation	<p>PT aggregations are groups of property types combined for the purposes of calculating trends and ratios. Column AU has the description of the PT aggregation code. Any blanks in this column should be resolved with your PTCO. See the PT code column AV for more information on missing PT aggregation codes.</p> <p>Note: PT 92 sales are not identified in this column because they fall within PT 93. See “PT 92 Flag” Column AX to identify PT 92 sales.</p> <p>Not all PT 95 sales are identified in this column because some of those sales fall within PT 93. See Column AY to identify PT 95 sales.</p>
<b>K</b>	Base Region	The name of the region for which a base trend is calculated. Sales that are not used to calculate trends are not assigned a base region.
<b>L</b>	Water Status	<p>Describes whether the sale is considered on- or off-water for the purposes of calculating trends and ratios. This applies to Residential PT91 sales only.</p> <ul style="list-style-type: none"> <li>• W: On-water</li> <li>• N: Off-water</li> <li>• (Blank): Water status not considered</li> </ul>
<b>M</b>	City/Town	The city or town the sale took place in.



Excel Column	Column Name	Description and Codes
N	Prelim/Final Extreme Flag	Flags sales that the DOR considers extreme for trend and assessment statistic calculations. Until final ratios are issued, this column will identify preliminary extremes. When final ratios are issued, this column will identify final extremes. Then preliminary extremes will be flagged in Column V.
<b>Trend Info</b>		
These columns describe the trend applied to each sale, if any. Most of these columns will remain blank until DOR starts calculating preliminary trends in October. This information is also compiled by city/township and PT in the trend report issued by Data & Analysis.		
O	Default Market Condition Region	The name of the region for which the default trend is calculated. If the name of the default region for on-water PT 91 sales is the same as the name of the base region, this sale defaults to a combined on-/off-water trend in that region rather than the countywide on-water trend.
P	Trend Applied	Describes which trend, if any, is applied to the sale.
Q	Monthly Trend	The monthly trend applied to the sale price.
R	Annual Trend	The monthly trend in column Q expressed as a 12-month compounded number.
S	Adjustment Months	The number of months a sale needs to be adjusted to determine the price is if it occurred on the January 2022 assessment date.
T	Net Sale Price Adjusted to 2022	The net sale price adjusted to January 2022. The equation for calculating this adjusted price can be found in the study criteria.
U	Preliminary Ratio / Final Ratio	Preliminary ratios are reported on the sales list until 2022 EMVs are reported in PRISM Submission 1. <ul style="list-style-type: none"> <li>• Preliminary ratio: Column H / Column T</li> <li>• Final ratio: Column I / Column T</li> </ul>
V	Preliminary Extreme Flag	Flags sales which the DOR considers extreme for trend and assessment statistic calculation purposes. After final ratios are issued, this column will identify preliminary extremes. The recalculated final extremes will be identified in Column N.

<b>Excel Column</b>	<b>Column Name</b>	<b>Description and Codes</b>
<b>W</b>	Normalized Inverted Ratio	This ratio can be used to replicate DOR cross-county trends.
<b>Price Adjustments</b>		
These columns are all the values used to calculate the net sale price in column F.		
<b>X</b>	Gross Sale Price	The raw sales price.
<b>Y</b>	Personal Property	The value of any personal property included in the gross sale price.
<b>Z</b>	Seller Paid Points	The value of any seller paid points included in the gross sales price.
<b>AA</b>	Special Assessments	The value of any special assessments included in the consideration of the sale as reported on an eCRV.
<b>AB</b>	Financing Adjustment	The cash equivalency adjustment for sales with special financing as determined by DOR.
<b>AC</b>	PTCO Price Adjustment	The value of the PTCO's hand adjustment to the sale price.
<b>Estimated Market Value Adjustments</b>		
These columns are used to determine the EMVs for ratio calculations, found in columns G, H, and I. These values are summed for all parcels and property types reported for the sale. Any edits in eCRV will overwrite PRISM values for EMVs.		
<b>AD</b>	2020 Land EMV	From the 2020 PRISM 2 file.
<b>AE</b>	2020 Building EMV	From the 2020 PRISM 2 file.
<b>AF</b>	2021 Land EMV	From the 2021 PRISM 1 file until the 2021 PRISM 2 file is submitted.
<b>AG</b>	2021 Building EMV	From the 2021 PRISM 1 file until the 2021 PRISM 2 file is submitted.

<b>Excel Column</b>	<b>Column Name</b>	<b>Description and Codes</b>
<b>AH</b>	2022 Land EMV	From the 2022 PRISM 1 file.
<b>AI</b>	2022 Building EMV	From the 2022 PRISM 1 file.
<b>AJ</b>	Net Improvement Adjustment to 2020 EMV	From the 2021 PRISM 1 file until the PRISM 2 file is submitted.
<b>AK</b>	Net Improvement Adjustment to 2022 EMV	From the 2022 PRISM 1 file.
<b>AL</b>	2020 Exempt Adjustment	The value of certain exempt property as reported on the 2020 PRISM 2 file.
<b>AM</b>	2021 & 2022 Exempt Adjustment	The value of certain exempt property as reported on the 2021 PRISM 2 file.
<b>Property Type</b>		
These columns describe the data that are used to assign the sales ratio property type and the aggregations the sale falls in.		
<b>AN</b>	Property Type Group	The primary Property Group as selected on the County tab of eCRV.
<b>AO</b>	PRISM Property Type	The primary Property Type as selected on the County tab of eCRV.
<b>AP</b>	Property Type Count	The number of different property groups reported on eCRV.
<b>AQ</b>	Land/Building Indicator	Describes whether a sale was improved or bare land on the Property tab of eCRV.
<b>AR</b>	Deeded Acres	Deeded acres as reported on the Property or County tabs of eCRV.
<b>AS</b>	2a Acres	The total 2a acres reported on the County tab of eCRV.

<b>Excel Column</b>	<b>Column Name</b>	<b>Description and Codes</b>
<b>AT</b>	2b Acres	The total 2b acres reported on the County tab of eCRV.
<b>AU</b>	PT Aggregation Name	The description of the property type aggregation code in column J.
<b>AV</b>	PT Code	The sales ratio property type code, as determined using the information in columns AN through AT.
<b>AW</b>	PT Name	The description of the sales ratio property type in column AV.
<b>AX</b>	PT 92 Flag	This column flags sales included in the PT 92 ratio aggregation.
<b>AY</b>	PT 95 Flag	This column flags sales included in the PT 95 ratio aggregation.
<b>Location</b>		
These columns provide additional detail on the location of the sale.		
<b>AZ</b>	Water Type	Describes the type of water of the sale as reported on eCRV.
<b>BA</b>	Water ID	Unique identifier for the body of water of the sale as reported on eCRV.
<b>BB</b>	Water Name	Name of the body of water of the sale as reported on eCRV.
<b>BC</b>	County Code	Two-digit county code.
<b>BD</b>	City Town Code	Four-digit city/township code.
<b>BE</b>	School District Code	Four-digit school district code.

<b>Excel Column</b>	<b>Column Name</b>	<b>Description and Codes</b>
<b>BF</b>	School District Name	School district name from column BE.
<b>BG</b>	Neighborhood Code	Neighborhood code as reported on eCRV.
<b>BH</b>	Address	The address of the sale as reported on eCRV.
<b>Miscellaneous</b>		
<p>These columns are not necessary to perform the sales ratio study but provide additional detail about the sale for additional analysis. See the latest MCAST tool for guidance on using these columns for additional analysis (available in the Assessor’s Reference Virtual Room).</p>		
<b>BI</b>	Auditor ID	A unique identifier for the sale, as assigned by the county.
<b>BJ</b>	Parcel Count	The number of parcels included in the sale. Filtering this column for multiple parcels can be done to ensure that the primary parcel (column C) is correct.
<b>BK</b>	Sale Date	The date the sale took place.
<b>BL</b>	Submission Date	The date the submitter sent the eCRV to the county.
<b>BM</b>	County Accepted Date	The date the county accepted the eCRV.
<b>BN</b>	County Final Date	The date the county sent the eCRV to the state.
<b>BO</b>	Last Edit Date	The date the eCRV was last edited. Filtering on this column can identify sales recently edited. To sort by recent edits, use “eCRV Last Edit Sort” field (column CN).

<b>Excel Column</b>	<b>Column Name</b>	<b>Description and Codes</b>
<b>BP</b>	County Study Reject	The first reason to reject the sale from the county study.
<b>BQ</b>	State Study Reject	The first reason to reject the sale from the state study.
<b>BR</b>	Buyer	The name of the first buyer reported on the eCRV.
<b>BS</b>	Seller	The name of the first seller reported on the eCRV.
<b>BT</b>	Primary Use	The primary planned use as indicated on the Property tab of eCRV.
<b>BU</b>	Use Count	The number of planned uses reported on the Property tab of eCRV.
<b>BV</b>	Property Program	The name of the first program reported on the Property tab of eCRV.
<b>BW</b>	Program Acres	The amount of acreage enrolled in the first program reported on the Property tab of eCRV.
<b>BX</b>	Program Count	The number of programs reported on the Property tab of eCRV.
<b>BY</b>	Year Built	The year built as reported on eCRV.
<b>BZ</b>	# Units	The number of units reported on eCRV.
<b>CA</b>	# Buildings	The number of buildings reported on eCRV.

<b>Excel Column</b>	<b>Column Name</b>	<b>Description and Codes</b>
<b>CB</b>	GBA	The gross building area reported on eCRV.
<b>CC</b>	Square Footage	The square footage reported on eCRV.
<b>CD</b>	CER	The crop equivalency rating of the primary parcel reported on eCRV.
<b>CE</b>	CPI	The crop production index of the primary parcel as reported on eCRV.
<b>Edit Flags</b>		
These columns flag sales that may require additional information or review.		
<b>CF</b>	Review Financing	Flags sales where the financing adjustment (Column AB) may need to be reviewed.
<b>CG</b>	Check Land Bldg Indicator	Flags land only sales with more than 5% building EMV and land and building sales with less than 5% building EMV. Based on the land/building indicator (column AQ) and 2020 land and building EMVs (columns AD and AE).
<b>CH</b>	Check Deeded Acres	Flags agricultural and rural vacant sales where deeded acres (column AR) is missing.
<b>CI</b>	Check 2a/2b Breakdown	Flags agricultural and rural vacant sales where the 2a/2b breakdown (columns AS and AT) is missing.
<b>CJ</b>	Split or Combo Indicator	Flags sales for further review that were indicated as a split or combo sale.
<b>CK</b>	2020 EMV Source	Source of the 2020 EMV. Blank if from PRISM.

<b>Excel Column</b>	<b>Column Name</b>	<b>Description and Codes</b>
<b>CL</b>	2021 EMV Source	Source of the 2021 EMV. Blank if from PRISM.
<b>CM</b>	2022 EMV Source	Source of the 2022 EMV. Blank if from PRISM.
<b>CN</b>	eCRV Last Edit Sort	Sequence number for sorting in Excel by the date when the eCRV was last edited. (Column BO) Sorting by the lowest to highest numbers puts the most recent edit dates first.

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