DEPARTMENT OF REVENUE

2026 Property Values and Assessment Practices Report

Assessment Year 2025

Property Tax Division

February 13, 2026

Minnesota Statute requires reports to the Legislature to include the total cost of preparing them.

This report cost $6,360.

DEPARTMENT OF REVENUE

February 13, 2026

To Members of the Legislature of the State of Minnesota:

I am pleased to present to you this report on property values and assessment practices in Minnesota, the 24th annual version of this report. Since 2012, this report has been combined with the annual report related to agricultural properties and Green Acres, satisfying the requirements of both Minnesota Statutes, section 273.1108, and Minnesota Laws 2001, First Special Session, chapter 5, article 3, section 92.

This report summarizes assessed property values and assessment practices in Minnesota, with an emphasis on market values for 2a agricultural and 2b rural vacant land properties, and Green Acres value methodology and determinations.

Sincerely,

Paul Marquart

Paul Marquart
Commissioner
Minnesota Department of Revenue

600 N. Robert St., St. Paul, MN 55146
www.revenue.state.mn.us

Table of Contents

Introduction

This is the 24th annual report to the Minnesota Legislature on property tax values and assessment practices in the state. The Legislature mandated this report from the Minnesota Department of Revenue in 2001. Since 2012, this report has been combined with the annual report about agricultural properties and Green Acres, satisfying the requirements of both Minnesota Statutes, section 273.1108, and Minnesota Laws 2001, First Special Session, chapter 5, article 3, section 92.

As required by those mandates, this report contains:

- Information by major types of property on a statewide basis and at various jurisdictional levels
- Recent market value trends
- Trend analysis of excluded market value
- Assessment quality indicators, including sales ratios and coefficients of dispersion for counties
- A summary of State Board Orders issued in 2025
- Green Acres value methodology and determinations
- Assessment and classification practices for class 2a agricultural and 2b rural vacant land property

This report provides an accurate description of the current state of property tax assessment and an overview of the department's responsibility to oversee the state's property tax assessment process. This report collects property value data for the purpose of monitoring and analyzing underlying value trends and assessment quality. This information and analysis informs government officials and the public about valuation trends within the property tax system.

Data Sources

The data for the assessment practices report is gathered through data submissions from all 87 counties in Minnesota. The data used in this report for assessment year 2025 is from the PRISM 2 files, submitted on September 1, 2025.

Historical data is gathered from PRISM 3 submissions, submitted on April 1 of the taxes-payable year. The April 1 file may reflect minor changes to taxable market value that occur between September 1 and December 31, such as properties that become exempt or non-homestead properties converting to homestead.

Overview of the Minnesota Department of Revenue's Role

Property taxes are an important source of revenue for all local units of government in Minnesota, including counties, cities, townships, and school districts. The primary responsibility of the department's Property Tax Division is to ensure fair and uniform administration of, and compliance with, state property tax laws.

The Property Tax Division ensures compliance with property tax laws through:

- The State Board of Equalization ensures that property owners pay their fair share – no more and no less. The Department of Revenue, acting as the State Board of Equalization, has the authority to increase or decrease assessed market values to bring about equalization.
- Promotion of uniformity of administration among the counties to ensure that each taxpayer will be treated in the same manner regardless of where the taxpayer lives.
- Delivery of accurate and timely aid calculations, certifications, and actual aid payments.

- Education and information for county officials, including technical manuals, bulletins, answers to specific questions, and courses taught by division staff. These offerings provide county officials the support and training necessary to administer property tax laws equitably and uniformly.

The classification system is another part of the Minnesota Department of Revenue's efforts to measure assessment quality. The sales ratio study and State Board of Equalization use property classifications to study value trends and accuracy of assessors' valuations. For the purposes of this report, the department has focused on the following major classification types:

- Residential
- Seasonal recreational residential (non-commercial)
- Apartments
- Commercial
- Industrial
- Agricultural and rural vacant land

Estimated Market Values and the Sales Ratio Study

Minnesota law requires that all property be valued at its market value. For property tax assessment purposes, the market value is rounded to the nearest $100. Assessors are required to determine the value of the land, the value of the structures and improvements to the land, and the resulting total market value.

The “market value” used for property tax purposes is the “open market value,” which is the price a property would sell for under typical, normal, and competitive conditions. It is referred to as the estimated market value (EMV). The most common method to determine EMVs is the comparable sales approach.

To evaluate the accuracy and uniformity of assessments within the state (and to ensure compliance with property tax laws), the Minnesota Department of Revenue conducts annual **sales ratio studies**. These studies measure the relationship between appraised values and the actual sales price.

Sales Used for the 2025 Assessment Year

The number of total sales and the number of good sales decreased between the 2023 and 2024 sales ratio study years. The data comes from sales that occurred October 1, 2023 - September 30, 2024.

There were 107,949 electronic Certificates of Real Estate Value (eCRVs) received in the 2024 sales ratio study for the 2025 State Board of Equalization. Of these, 65,740 were considered good, current-year, open-market sales. This was a decrease in the number of sales and good sales from the previous year (109,375 sales, 67,893 of them good sales), though the percentage of good sales compared to overall sales stayed consistent (62.1%).

Analysis of Sales Impacting Market Value Changes

Sales ratio studies measure the relationship between appraised values and the actual sales price. A sales ratio is the assessor’s estimated market value of a property divided by its actual sales price, as listed here:

$$Sales\ Ratio = \frac{Assessor's\ Estimated\ Market\ Value}{Sales\ Price}$$

For example, assume a home was valued by the assessor at $300,000. The home sold for $320,000. The sales ratio would be calculated as follows:

$$Sales\ Ratio = \frac{\$300{,}000}{\$320{,}000} = 94\%$$

2025 Assessment Quality and Sales Ratio Studies on EMVs

The two primary measures of assessment quality are the sales ratio and the coefficient of dispersion (COD).[1]

Sales ratios measure the **level of assessment** (how close appraisals are to market value on an overall basis). For the 2024 sales ratio study (for the 2025 assessment), the statewide median sales ratios for all property types were in the acceptable targeted range of 90% to 105%.

Coefficients of dispersion measure the **uniformity of assessment** (how close individual appraisals are to the median ratio and each other). The lower the COD, the more uniform the assessments. A high coefficient suggests a lack of equality among individual assessments, with some parcels being assessed at a considerably higher ratio than others. Property types with smaller sample sizes tend to have lower sales ratios and higher CODs. This is an area of concern with smaller sales samples.

Assessment quality improved for some property types and decreased for others between the 2023 and 2024 sales ratio studies (for assessment years 2024 and 2025). Sales ratios improved for residential/seasonal, commercial/industrial, and agricultural 2a/2b properties, while decreasing for apartment and resort properties (which have the lowest sample sizes of tracked property types). The COD of all property types except for resorts worsened (increased).

See Appendix A for the median sales ratios and CODs by property type.

State Board Orders

The State Board of Equalization issues corrective orders when the median sales ratio for a property type is outside the 90% to 105% acceptable range. Only five State Board Orders were issued across four counties for the 2024 sales ratio study, more than a 75% decrease from the 2023 study and the lowest amount issued since at least 2021.

The Minnesota Department of Revenue's appraisal staff works with assessors to identify areas of concern for future assessments to help avoid State Board Orders. These issues usually fall into three categories:

1. Low sales ratios in areas with a history of few sales
2. Sales ratios near the 90% to 105% range boundaries
3. Areas with uniformity concerns

See Appendix A for a list of 2025 State Board Orders by county and Appendix B for a detailed explanation of sales ratio studies used for these board orders.

[1] As a general rule, sales ratios and coefficients of dispersion are more accurate in classes with more sales activity because a larger sales sample is more likely to reflect the range of values for all properties in the jurisdiction.

Statewide Change in Value by Property Type

Methods of Examining Value

Each section will examine how EMV changed for the 2025 assessment year, generally expressing this change as a percentage change from the 2024 assessment year. To do so, we will use two different types of EMV: nominal EMV and constant class (CC) EMV.

Nominal EMV is the amount of assessed value that is classified and categorized as each property type. This can change based on values for those types of property increasing or decreasing, existing properties changing from one type to another, or construction or destruction of properties of that type.

CC EMV is nominal EMV **without** considering classification changes and does not factor in new construction or destruction of improvements. CC EMV numbers are estimates that depend on the quality of data submitted, and therefore are not as accurate as nominal EMV. Nonetheless, CC EMV can be helpful as it shows how values of different property types are increasing or decreasing without being impacted by non-value changes.[2]

These figures are compared across the major property types, determined by classification and other data submitted by counties. These property types are:

- Agricultural and rural vacant land, both homestead and non-homestead[3]
- Seasonal residential recreational non-commercial (SRR)
- Residential, both homestead and non-homestead
- Apartments (including low-income housing)
- Commercial
- Industrial

"Homestead" is a status that indicates the property owner or a qualifying relative uses the property as their primary residence. Agricultural property may still receive homestead if it is unoccupied if certain conditions are met and the farmer is the owner, a qualifying relative, or an entity the owner is a part of. Many charts will group both homestead and non-homestead agricultural land and residential property together. This is because data for 2025 is based on preliminary PRISM 2 files, meaning that some properties are reported as non-homestead initially but receive homestead status later in the year due to application deadlines. Looking at prior reports, we see that homestead and non-homestead numbers generally converge when the final PRISM 3 is submitted.

Comparing to Previous Years

As with the 2024 Assessment Practices Report, we will compare the changes in EMV for property types for the 2025 assessment with the same changes since 2020. Each year has seen somewhat unique shifts- the 2020 assessment was done before the COVID-19 pandemic hit, with 2021 as the first assessment year during the pandemic. 2022 saw large gains in residential EMV across the state, 2023 saw large gains in agricultural EMV, and 2024 saw reduced increases in all types of property. As such, we will continue to

[2] Example: a residential home was valued at $200,000 in AY2020. During 2020 they built a new garage. For AY 2021, the house was valued at $220,000 and the garage valued at $30,000, bringing the total value to $250,000. Nominal EMV would show a 25% increase (from $200,000 to $250,000), while CC EMV would show a 10% increase (the increased value of the house from $200,000 to $220,000).

[3] "Agricultural land" and "agricultural and rural vacant land" will be used interchangeably throughout the report.

compare the increases in EMV with all years since 2020 for a complete picture of how values have changed.

Statewide Trends in 2025

The 2025 assessment saw similar changes in EMV compared to 2024 across most property types, resulting in a statewide change in EMV nearly identical to the previous year The increases in Agricultural/Rural Vacant Land continued to diminish, with the increase of 1.4% resembling those from 2021 and earlier rather than the large increases in 2022 and 2023. Residential property rebounded slightly from the lower increase in 2024, with seasonal residential recreational (non-commercial) seeing a similar magnitude change year-over-year. Apartments continued to see virtually no increase, continuing the marked departure from 2023 and before. Commercial property EMV saw virtually no change, while industrial property again saw lower increases than previously but similar to 2024.

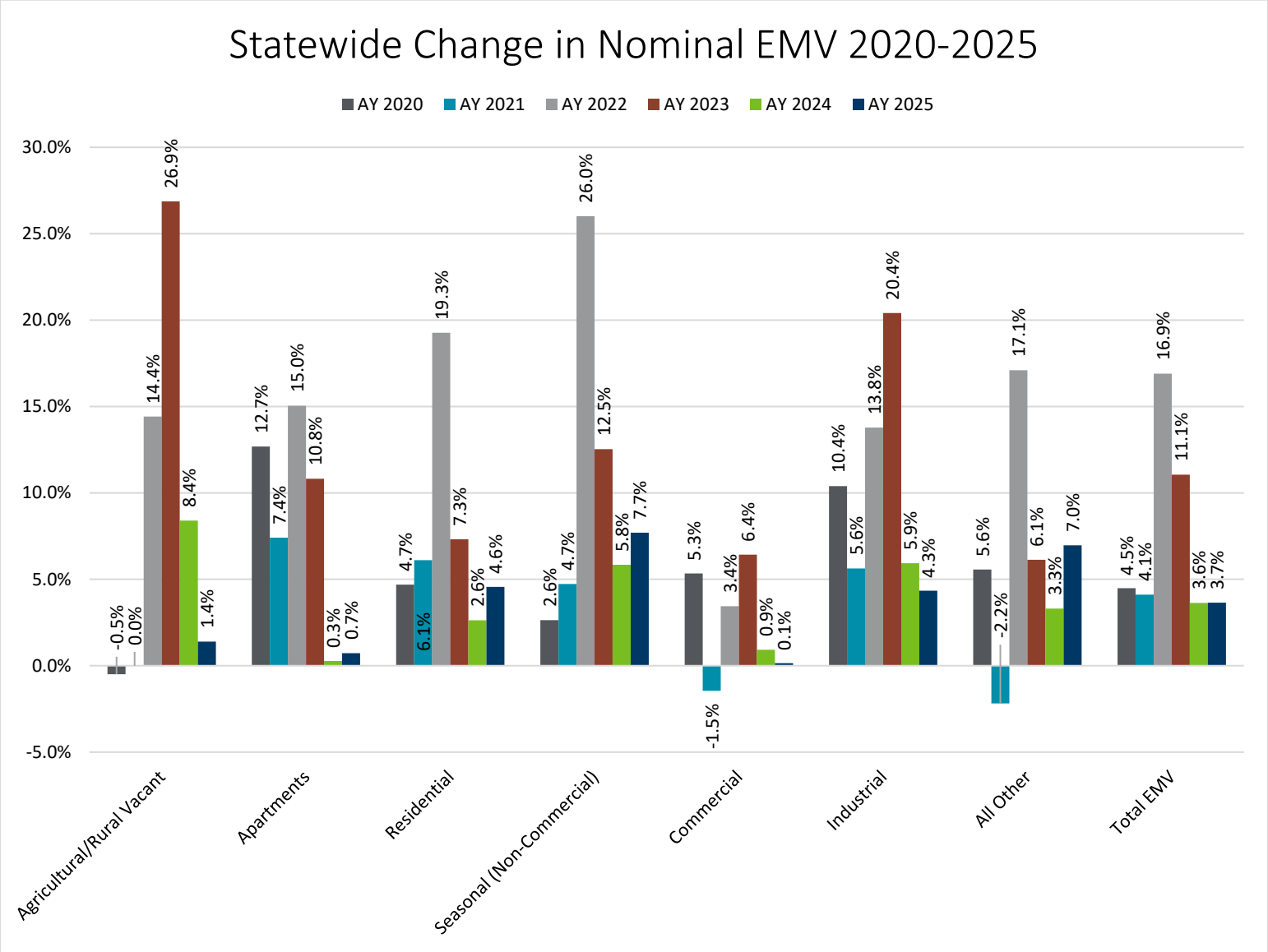


Chart 1

Other property saw a combined 7% increase in EMV, mainly due to increases in taxable personal property. While we have dedicated sections on the named property types, we do not for "other" property, as together it only represents 4% of statewide EMV within many disparate property types[4]. In comparison, our smallest major property type we examine is industrial property with 3.6% of statewide EMV.

Looking at CC EMV, we unsurprisingly see similar trends as that of nominal EMV, though generally lower for most property types. Especially notable are apartments and commercial, which see their small gains in EMV turn into decreases in CC EMV. This suggests that the statewide increases in EMV are due to new construction or classification changes, and without them we would see a decrease in those property types' EMV. Otherwise, we see slightly smaller increases in residential, seasonal, and industrial property, and larger increases in agricultural and other property types.

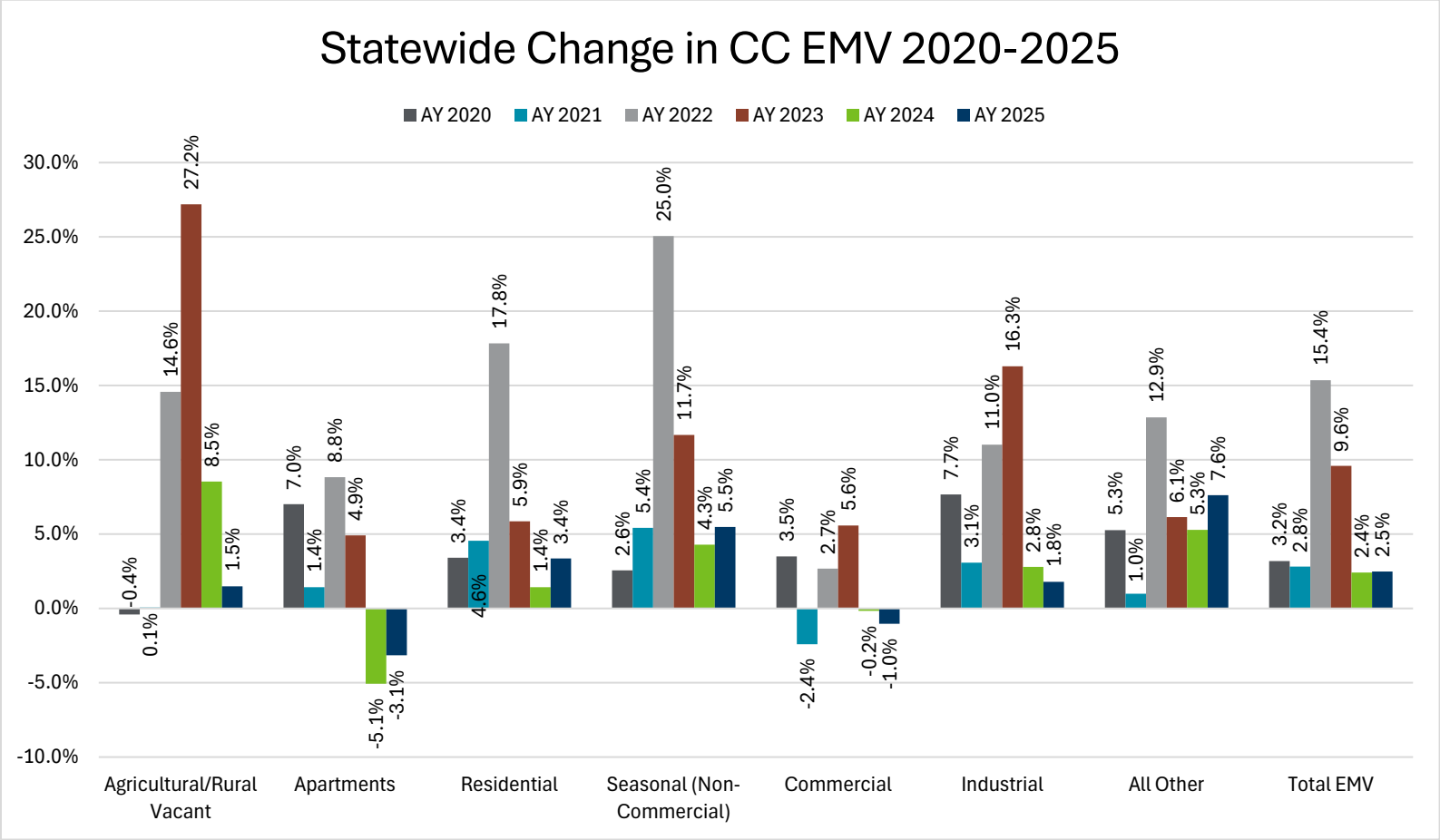


Chart 2

[4] These property types are, in order of share statewide EMV: agricultural homestead house, garage, and acre (HGA) (1.7%), taxable personal property (which itself encompasses a large range of property, 1.1%), public utility (0.7%), railroad (0.2%), resort (0.2%), managed forest land (0.1%), and mineral (less than 0.001%).

Regional Trends in 2025

As with last year's Assessment Practices Report, we will examine changes in EMV at a regional level using Voss regions (map in the appendix). These regions break up the state into 20 regions- 10 in the seven-county metro area, and 10 in Greater Minnesota. This allows us to provide a more detailed picture of the trends within the Metro and especially within Greater Minnesota, given that markets and trends vary widely across the state.

Examining the percent change in EMV within the 10 Voss regions in Greater Minnesota (Table 1), we see differences in both the levels of increases and decreases, and also different trends from 2024. There is again a 10-percentage point gap between the largest increase and decrease, though the presence of decreases is notable itself. Southwest saw a 3.3% decrease, the first decrease in Greater MN's region's EMV since 2018. This decrease, along with South Central, is primarily due to decreases in agricultural land EMV in both regions. In the opposite direction, Central, East Central, North Central, and Southeast all saw EMV increases greater than those in 2024, primarily due to increases in residential property. These differences between regions, which will be expanded upon in the sections with individual property types, reflect why it is important to examine the local markets and property types that make up the many diverse regions of the state.

Percent Change in Total EMV in Greater Minnesota Voss Regions

Region *2025 Regional EMV (in millions)*	2020	2021	2022	2023	2024	2025
Arrowhead *$58,686*	3.7%	4.3%	20.9%	10.2%	7.1%	5.9%
Central *$76,332*	5.7%	6.0%	19.2%	12.5%	2.8%	5.4%
East Central *$30,046*	6.8%	7.4%	24.3%	13.0%	1.9%	6.0%
Minnesota Valley *$49,095*	1.6%	1.7%	15.5%	22.3%	6.8%	1.9%
North Central *$49,278*	4.1%	6.4%	28.2%	13.8%	5.9%	7.1%
Northwest/Headwaters *$44,514*	3.2%	2.8%	20.5%	15.1%	11.3%	6.6%
South Central *$58,703*	0.4%	2.2%	15.8%	21.8%	5.3%	-0.5%
Southeast *$106,489*	4.0%	4.2%	15.6%	12.3%	5.9%	6.5%
Southwest *$47,355*	0.0%	1.0%	16.5%	33.4%	3.0%	-3.3%
West Central *$68,386*	3.1%	2.7%	16.0%	14.7%	11.0%	6.4%

Table 1

To put these years into perspective, we can examine the nominal EMV of each region dating back to 2016 in chart 3. This allows us to visualize both the increases and change in those increases more easily. The distinction between before and after 2020 is notable, showing relatively consistent changes from 2016 through 2020 before the more volatile changes beginning in 2021.

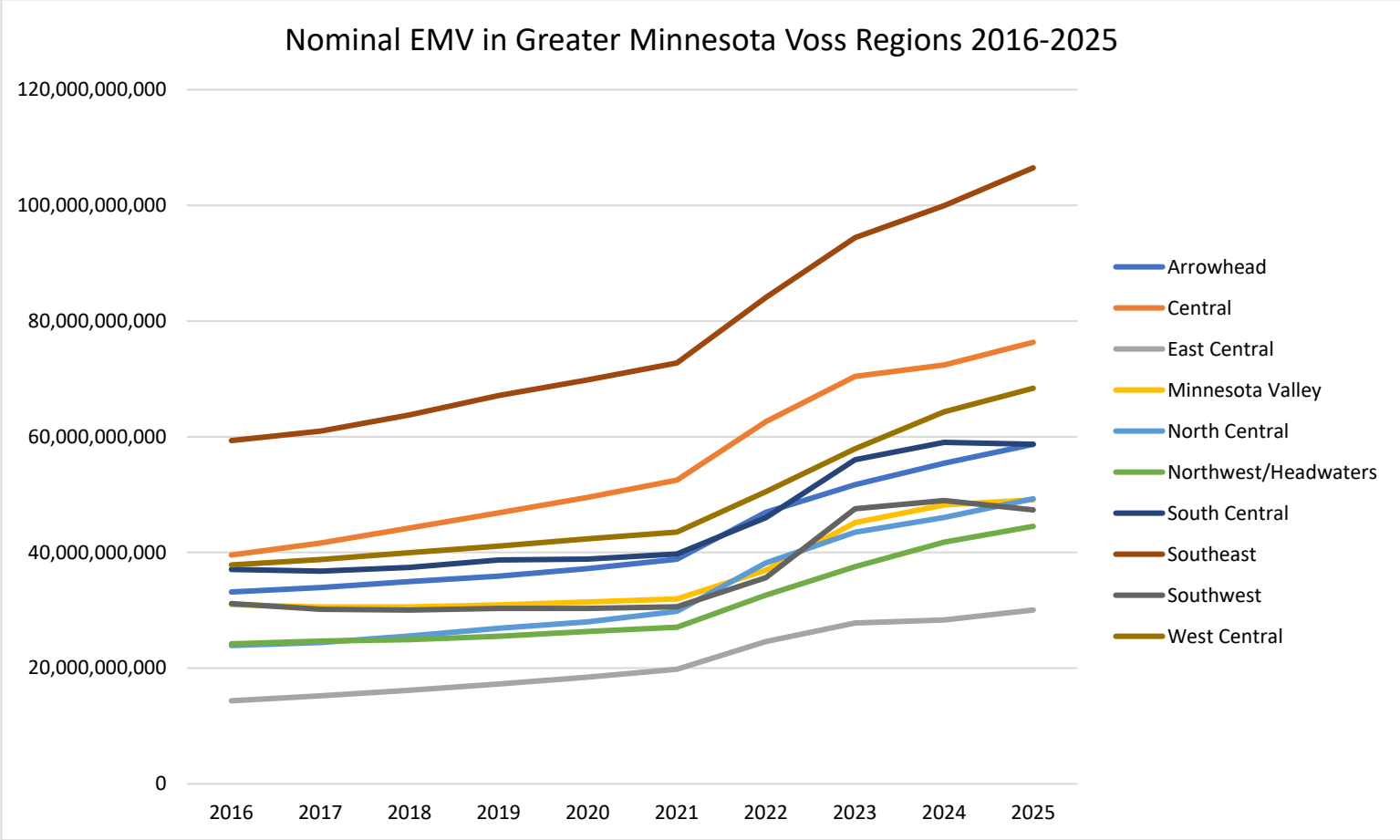


Chart 3

In the 10 Metro Voss regions, all regions except for Southeast Hennepin saw greater increases (or in Minneapolis' case, a smaller decrease) than in 2024. These increases were still smaller than any increase since at least 2020 for most regions (the exceptions being Carver/Scott in 2023 and Suburban Ramsey in 2021), reflecting that values are still not increasing by as much as they had been previously. Minneapolis was the only region to see a decrease in EMV, though only by 0.1% compared to over 3% in 2024. Washington saw the largest shift compared to 2024, with a four-percentage point increase from the change in 2024. This reflects a lower volatility than in Greater Minnesota, which had multiple regions see shifts of over five percentage points comparing between the changes in 2024 and 2025.

Again, stepping back and examining EMV since 2016, chart 4 shows a similar trend where EMV rose at a somewhat steady pace until 2020, flattened slightly in 2021, then increased further since 2022. Dakota and Southwest Hennepin especially have increased and are now the two highest EMV regions after surpassing Minneapolis in 2022.

Percent Change in Total EMV in Metro Voss Regions						
Region *2025 Regional EMV (in millions)*	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Anoka *$57,169*	6.0%	6.7%	20.5%	6.6%	1.7%	3.4%
Carver/Scott *$55,711*	5.2%	5.5%	20.7%	5.1%	4.8%	5.9%
Dakota *$78,744*	5.4%	5.6%	16.5%	6.8%	1.6%	4.4%
Minneapolis *$66,112*	5.3%	1.9%	6.5%	4.7%	-3.3%	-0.1%
North Hennepin *$52,346*	6.4%	6.3%	19.0%	6.9%	2.2%	3.1%
Saint Paul *$36,340*	8.4%	2.9%	11.1%	4.7%	0.7%	1.3%
Southeast Hennepin *$59,329*	4.0%	3.5%	12.4%	4.8%	1.9%	1.0%
Southwest Hennepin *$77,357*	5.4%	3.9%	16.9%	8.3%	2.2%	3.4%
Suburban Ramsey *$41,387*	6.4%	2.5%	13.6%	6.5%	2.4%	3.5%
Washington *$55,349*	4.8%	5.0%	20.9%	11.0%	-0.3%	3.7%

Table 2

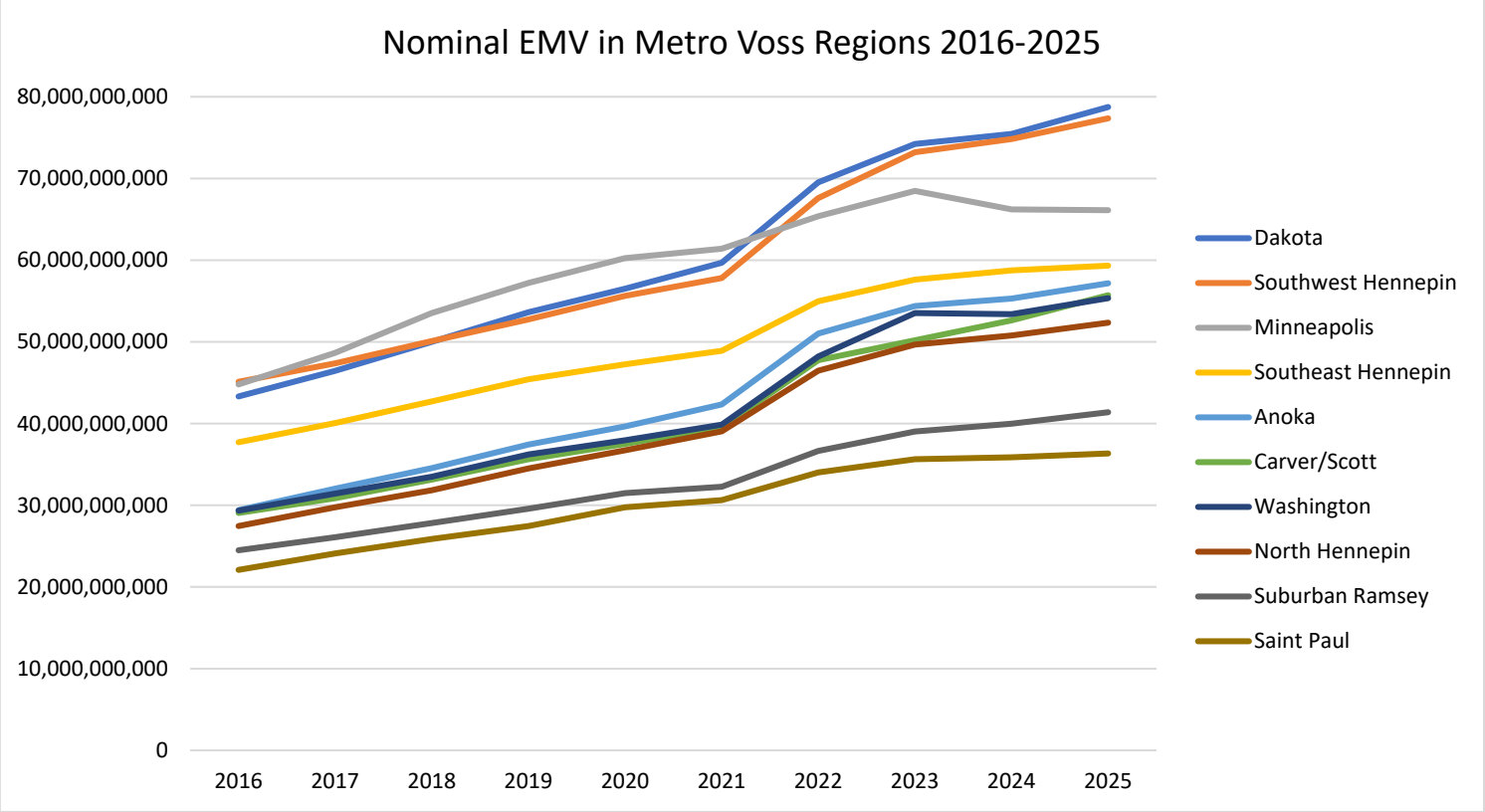


Chart 4

Agricultural Land

Agricultural land includes both agricultural and rural vacant land and is almost entirely located in Greater Minnesota (96% of total market value). As such, Table 3 shows the annual percentage changes in EMV of the Greater Minnesota Voss regions from 2020 through 2025. Each region is listed with the total EMV of the agricultural land in the region in millions of dollars, and agricultural land's percentage of the region's total EMV.

Percent Change in Agricultural Land EMV in Greater Minnesota Voss Regions						
Region *2025 Regional Agricultural Land EMV (in millions); percent share of region EMV*	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Arrowhead *$4,817; 8.2%*	-0.2%	0.4%	16.5%	11.0%	12.6%	1.1%
Central *$9,603; 12.6%*	1.8%	2.8%	14.6%	19.2%	4.7%	4.8%
East Central *$4,451; 14.8%*	4.0%	4.0%	23.8%	23.5%	1.5%	6.8%
Minnesota Valley *$29,634; 60.4%*	-0.9%	-1.2%	15.3%	29.8%	7.6%	-1.1%
North Central *$7,042; 14.3%*	2.4%	2.2%	19.4%	18.2%	13.8%	6.0%
Northwest/Headwaters *$20,524; 46.1%*	1.2%	0.8%	12.6%	18.9%	20.8%	7.7%
South Central *$30,124; 51.3%*	-3.2%	0.0%	13.9%	33.1%	6.7%	-5.1%
Southeast *$34,244; 32.2%*	-0.8%	0.5%	14.2%	25.3%	6.6%	6.1%
Southwest *$35,220; 74.4%*	-1.3%	-0.5%	16.8%	40.3%	2.4%	-5.7%
West Central *$25,441; 37.2%*	0.7%	-1.8%	11.7%	20.6%	18.6%	7.7%

Table 3

Table 3 shows that in 2025, agricultural land saw the smallest increases for eight regions since 2021, with only East Central and Central seeing larger increases compared to 2024. This includes some notable decreases, such as a 5.7% decrease in Southwest and 5.1% decrease in South Central after those regions saw some of the largest increases of any property type in any region in 2023. The largest increases in EMV changed were smaller, with a high of a 7.7% gain in both Northwest/Headwaters and West Central (both over 10 percentage point smaller increases than in 2024). This led to a smaller range between the largest increase and decrease at 13.4 points, compared to 19.3 points in 2024 and 29.3 points in 2023. That being said, the fact that there are decreases does show that there are still differing directions that the regional markets are facing, and several regions are still seeing increases greater than those in 2020 or 2021.

As another way to contextualize the variability of the changes, we can examine the relationship between the change in EMV and how much of the region's EMV is agricultural land (i.e. agricultural land EMV divided by that region's total EMV). Chart 5 maps this relationship for EMV changes since 2023, with the blue dots showing each region's change in agricultural land EMV plotted against the region's share of agricultural EMV for 2025, while the green and brown dots show the same for 2024 and 2023's change in

EMV, respectively. The R^2 value for each trendline shows how well the trend fits the data. While we do not expect a definitive relationship between the two, the R^2 value can indicate how strong a linear relationship was between the two sets of data. While 2023 saw some relationship between the two (though not enough to be statistically significant), 2024 saw almost no relationship with an R^2 value of less than 1% and 2025 with a much weaker R^2 value than 2023. These relationships are consistent whether measuring agricultural land's proportion of a region's EMV or the raw EMV itself. This means that there is no relationship between the two, though the chart does allow a visualization of agricultural EMV share and increases in EMV.

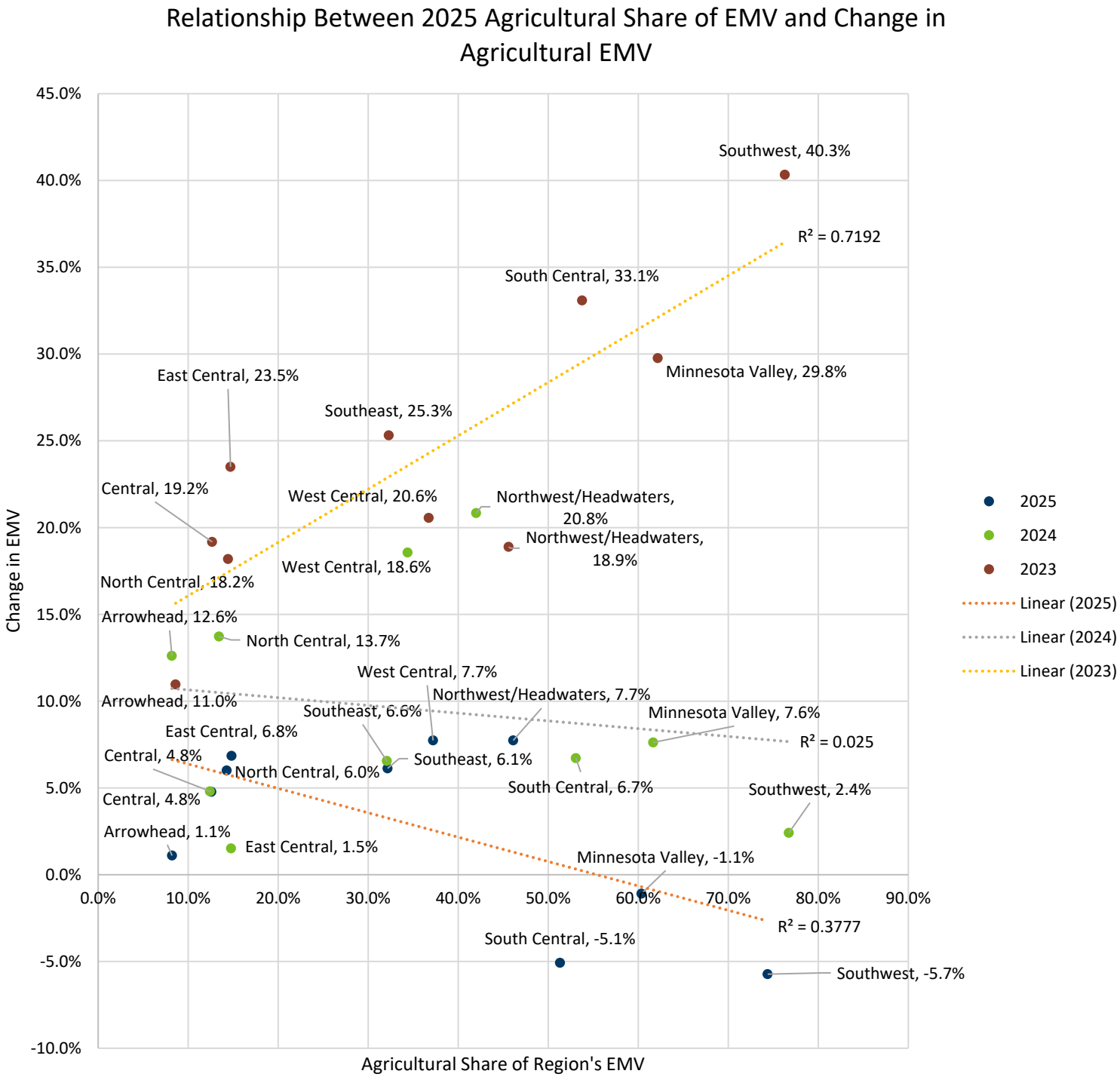


Chart 5

Another aspect of agricultural land to examine is the proportion of agricultural land receiving homestead vs. non-homestead land. Chart 6 shows the percent of acres of agricultural land that is homesteaded for each region from 2016-2024[5], with data labels for the first and last year shown. Looking at the percentages, we see that Arrowhead is by far the lowest proportion of homesteaded land (14.3% in 2024). Given that 2b rural vacant land is also counted in this category and a property owner must have 2a agricultural land to qualify 2b land for homestead, it is possible that this region's lack of homestead property is a result of that lack of 2a agricultural land. Otherwise, East Central is the only other region under a 50% homestead share, with most agricultural land becoming non-homestead in 2023. Central has the highest proportion of homestead land (72.4% in 2024), while the Southwest has the largest amount of agricultural land and has maintained just over a 60% share of homesteaded land since 2017[6].

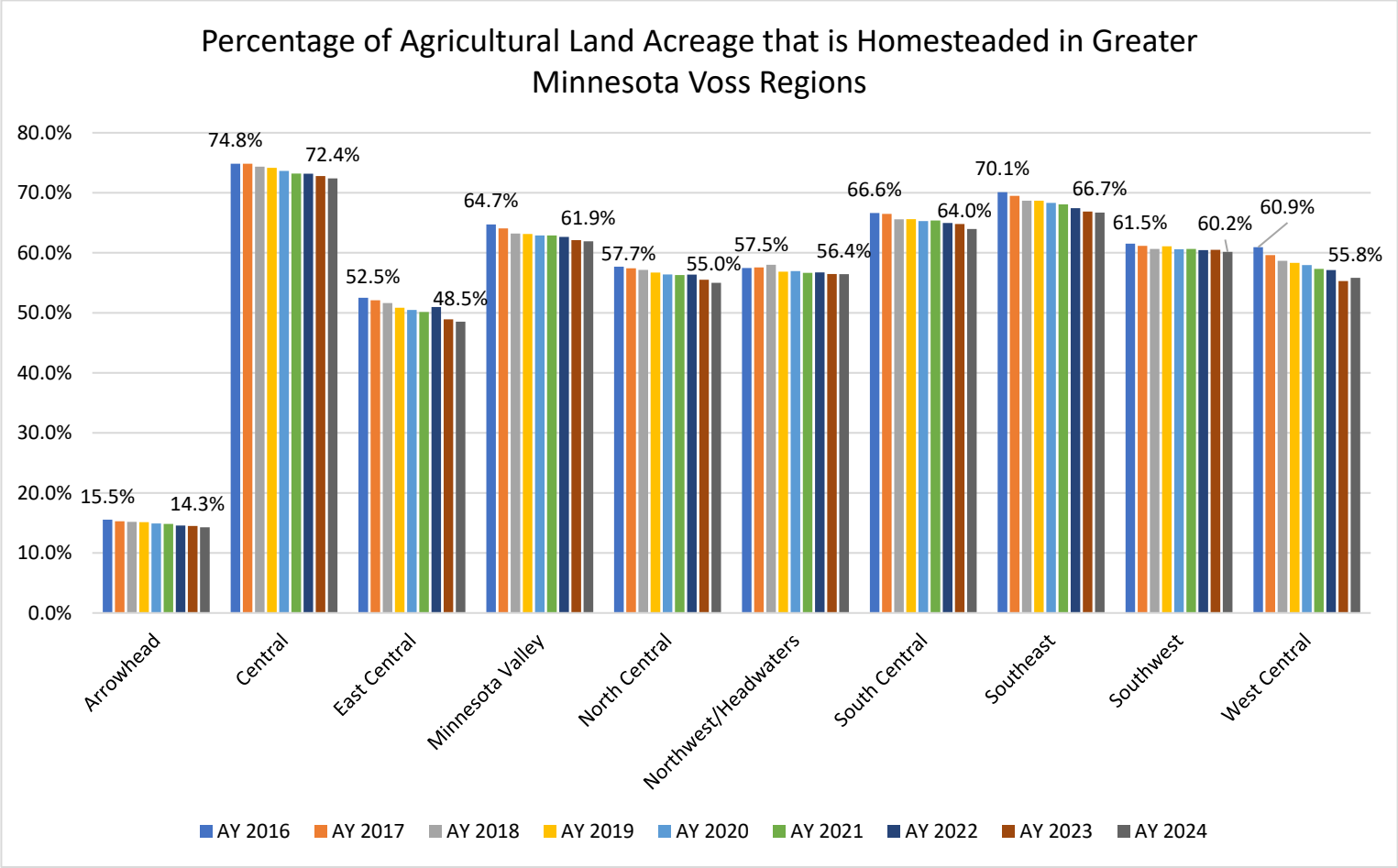


Chart 6

The chart continues to show a decline in homesteaded acreage across all regions except for West Central, though at varying magnitudes. This is not due to legislative or policy changes, as the only legislative changes during this time expanded the definition of what may qualify for agricultural homestead. Instead, the data suggests fewer acres are qualifying for agricultural homestead.

[5] We are only examining through 2024 because homestead data is not complete for the 2025 assessment.

[6] Some of the ten regions discussed have between 0.1% and 1% of acres missing from 2016-2024, with a maximum of 0.4% of total acres missing in 2025.

Apartments

The apartment category covers the 4a classification, which contains both apartments and non-exempt hospitals, along with low-income rental housing, manufactured home parks, post-secondary student housing, non-profit community service organizations, and congressionally chartered veteran organizations. After 2024 saw the smallest increase in statewide apartment EMV since the 2010 assessment, 2025 saw a slightly larger but similarly small increase. While the statewide number was similar, on a regional level there were some notable shifts. Given that over 80% of the apartment EMV is in the Metro, we will start by looking at the changes within the Metro Voss regions.

Percent Change in Apartment EMV in Metro Voss Regions

Region *2025 Regional Apartment EMV (in millions); percent share of region EMV*	2020	2021	2022	2023	2024	2025
Anoka *$3,366; 5.9%*	16.1%	12.7%	16.9%	25.4%	-3.1%	-5.2%
Carver/Scott *$2,537; 4.6%*	18.4%	14.8%	18.8%	14.2%	7.4%	9.8%
Dakota *$6,502; 8.3%*	10.2%	9.6%	26.8%	16.4%	-5.1%	1.0%
Minneapolis *$13,529; 20.5%*	12.2%	6.1%	7.8%	7.2%	-4.7%	-0.8%
North Hennepin *$3,852; 7.4%*	11.9%	11.5%	17.7%	10.5%	3.7%	-2.7%
Saint Paul *$6,402; 17.6%*	18.6%	4.1%	13.9%	6.1%	-6.2%	-5.3%
Southeast Hennepin *$8,131; 13.7%*	12.9%	6.8%	15.7%	6.0%	3.8%	-1.7%
Southwest Hennepin *$5,288; 6.8%*	14.5%	6.7%	11.5%	8.5%	1.6%	-0.9%
Suburban Ramsey *$4,582; 11.1%*	16.8%	6.7%	20.0%	8.4%	-3.9%	-1.1%
Washington *$3,136; 5.7%*	10.2%	11.1%	25.4%	14.8%	4.6%	6.0%

Table 4

Despite a small statewide increase in both of the last two years, apartment EMV decreased in the Metro for the previous two years (0.9% in 2025 and 1.6% in 2024). Despite a lower decrease in 2025, more regions saw decreases in 2025. North Hennepin, Southeast Hennepin, and Southwest Hennepin all saw increases in 2024 turn to decreases in 2025. Those three regions plus Anoka saw decreases in the change in EMV, however the other six saw larger increases/smaller decreases. Carver/Scott and Washington were the only two regions that saw increases in both 2024 and higher ones in 2025, however these are the two smallest regions of apartment EMV in the Metro. Minneapolis, which has the most apartment EMV in the Metro (1.5 times the next highest region), saw a smaller decrease than in 2024, likely contributing to the smaller decrease across the Metro as a whole. Overall, apartment EMV is still decreasing in much of the Metro in 2025 after having reliably increased prior to 2023.

The decreases and smaller increases in EMV are even more stark when examining CC EMV. Chart 7 shows each region's change in nominal EMV (blue) along with the change in CC EMV (green). Notably, every region's change in CC EMV is a decrease, meaning that every region saw overall decreases in

apartment EMV when not accounting for new construction or classification changes. This includes Carver/Scott and Washington, the two regions that had high changes in nominal EMV, which indicates that there was a large amount of new construction or classification changes that led to those large increases in nominal EMV. On the other hand, Anoka and Saint Paul both had changes in CC EMV close to the nominal changes in EMV, indicating that there was less new construction or classification changes.

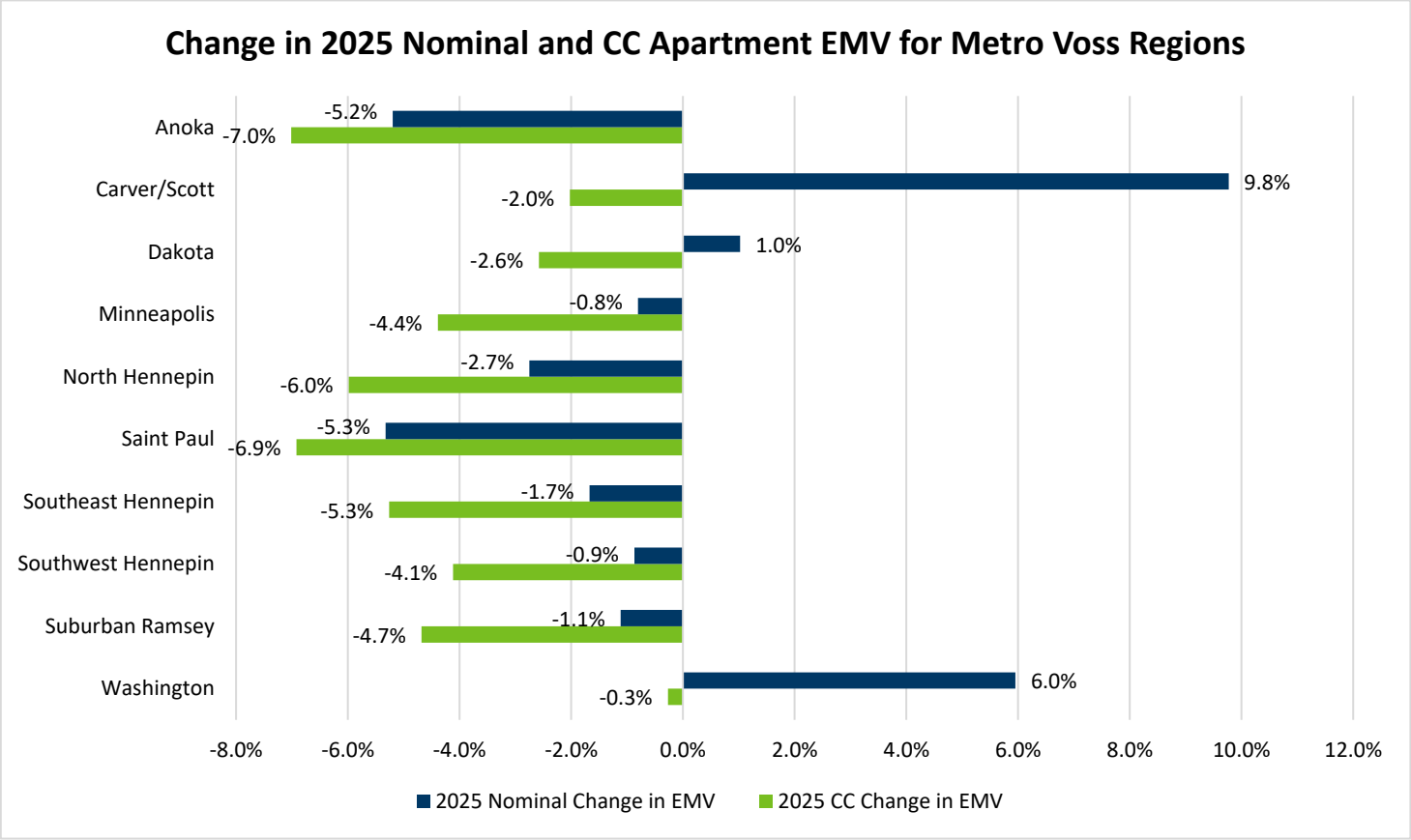


Chart 7

While most of the property types' EMV is located in the Metro, there are still over $15 billion in EMV in Greater Minnesota. Table 5 shows the changes in apartment EMV for regions with at least $1 billion in apartment EMV. Again, this also includes hospitals, low-income housing, and other property types in addition to apartments.

By Voss region, Southeast and Central have both the largest amounts of EMV and the largest shares of the regional EMV within Greater Minnesota, and have the 7th and 9th largest nominal EMV statewide. Both these regions saw larger increases in EMV than all Metro regions aside from Carver/Scott, though they were smaller increases than in 2024. On the other hand, Arrowhead, South Central, and West Central all saw increases greater than those in 2024, with Arrowhead as the only region with a double-digit increase in 2025.

Chart 8 again shows the comparison between CC EMV and nominal EMV for the Greater Minnesota Voss regions. As expected, CC EMV is lower, but notably represents increases in all regions. This means that while apartment values are generally declining throughout the Metro, in Greater Minnesota they are increasing. Southeast has the largest gap between the two (6.3 percentage points) while West Central has the smallest (3.7 points), a much narrower range than in the Metro.

Change in Apartment EMV in Greater Minnesota Voss Regions Regions with at least $1 billion EMV						
Region *2025 Apartment EMV (in millions); percent share of region EMV*	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Arrowhead *$1,928; 3.3%*	6.0%	11.8%	10.2%	15.6%	9.5%	10.9%
Central *$3,249; 4.3%*	13.5%	6.9%	17.1%	18.5%	12.7%	6.6%
South Central *$1,684; 2.9%*	4.1%	7.9%	11.2%	34.3%	2.8%	6.5%
Southeast *$4,187; 3.9%*	7.4%	5.4%	21.4%	7.9%	11.3%	7.5%
West Central *$1,338; 2.0%*	5.1%	3.0%	5.9%	8.2%	5.6%	7.5%

Table 5

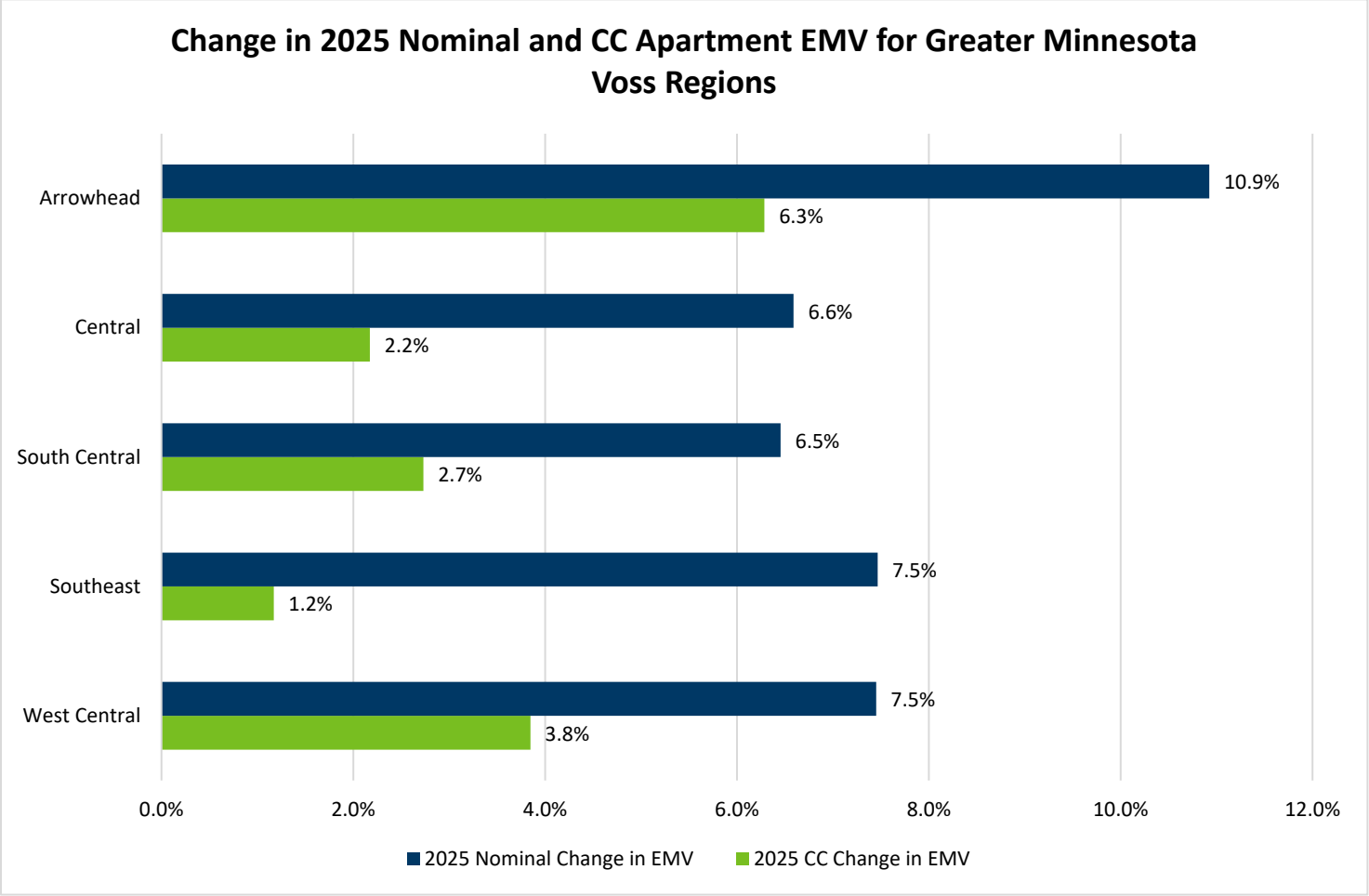


Chart 8

Residential Property

Residential properties are likely the most important type of properties we examined in this report, as they contain a majority of the market value of every Metro Voss region and a plurality of EMV in five of the Voss regions in Greater Minnesota. Homesteaded residential property is especially represented in regional EMV, containing between 3.37 and 9.27 times the amount of market share of non-homestead property (Minneapolis and Central, respectively). Therefore, the changes in residential property, especially residential homestead, greatly affect the tax base of all of Minnesota. Because PRISM 2 submissions (the source of our data for 2025) do not include final homestead numbers, we will look at all residential property together for changes in value.

Residential EMV increased at a larger rate than in 2024 for all regions, with Anoka, Minneapolis, and Washington all seeing increases in 2025 of at least three percentage points more than in 2024. Compared to 2023, the changes are more mixed, with Carver/Scott, Anoka, and Saint Paul seeing larger increases in 2025, but several other regions seeing lower increases (primarily Washington). Indeed, 2025's changes most closely resemble those of 2020, with an average difference of only -0.2%. These increases are still between one to four percentage points lower than the average changes from 2017-2020, but could be the beginning of a return to residential increases in the Metro that we were used to seeing before the large increases in 2022 and smaller increase in 2023/2024.

CC EMV increases were slightly lower than those of nominal EMV as we would expect, ranging from only 0.3% lower (2.3% increase in Minneapolis) to 2.1% lower in Carver/Scott, indicating that Carver/Scott's largest increase in nominal EMV for the Metro was mainly due to new construction or classification changes. Suburban Ramsey and Saint Paul had the highest increases in CC EMV at 4.4% and 4.1% respectively, indicating that those residential EMV increases were more due to increasing value of residential properties in those regions.

Percent Change in Residential EMV in Metro Voss Regions

Region *2025 Residential EMV (in millions)*	2020	2021	2022	2023	2024	2025
Anoka *$45,070*	4.9%	7.4%	22.9%	2.9%	1.3%	4.5%
Carver/Scott *$42,186*	4.4%	6.2%	24.4%	2.5%	4.2%	5.5%
Dakota *$58,217*	4.7%	6.5%	17.8%	4.6%	1.5%	4.2%
Minneapolis *$40,484*	2.6%	4.2%	7.3%	4.3%	-1.1%	2.6%
North Hennepin *$38,386*	5.5%	7.4%	20.3%	4.9%	1.5%	3.9%
Saint Paul *$24,313*	5.5%	3.9%	13.2%	3.0%	3.8%	4.5%
Southeast Hennepin *$38,631*	1.8%	5.6%	14.2%	4.2%	2.0%	2.4%
Southwest Hennepin *$60,049*	4.7%	5.0%	19.6%	8.2%	2.2%	4.5%
Suburban Ramsey *$29,587*	4.9%	2.9%	15.0%	5.3%	4.4%	4.9%
Washington *$44,347*	4.1%	5.0%	23.3%	10.1%	-0.9%	3.7%

Table 6

While changes in a region's residential EMV is generally similar to the entire region's change in EMV due to the high market share, for 2025 this relationship was not as clearcut for some regions. While Washington's change in residential EMV and region EMV were the same and Carver/Scott and Dakota were similar, all other regions had residential increases outgain the region's overall EMV growth. This means that residential property EMV increased more than other property types', which then logically means that residential property's share of EMV increased. This is confirmed in table 7, which shows the share of EMV in 2024, 2025, and the difference between them. Carver/Scott, Dakota, and Washington all decrease or are unchanged as expected, while other regions see the residential share of EMV increase by between 0.6% in North Hennepin to 2% in Saint Paul. While residential properties have a lower classification rate than properties such as commercial/industrial and residential homesteads less than those of apartments, this still likely will lead to notable tax shifts for the regions with increases.

Residential Share of Region's EMV in Metro Voss Regions

Region	2024 Share of EMV	2025 Share of EMV	Difference
Anoka	78.0%	78.8%	0.8%
Carver/Scott	75.9%	75.7%	-0.2%
Dakota	74.1%	73.9%	-0.1%
Minneapolis	59.6%	61.2%	1.6%
North Hennepin	72.8%	73.3%	0.6%
Saint Paul	64.9%	66.9%	2.0%
Southeast Hennepin	64.2%	65.1%	0.9%
Southwest Hennepin	76.8%	77.6%	0.8%
Suburban Ramsey	70.5%	71.5%	1.0%
Washington	80.1%	80.1%	0.0%

Table 7

Switching our focus to Greater Minnesota, residential EMV increased along similar, if slightly higher, lines as Metro regions as shown in table 8. There was variety as to whether these were larger or smaller increases than in 2024, with higher increases for six regions and lower for the other four. That said, two of the four smaller increases were for the two regions with the highest increases in 2024 (West Central and Arrowhead) whose increases still ranked in the middle of Greater Minnesota regions for 2025. In both 2024 and 2025, increases in EMV appeared unlinked to the amount of residential EMV in the region or the proportional share of the region's EMV. In other words, the amount of residential EMV in a region or the proportion of a region's EMV that was residential did not affect the magnitude of the increases in EMV year-over-year.

CC EMV had an even narrower range than in the Metro, with the smallest difference in Arrowhead at only 0.6% lower and the largest of East Central at 1.8% lower (leading to CC EMV increases of 4.7% and 4.1% respectively). This led to Arrowhead seeing the 3rd largest increases in CC EMV and East Central the 6th, but did not change the order of each region when ranked on EMV increases. This helps show how while CC EMV can identify when increases in a property type's EMV is due to new construction or classification changes, it is only when there is a large difference between the two that differences between the two are notable.

Percent Change in Residential EMV in Greater Minnesota Voss Regions						
Region *2025 Residential EMV (in millions); percent share of region EMV*	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Arrowhead *$33,302; 56.7%*	3.0%	7.1%	22.7%	10.5%	6.3%	5.3%
Central *$49,183; 64.4%*	6.5%	7.9%	23.2%	11.7%	1.6%	5.0%
East Central *$18,995; 63.2%*	7.9%	8.6%	26.0%	11.2%	1.3%	5.9%
Minnesota Valley *$13,234; 27.0%*	6.7%	7.3%	18.6%	13.4%	5.2%	6.7%
North Central *$20,726; 42.1%*	6.6%	9.8%	31.3%	13.4%	4.4%	6.0%
Northwest/Headwaters *$12,303; 27.6%*	4.6%	6.2%	22.2%	14.5%	4.1%	3.1%
South Central *$19,916; 33.9%*	4.9%	5.7%	20.4%	10.9%	3.9%	4.5%
Southeast *$51,809; 48.7%*	6.0%	7.0%	17.7%	7.8%	5.0%	6.3%
Southwest *$7,424; 14.7%*	3.8%	5.4%	19.4%	18.3%	5.0%	4.1%
West Central *$24,540; 35.9%*	5.0%	6.1%	18.9%	12.5%	7.2%	5.5%

Table 8

Looking more at the residential EMV share in Greater Minnesota, chart 9 shows how each region's share of residential EMV has changed since 2016. Even prior to the large increases in residential property in 2022, residential EMV share was rising at a steady rate. While no region has regained the peak EMV share achieved in 2022 (labeled in chart 9), all regions have a larger share of residential EMV in 2025 than in 2016. However, after EMV shares dipped in 2023 as agricultural values saw a similar jump, they have remained relatively flat since then. As agricultural values (generally the other large EMV share) vary, residential EMV share may rise simply by seeing more growth than other property types, even if the increases have slowed.

Looking at both Metro and Greater Minnesota regions together, we see that there were similar ranges and trends between the two, with all regions falling between a low of 2.4% increase (Southeast Hennepin) and a high of a 6.7% increase (Minnesota Valley). This statewide range of 4.4% is the lowest since 2019,

where the highest increase was 9.2% in East Central and lowest was 5.2% in four different regions[7]. Prior to 2020, Metro regions generally saw larger increases with some exceptions; this has flipped since then. While Greater Minnesota regions generally had larger increase in 2025, it will be worth monitoring if this convergence continues and whether the Metro regions will again begin to see larger residential increases.

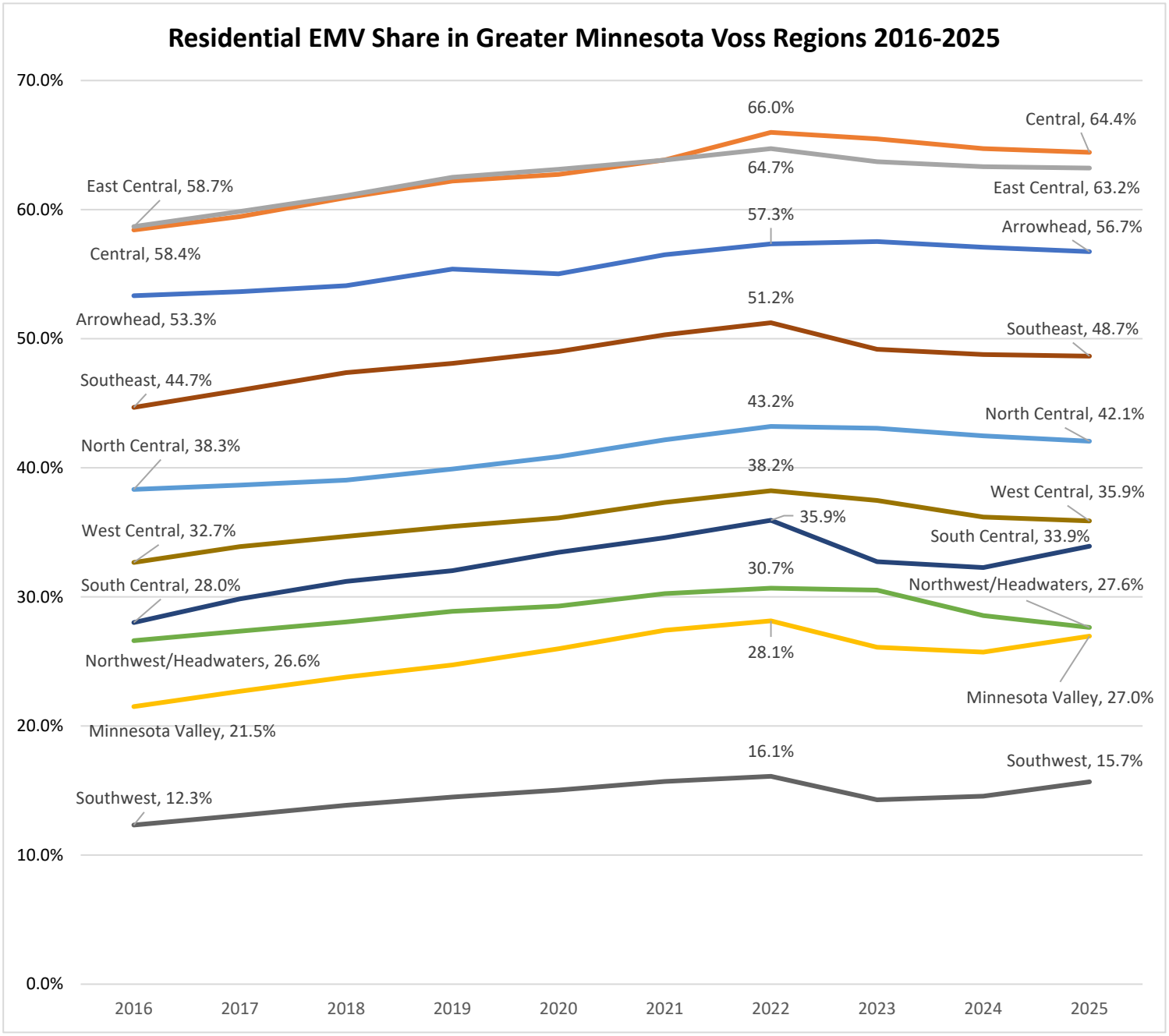


Chart 9

[7] Arrowhead, Minnesota Valley, West Central, and Southwest Hennepin.

Seasonal Recreational Residential Property

Seasonal residential recreational non-commercial property (SRR), while generally thought of as cabins, can represent any property "devoted to noncommercial temporary and seasonal residential occupancy for recreation purposes.[8]" Therefore while most of the classification's EMV is located in Greater Minnesota, there are SRR properties in every region aside from Minneapolis. We will only examine regions with at least $1 billion in SRR EMV in table 9, which encompasses seven regions in Greater Minnesota along with Southwest Hennepin in the Metro. Given the wide range of EMV between regions, the table is sorted according to SRR's percent share of regional EMV. We see that North Central has both the most EMV of any region and has the highest regional share of SRR EMV, with the share within Arrowhead and West Central only around half of that and descending from there to Southwest Hennepin with only 1.7% of the region's EMV as SRR property.

Percent Change in Seasonal Residential Recreational EMV by Voss Region

Regions with at least $1 billion EMV

Region *2025 SRR EMV (in millions); percent share of region EMV*	2020	2021	2022	2023	2024	2025
North Central *$15,177; 30.8%*	1.0%	5.8%	31.5%	13.1%	4.4%	9.5%
Arrowhead *$9,978; 17.0%*	3.6%	2.9%	25.2%	12.3%	6.9%	8.2%
West Central *$10,618; 15.5%*	3.6%	5.7%	23.1%	13.8%	8.3%	5.0%
Northwest/Headwaters *$4,064; 9.1%*	3.1%	4.0%	28.8%	11.4%	6.0%	7.3%
East Central *$2,120; 7.1%*	4.8%	7.5%	25.8%	13.9%	0.6%	8.9%
Central *$2,328; 3.0%*	2.9%	4.1%	21.9%	11.2%	7.7%	6.4%
Minnesota Valley *$1,442; 2.9%*	1.9%	5.4%	18.2%	16.6%	8.0%	9.6%
Southwest Hennepin *$1,283; 1.7%*	4.0%	1.9%	22.5%	3.2%	4.2%	6.0%

Table 9

For SRR properties, since 2022 we have generally seen similar EMVs to residential properties (as SRR properties are just residential properties used in a different manner) with slightly higher increases; from 2017-2021 every region we examine had larger residential increases than SRR. As shown in table 10, this new trend held in 2025, where only West Central had slightly higher increases in residential EMV than SRR. This was also true for CC EMV, where all other regions saw positive increases in CC EMV, though smaller than that of nominal EMV.

[8] Minnesota Statutes section 273.13, subdivision 25 (d)(12)

CC EMV for SRR properties increased in a similar manner as expected, lower that the nominal EMV, though by between 2-3 percent in Greater Minnesota regions and by almost 1% in Southwest Hennepin. This represents a larger difference than when examining residential property, which suggests that there are more new construction or classification changes that add to SRR EMV compared to residential properties.

Difference Between Change in SRR EMV and Residential EMV		
Region	**Difference in 2025 Nominal EMV**	**Difference in 2025 CC EMV**
North Central	3.5%	2.8%
Arrowhead	2.9%	0.5%
West Central	-0.4%	-1.0%
Northwest/Headwaters	4.2%	2.6%
East Central	3.0%	2.4%
Central	1.5%	1.0%
Minnesota Valley	2.8%	1.4%
Southwest Hennepin	1.5%	1.7%

Table 10

Commercial and Industrial Properties

Starting with the 2020 Assessment Practices report, commercial property is reviewed independently from industrial property due to trends showing commercial property EMV is increasing at a much lower rate than industrial property EMV. This leads to smaller sample sizes, especially when examining property by Voss region, so EMV may fluctuate more year-to-year.

Properties that are considered commercial include office buildings, retail stores, malls, hotels, banks, restaurants, and service outlets. We also include seasonal recreational commercial properties within the commercial section. Industrial properties include property used for manufacturing, warehouses, and distribution facilities.

Commercial Property

The Metro saw the largest decrease in commercial EMV since at least 2017, decreasing by 2.6% across all regions. This is slightly lower than even in 2021 (-2.1%), the first year where COVID affected the market. Table 11 shows that half the Metro regions saw decreases in EMV, with Minneapolis again seeing double-digit decreases in EMV and Saint Paul with more than double the decrease of 2024. Of the regions that saw increases, two were less than 1%, and only Dakota saw an increase of more than 1.6%. The only regions that saw larger increases/smaller decreases from 2024 were Minneapolis and Washington, which still saw a large decrease and almost no increase, respectively. Dakota is the only region that saw a meaningful increase, reflected both in increases in EMV and CC EMV. CC EMV changes were slightly lower, but not to an extent that indicates that there are new construction or classification changes that are reducing the magnitude of the decreases.

Percent Change in Commercial EMV in Metro Voss Regions

Region *2025 Commercial EMV (in millions); percent share of region EMV*	2020	2021	2022	2023	2024	2025
Anoka *$3,685; 6.4%*	8.2%	2.1%	3.7%	15.3%	3.4%	0.7%
Carver/Scott *$2,522; 4.5%*	-1.0%	-1.6%	2.2%	13.8%	5.5%	1.6%
Dakota *$5,557; 7.1%*	6.0%	-0.3%	1.6%	9.3%	5.3%	4.9%
Minneapolis *$8,581; 13.0%*	7.5%	-5.5%	0.4%	1.0%	-11.4%	-11.2%
North Hennepin *$3,563; 6.8%*	4.8%	-2.2%	4.9%	8.8%	2.9%	1.1%
Saint Paul *$3,543; 9.2%*	7.4%	-2.4%	-0.4%	7.3%	-2.7%	-5.7%
Southeast Hennepin *$9,110; 15.4%*	5.6%	-4.1%	3.0%	3.2%	-0.9%	-3.0%
Southwest Hennepin *$5,781; 7.5%*	3.3%	-2.1%	2.1%	4.5%	1.3%	-2.3%
Suburban Ramsey *$4,187; 10.1%*	5.3%	-1.2%	2.3%	6.1%	-0.6%	-0.9%
Washington *$3,674; 6.6%*	3.8%	9.4%	0.3%	16.5%	0.4%	0.7%

Table 11

These decreases and lack of increases have a notable effect on the tax base. Chart 10 shows the percent of each Metro region's EMV from commercial property. Every region has a lower share of commercial EMV since 2021, and since 2016, all regions except for Washington and Anoka have seen their share of EMV fall by a quarter. Given that commercial and industrial property have the highest classification rate of all major properties, the decrease of commercial EMV share creates an outsized impact on the tax base as a result.

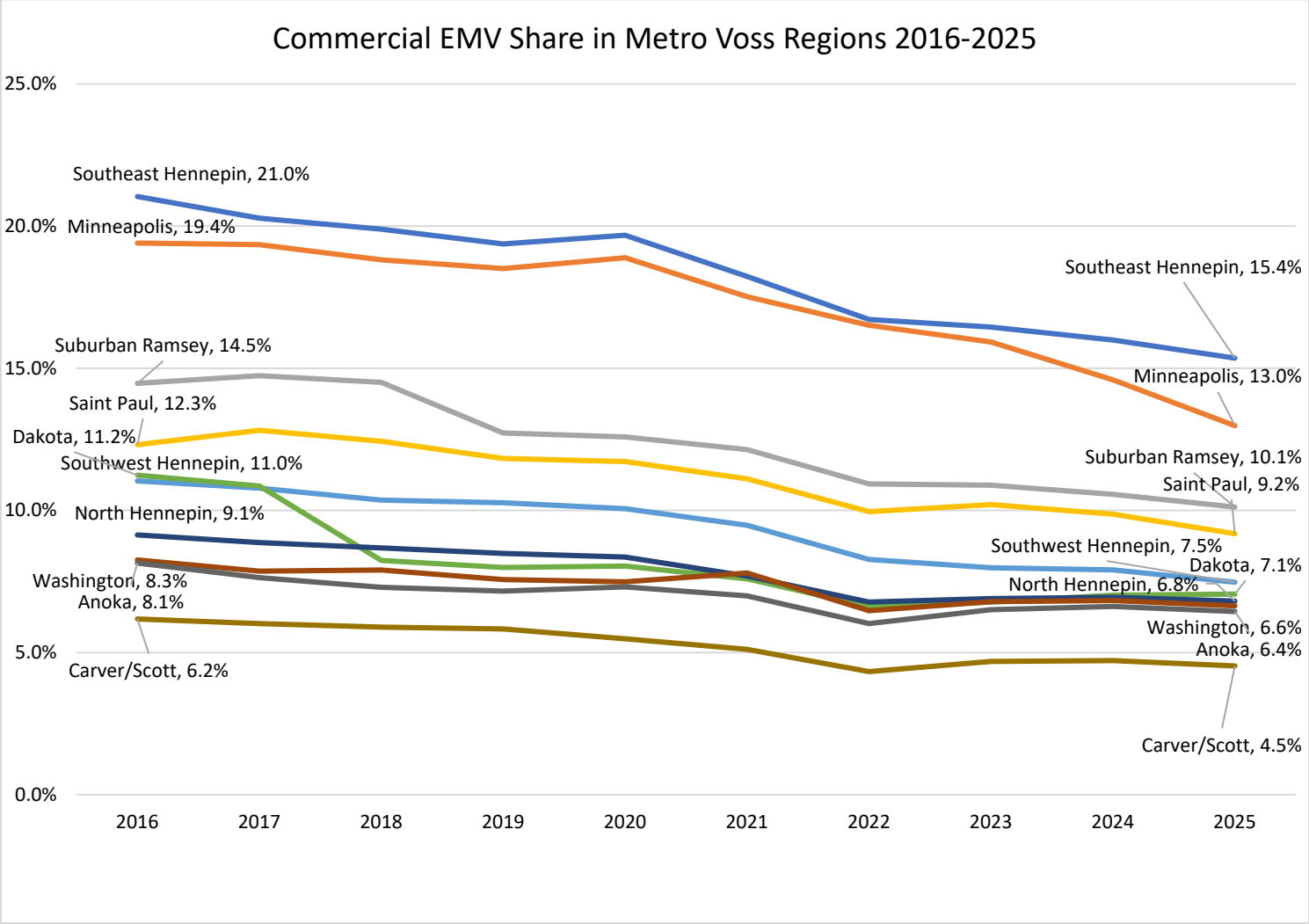


Chart 10

In Greater Minnesota, the trend of commercial EMV is in the opposite direction as shown in table 12. 2025 marks the fourth year that all regions have seen increases in commercial EMV, with Arrowhead, Minnesota Valley, and West Central all seeing increases over 8%. South Central saw the lowest increase at 3%, which is only lower than Dakota when comparing to the Metro. Southeast has the largest EMV and proportion of EMV of commercial property in Greater Minnesota, and still saw a 6.2% increase. While the size of Voss regions in Greater Minnesota means that this market value may be spread across multiple counties, this does not take away from the suggestion that commercial property is still maintaining its tax base.

Percent Change in Commercial EMV in Greater Minnesota Voss Regions						
Region *2025 Commercial EMV (in millions); percent share of region EMV*	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Arrowhead *$3,500; 6.0%*	11.6%	-1.8%	7.1%	5.7%	10.7%	8.2%
Central *$4,651; 6.1%*	1.7%	2.3%	4.5%	10.1%	6.0%	3.4%
East Central *$1,132; 3.8%*	2.9%	1.5%	8.3%	10.0%	7.2%	6.1%
Minnesota Valley *$1,279; 2.6%*	1.2%	0.9%	3.7%	2.7%	3.5%	8.0%
North Central *$1,790; 3.6%*	7.3%	-3.2%	10.9%	9.8%	8.8%	6.5%
Northwest/Headwaters *$1,251; 2.8%*	4.6%	2.3%	8.5%	7.6%	5.9%	5.2%
South Central *$2,102; 3.6%*	1.4%	-0.5%	4.5%	9.9%	1.8%	3.0%
Southeast *$7,069; 6.6%*	6.3%	-0.2%	8.9%	3.9%	5.4%	6.2%
Southwest *$1,058; 2.2%*	3.5%	1.2%	6.8%	4.1%	4.1%	5.2%
West Central *$2,438; 3.6%*	1.9%	-0.3%	8.8%	5.2%	6.7%	8.5%

Table 12

To confirm this, we can look at both CC EMV for regions in Greater Minnesota as well as how the share of EMV has changed year-over-year. Chart 11 shows the change in CC EMV compared to the change in nominal EMV, with a larger gap signifying that more of the commercial growth is from new construction or classification changes. We see that the difference is greatest in Minnesota Valley (4.5%) and Arrowhead (4.3%), while most of the other regions are within 1-2%. This suggests that for most regions, the increases in commercial property are mainly from the value of the property increasing rather than new commercial properties entering the market.

Looking at the commercial share of each region's EMV in chart 12, we see similar decreases since 2016, though generally not at the same size as in the Metro. Three regions have an EMV share of 3.6%, while all but Southeast, Central, and Arrowhead have an EMV share between 2.2% and 3.8%. While several regions have seen slight increases over the past several years, most have not regained a proportional market share as they had in 2021-2022.

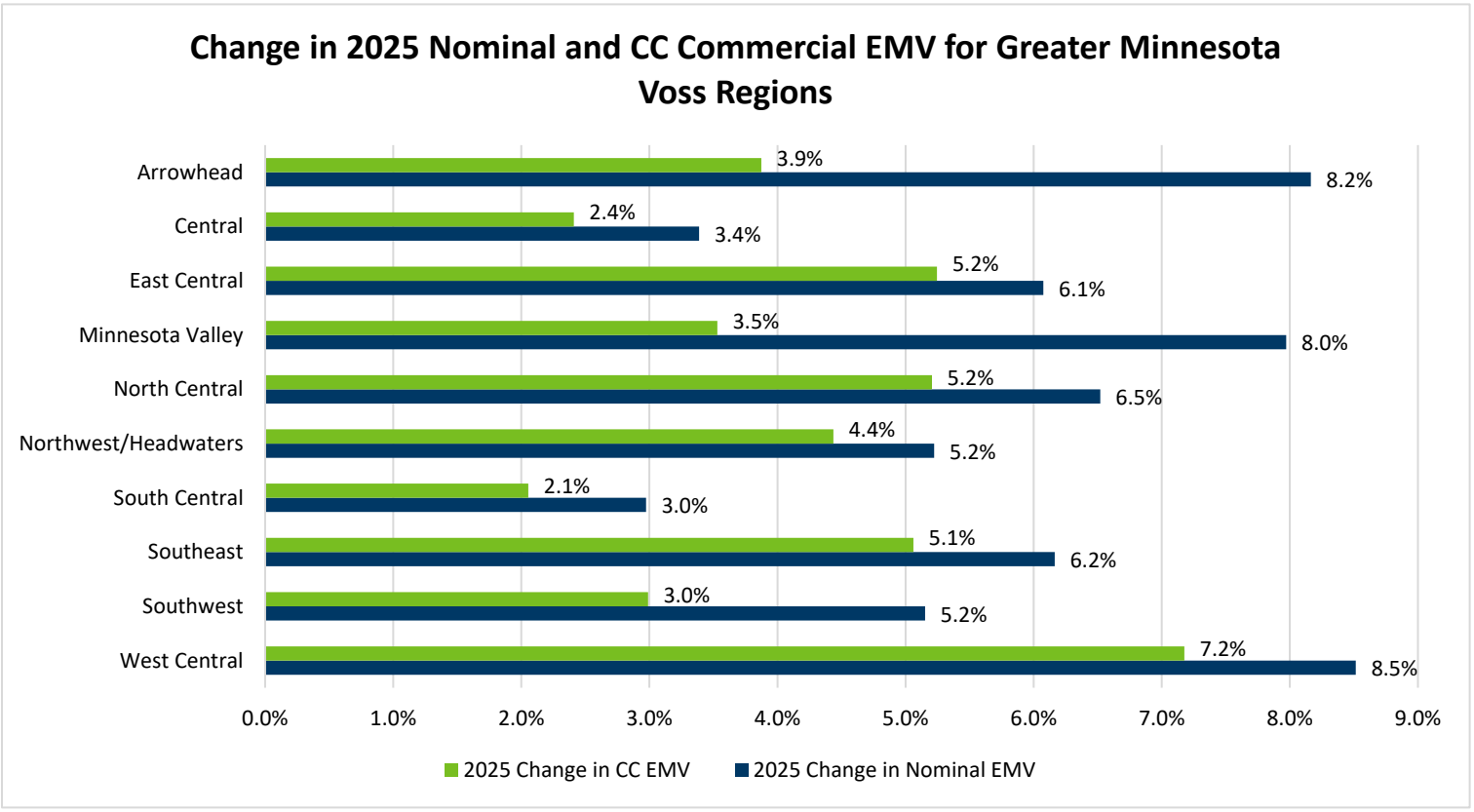


Chart 11

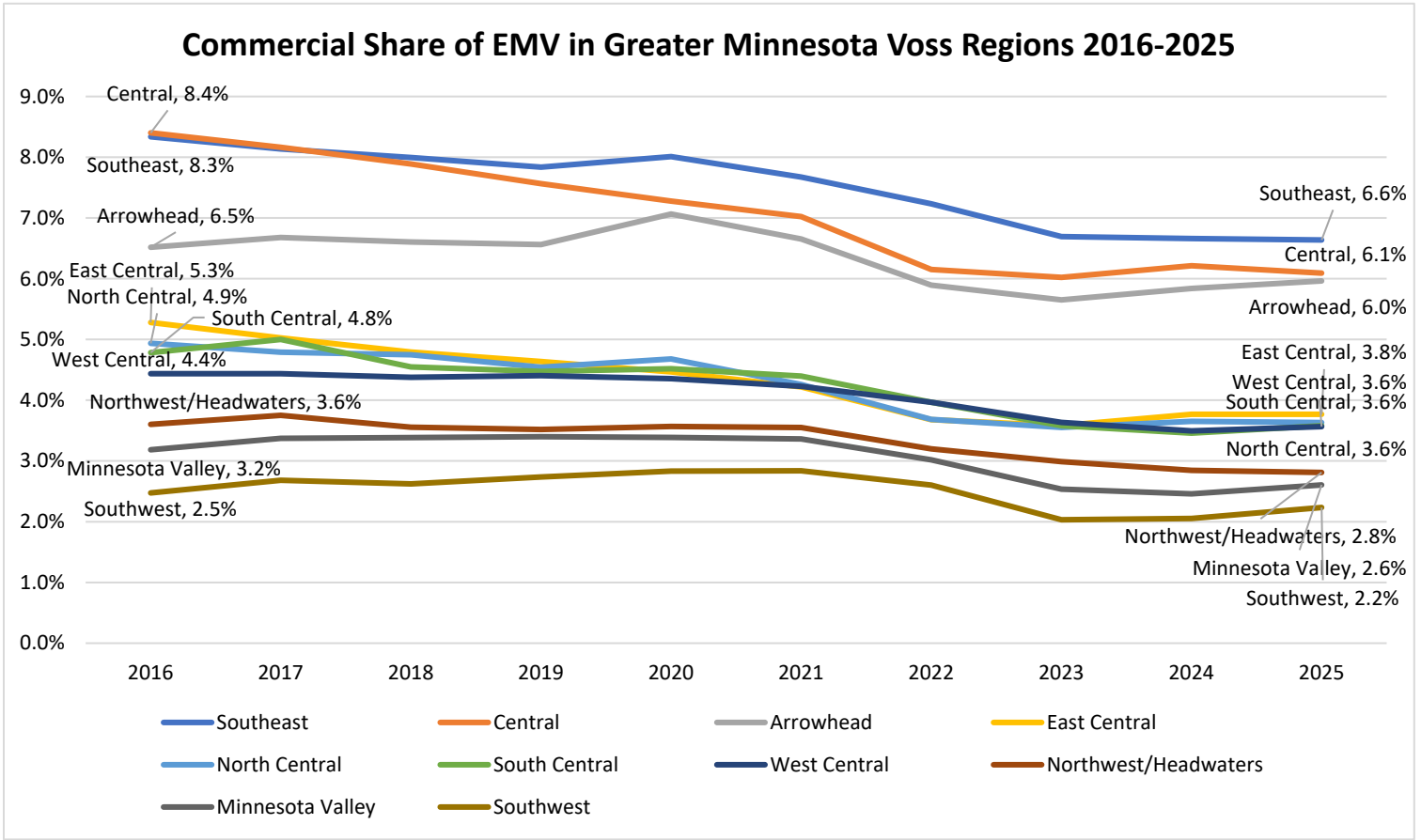


Chart 12

Industrial Property

Industrial property has the smallest amount of statewide EMV of any of the major property groups that we examine at $42 billion, just under $7 billion less than SRR. Therefore, when examining property within Voss regions, there is the possibility of larger swings in EMV based on new construction, classification changes, or market shifts.

Table 13 shows the EMV increases for all Metro Voss regions, along with the three regions in Greater Minnesota with at least $1 billion in industrial EMV- the Central, South Central, and Southeast regions.

Percent Change in Industrial EMV by Voss Regions

Regions with at least $1 billion EMV

Region *2025 Industrial EMV (in millions); percent share of region EMV*	2020	2021	2022	2023	2024	2025
Anoka *$3,672; 6.4%*	10.5%	2.7%	17.6%	35.2%	7.3%	-1.0%
Carver/Scott *$3,887; 7.0%*	23.9%	8.3%	11.3%	23.2%	9.7%	7.1%
Dakota *$4,964; 6.3%*	10.1%	4.9%	11.4%	21.0%	10.3%	7.9%
Minneapolis *$1,876; 2.8%*	0.6%	9.8%	16.4%	22.2%	-0.3%	0.3%
North Hennepin *$5,182; 9.9%*	12.4%	8.0%	24.0%	21.9%	6.1%	2.0%
Saint Paul *$1,707; 4.7%*	18.7%	9.7%	6.3%	19.3%	-4.3%	0.1%
Southeast Hennepin *$3,008; 5.1%*	5.1%	4.2%	14.9%	17.5%	4.8%	2.1%
Southwest Hennepin *$3,864; 5.0%*	10.5%	3.6%	14.5%	20.3%	2.8%	-0.7%
Suburban Ramsey *$2,659; 6.4%*	9.1%	2.5%	10.6%	18.8%	-1.4%	2.7%
Washington *$1,746; 3.2%*	21.9%	6.4%	13.8%	34.3%	7.5%	1.8%
Central *$2,273; 3.0%*	10.9%	7.2%	13.3%	22.0%	8.2%	16.9%
South Central *$1,227; 2.1%*	2.9%	2.0%	11.4%	7.8%	8.3%	2.2%
Southeast *$2,242; 2.1%*	10.5%	6.2%	13.1%	5.8%	10.9%	14.8%

Table 13

Industrial property saw some of the largest variance in any property type examined. Central and Southeast continue to see large EMV growth, with Central's increase double that of last year. In the Metro, Carver/Scott and Dakota had increases of over 7%, slightly down from last year, while on the other end Southwest Hennepin and Anoka saw decreases. North Hennepin, which has the largest amount of industrial EMV and share of EMV, saw a 2% increase, just a third of last year's 6% increase and much lower than 2022 and 2023's increases of over 20%. This trend is similar for multiple Metro regions,

where after large increases in 2022 and 2023, have seen EMV growth contract and in several regions turn to decreases.

Chart 13 provides important additional context with looking at the differences between nominal and CC EMV. While North Hennepin still had an increase in nominal EMV, CC EMV fell by 0.5%, making the decline from 2023 even more stark. In Central, the increase to CC EMV is only about a third of the nominal EMV increase, meaning that most of the gains were from new construction or classification changes. Southeast and Carver/Scott also had large gaps between the two, while other regions saw standard differences of a few percentage points. Notably, Dakota saw a CC EMV increase of 6.7%, second among all regions, meaning that those increases were due to increasing values rather than new construction.

While commercial property has had ups and downs over the past several years, industrial property had been rising consistently in most regions prior to 2023. Despite the small market share, this served as a potential method to shore up the tax base given that commercial and industrial property share a classification rate. While the small market share also means that the decreases are not large in nominal values, the lack of growth again means that more market share is being transferred to residential and agricultural properties.

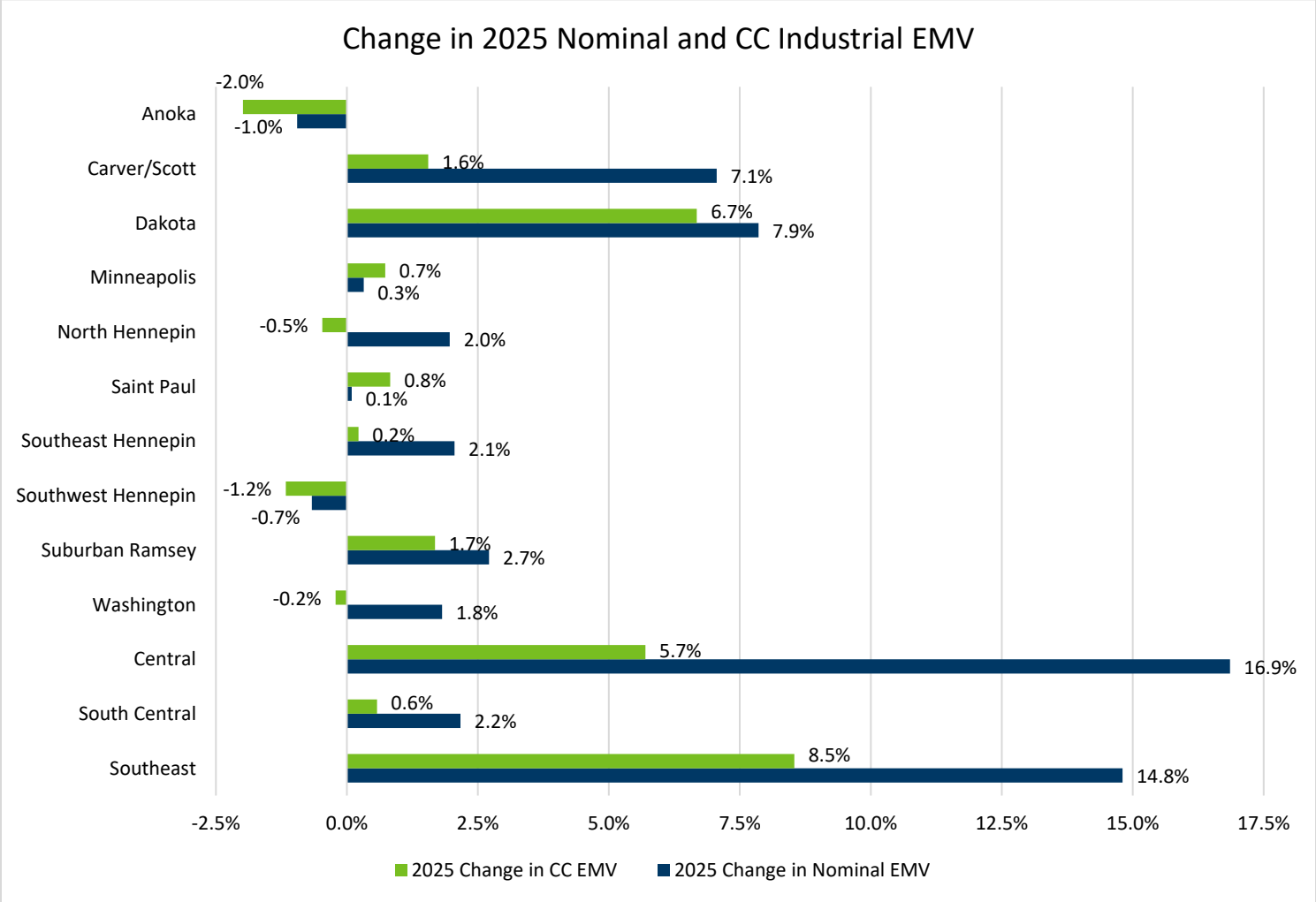


Chart 13

Taxable Market Value

In Minnesota, taxes are not directly based on the estimated market value. State property tax laws contain a number of exclusions, value deferrals, and exemptions that decrease the amount of the EMV that is subject to taxation.

Taxable Market Value (TMV) refers to the amount of value actually used in calculating property taxes. This often differs from EMV due to special programs and exclusions. Sample TMV calculations can be found in the Property Tax Administrator's Manual.

Taxable market value not only decreases an individual property's tax burden, it also decreases the tax base for the taxing jurisdiction. The taxable market value is used to determine the tax base for levying authorities such as cities, counties, and towns.

For example, a given county's levy (budget) is spread among all classes of taxable property by determining the cumulative net tax capacity of all the properties. The net tax capacity, which is the taxable market value multiplied by the class rate, of all taxable properties in a jurisdiction is the tax base.

This is a simple illustration of how property tax rates are determined:

Step 1:

Total proposed budget
– All non-property tax revenue (state aids and fees)
= Property tax revenue needed

Step 2:

Property tax revenue needed
÷ Total tax capacity of all taxable properties
= Local tax rate

When taxable market values change, the tax burden is redistributed within the jurisdiction. If the levy remains constant, property taxes for a single property may still change depending on changes in the classification rate or taxable market value of other properties in the jurisdiction. Table 14 provides figures for some of the more common exclusions and deferrals that remove taxable value from the tax base, while Chart 14 shows the historical figures of the percent change in TMV for major property groups since 2015.

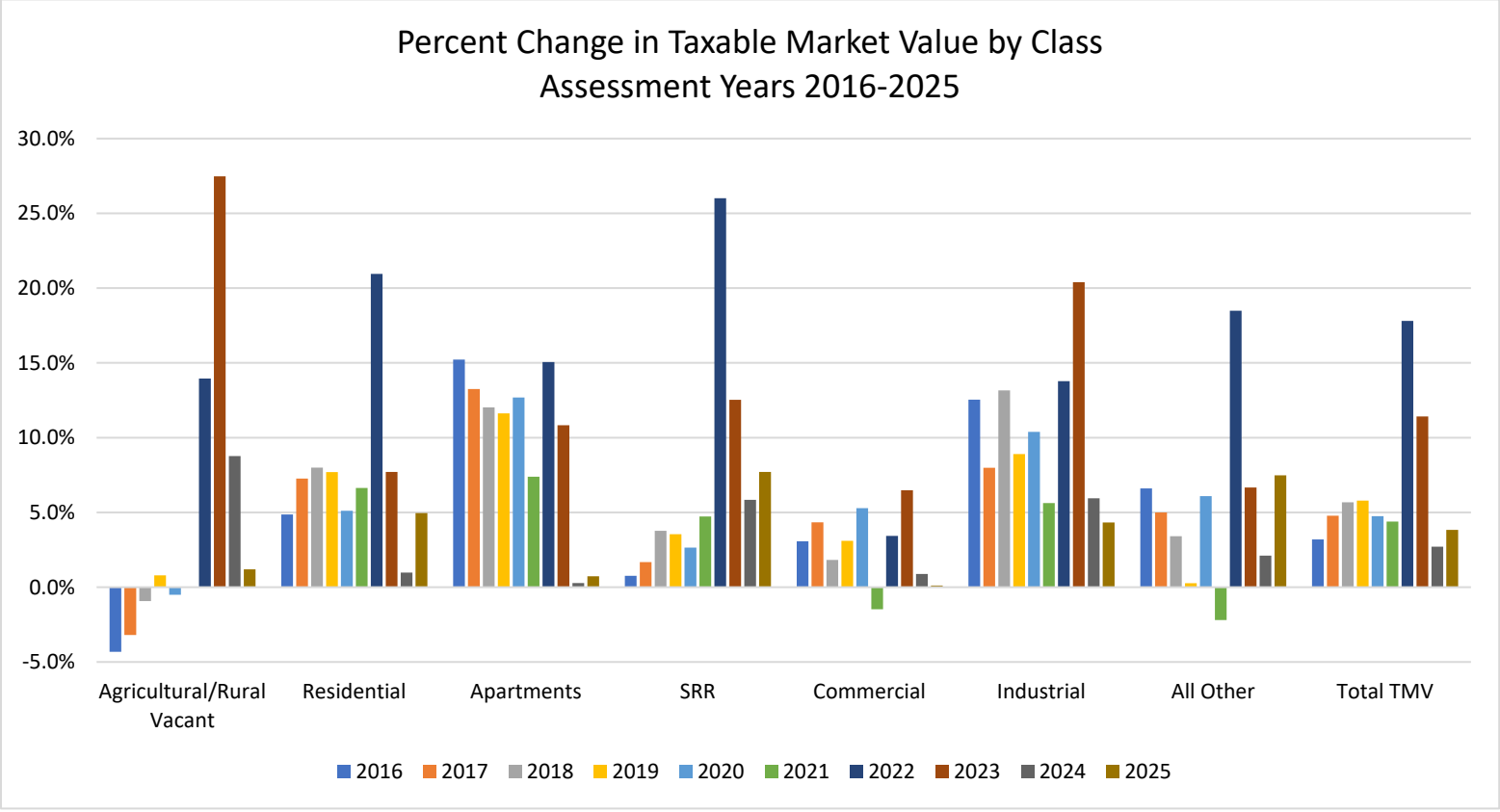


Chart 14

Value Exclusions and Deferrals

All values in millions

Exclusion/Deferral	2024 Value	2025 Value[9]	% Change
Homestead Market Value Exclusion	$ 25,871	$ 24,396	-5.7%
Veterans with a Disability Exclusion	$ 5,931	$ 6,343	6.9%
Green Acres	$ 3,482	$ 3,790	8.9%
Open Space	$ 833	$ 859	3.1%
Rural Preserve	$ 871	$ 1,031	18.3%
Plat Law	$ 505	$ 476	-5.8%

Table 14

[9] Values are based on PRISM submission 2 and are therefore preliminary.

Exclusion and Deferral Trends

After the calculation for the Homestead Market Value Exclusion (HMVE) changed for the 2024 assessment year to allow for more value to be excluded, we expectedly saw more homesteaded properties receive larger exclusion amounts. Given the relatively low increases in residential property, those numbers have not shifted dramatically, though approximately 1.7% more homesteads are not receiving the exclusion as of 2025, and fewer properties are receiving the maximum levels of the exclusion. As noted last year, even with the legislative change effective in 2024, this is still the largest number of properties that are not receiving an exclusion other than 2022/2023 after residential values had skyrocketed and before the formula was changed. 60% of properties are receiving exclusion amounts less than $20,000; while we cannot directly compare due to the change in calculations, in 2017 only 35% were receiving less than $15,000[10] in exclusion.

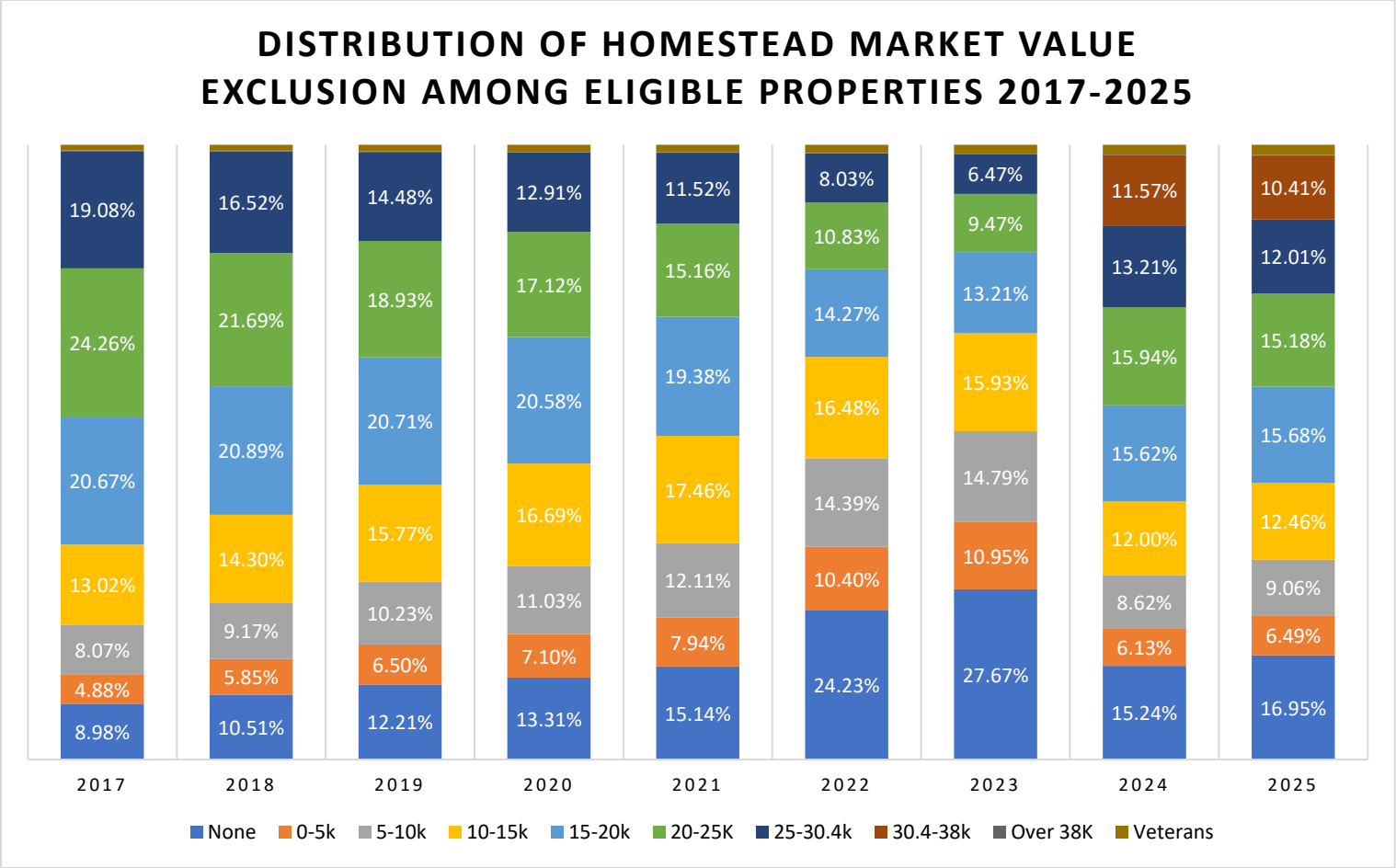


Chart 14

In terms of the raw dollar value excluded, the amount in 2025 is approximately $24.4 billion, which falls between how much value was excluded in the 2018 ($24.8 billion) and 2019 ($23.4 billion) assessments. This is a far cry from the only $16.8 and $15.7 billion excluded in 2022 and 2023, respectively. Given that HMVE numbers are directly proportional to residential homestead values, if homestead properties continue to increase in value, HMVE values will continue to decrease.

[10] $15,000 is used as it is the approximate midpoint of the old maximum exclusion of $30,400.

Looking at other exclusions, the amount excluded by the Homestead Exclusion for Veterans with a Disability continues to increase. As with homestead, the application deadline for new properties seeking this exclusion is after the submission deadline for our 2024 data. Last year, the initial figure of 6.8% increased to 14.3% after data was finalized. These updated numbers have shown the exclusion increasing by double-digits since 2017, so with an initial figure of 6.9%, we can reasonably expect that to increase once final data is in and to continue that trend.

Additionally, the legislature expanded eligibility in the 2023 assessment to allow qualifying surviving spouses to apply for and receive the exclusion regardless of when the qualifying veteran passed away. It is possible that individuals who can qualify under the expanded qualifications are still learning about their eligibility and will apply for the exclusion moving forward. Overall, the number of parcels enrolled continues to increase, suggesting that legislative expansion and outreach will continue to lead to increased enrollment by qualifying veterans and surviving spouses.

Plat Law exclusions continued to decrease, though not at the same level as in 2024. This continued decrease is expected, as value phases in over three years if the property is in the Metro and seven years if in Greater Minnesota. Additionally, the exclusion is removed if the property is sold or construction begins, which also can cause the exclusion to decrease as a result. Given the increases in residential values in 2022, this suggests that some of these exclusions are coming out of Plat Law.

Open Space increased by 3.1%, which is in line with historical increases to the program—since 2021, the exclusion has increased by between 2.5% and 5.2%. Open Space provides deferrals to outdoor recreational, open space, and park land property. There are comparatively few properties enrolled in the deferral, which can result in large swings based on enrollment and reporting. The increases in Open Space do not necessarily line up with increases in development. Given the few properties enrolled, it is possible the trends for those properties are different than can be found in regional or statewide data.

Green Acres and Rural Preserve

Green Acres and Rural Preserve are property tax deferral programs that help keep farm property values from increasing due to non-agricultural influences such as development or recreational uses on nearby properties. The taxable market value of qualifying farmland is based on its agricultural use, rather than its highest and best use (which may be impacted by sales of nearby land for development or speculation).

The Department of Revenue determines a baseline Green Acres value for tillable and non-tillable class 2a agricultural land for each county to reflect market and agricultural conditions. A county will then determine a specific Green Acres value for a property or jurisdiction based on local market conditions and the prevalence of true agricultural sales within the county. Counties use the Green Acres value when calculating property taxes. Rural Preserve provides a similar benefit for class 2b rural vacant land that is part of a farm. (See Appendix D for details about Green Acres and Rural Preserve values for the 2025 assessment.)

Green Acres and Rural Preserve Deferrals			
All Values in Millions			
Green Acres	**2023**	**2024**	**2025**
Enrolled Acres	2.99	2.98	2.96
Enrolled Market Value	$19,390	$20,373	$21,576
Taxable Value	$15,626	$16,891	$17,786
Deferred Value	$3,764	$3,482	$3,790
Percent Deferred*	19.4%	17.1%	17.6%
Rural Preserve	**2023**	**2024**	**2025**
Enrolled Acres	0.48	0.47	0.47
Enrolled Market Value	$1,817	$1,893	$2,141
Taxable Value	$930	$1,022	$1,110
Deferred Value	$887	$871	$1,031
Percent Deferred*	48.8%	46.0%	48.1%

** Percent Deferred = Percentage of Total EMV (Deferred Value + Taxable Value) that received deferral*

Table 15

Green Acres and Rural Preserve Values: 2025 Assessment Year Impact

Despite enrolled acreage falling, enrolled market value, taxable value, and deferred value all increased. The percent deferred also increased after having fallen in 2023 and 2024, signifying that deferred value is increasing more than market value. This is logical given that agricultural values did not increase as much as residential properties, suggesting that there may be increased development pressure.

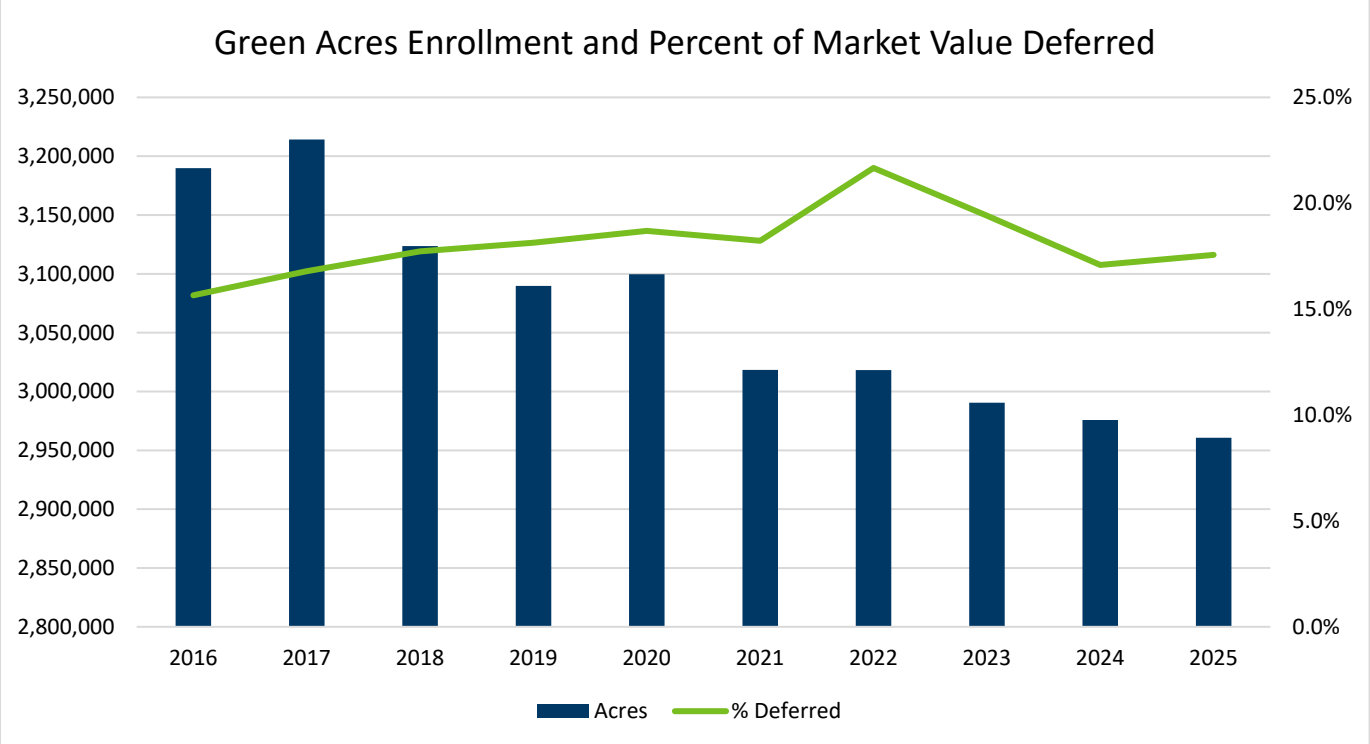


Chart 15

Acreage continues to be at the lowest point since at least 2016, as shown in chart 15. While agricultural homesteads (which are the easiest way to qualify for Green Acres) have also fallen over this time period, this does not explain the drop-off in 2020 nor the fact that it has not recovered since. The percent deferred line generally shows the relationship between agricultural land EMV and residential EMV: When residential EMV increased at a greater rate than agricultural EMV the line increased (seen starkly in 2022); when agricultural EMV increased by more (most notably in 2023), it decreased.

Rural Preserve also saw increases in enrolled market value, deferred value, and taxable value. Similar to Green Acres, the deferred value increased proportionally more than the enrolled market value, resulting in an increased percent deferred. This is the third-highest percent deferred since at least 2016 as noted on chart 16, after 2023 and 2019. Enrolled acreage only decreased by around 1,500 acres, again suggesting that these changes are mostly due to the differing changes in value for enrolled properties rather than property enrolling or being removed from the program.

These results for both programs show the program is working as intended. Despite residential values not increasing by large amounts as they did in 2022, they increased by more than agricultural values did, meaning that there was likely increased development pressure. The Green Acres and Rural Preserve programs then saw increased proportions of deferred value, reducing the increased tax burden for properties that qualified for and were enrolled in these programs.

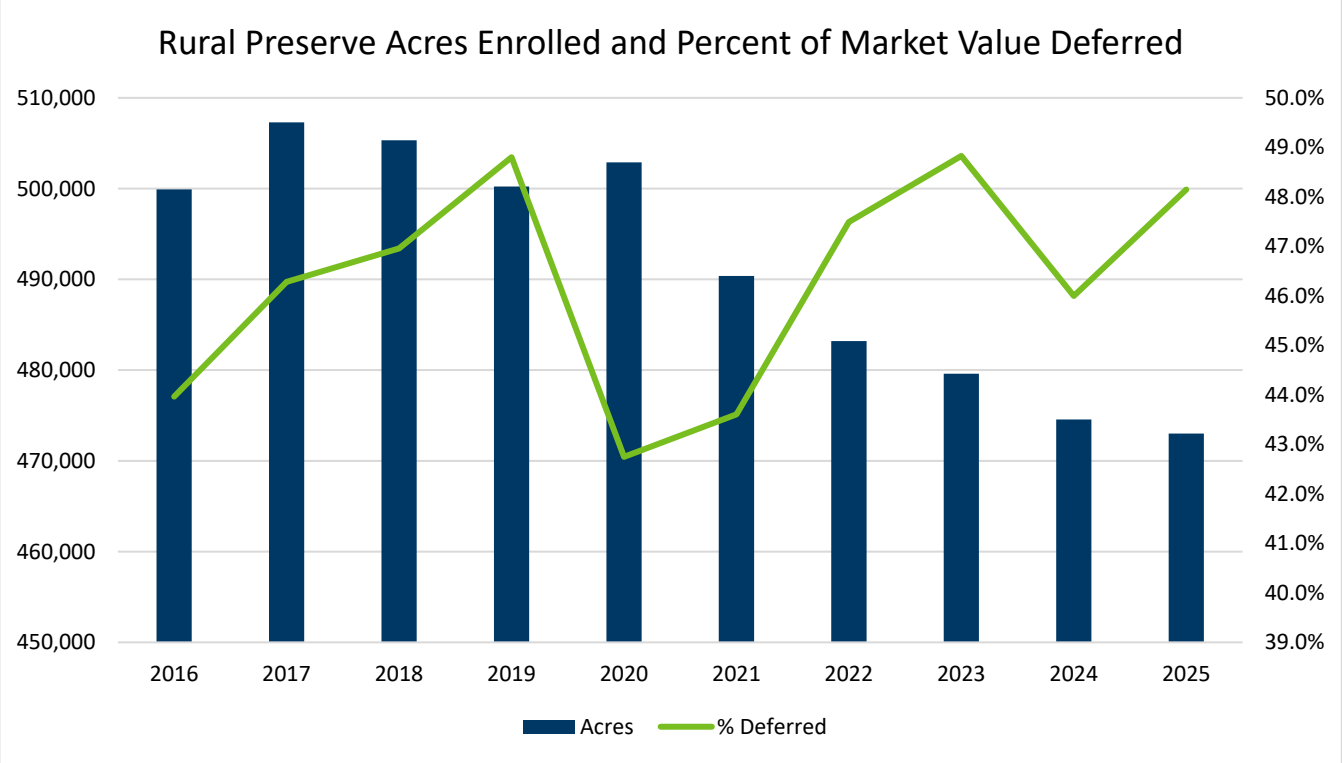


Chart 16

Tax Distribution

Minnesota's property tax system has several components including classification, valuation, and special programs that reduce taxable value, credits, and different levies. These components determine which properties will pay a greater or lesser share of taxes.

Taxable Value

The nature of Minnesota's property tax system is that as the taxable value of one class of property decreases, it pays a smaller share of the overall tax burden and other property classes correspondingly pay a larger share.

For example, agricultural and homesteaded properties have typically received preferential property tax treatment through classification rates and programs—such as Green Acres and the Homestead Market Value Exclusion—and through homestead credits and school bonding credits.

Conversely, commercial and industrial properties typically pay a greater share of taxes than residential or agricultural properties of equal value due to a higher class rate, lesser eligibility for special programs, and being subject to additional levies such as the state general tax. (See Appendix C for details about the classification rates used for the 2025 assessment.)

The impact of these components is clear when reviewing tax liability and effective tax rates. Table 16 shows the net tax and tax share for each major property class. The numbers in italics represent the percent change in the market value and net tax share from last year. Please note that due to rounding, there may be some small differences between the listed totals and sums of all classes.

Net Tax Liability and Tax Share by Property Class

Assessment Year 2025, Taxes Payable 2026 (Preliminary Estimates)

Properties by Class	Market Value (Millions)	Net Tax (Millions)	Market Value Share	Net Tax Share
Agricultural/Rural Vacant	$204,317	$823	18.1% *(-0.4%)*	5.6% *(-0.1%)*
Residential	$643,361	$8,062	56.8% *(+0.7%)*	55.3% *(+0.9%)*
Apartments	$72,460	$1,054	6.4% *(-0.2%)*	7.2% *(-0.3%)*
Seasonal (Non-Commercial)	$48,759	$361	4.3% *(+0.1%)*	2.5% *(+0.0%)*
Commercial	$75,483	$2,237	6.7% *(-0.2%)*	15.3% *(-0.7%)*
Industrial	$42,062	$1,271	3.7% *(+0.0%)*	8.7% *(+0.1%)*
All Other	$45,399	$779	4.0% *(+0.0%)*	5.3% *(-0.1%)*
Total Real and Personal	$1,131,841	$14,587	100.0%	100.0%

Table 16

2025 Trends

After agricultural property saw its market share increase over the past two years—in 2023 due to large increases and in 2024 because other property types increased by smaller amounts—it lost almost half a percent of market share in 2025. However, due to the low classification rate this only moves the net tax share by 0.1%. Obviously agricultural land is almost exclusively in Greater Minnesota and as examined earlier is varied within each region, but the statewide relationship between the market value and net tax is still important to show.

Residential property saw both the largest increase in market value share as well as net tax share, with both continuing to increase to the highest levels since at least 2016. Net tax increased to over 50% in 2018 and has only decreased once since then, in 2020. The gap between the two has also remained at a low, only 1.6% apart in 2025 after 1.5% in 2024. Again, the actual amount and proportion of net tax that a property owner will pay will vary depending on the local jurisdiction, but this means that on average, a residential property will pay a similar equivalent of their share of EMV in tax.

Commercial property is where most of the net tax share was taken from. While its market share decreased by only 0.2%, because of the high classification rate the net tax share decreased by 0.7%. Industrial property's market value did not significantly change, though the net tax increased slightly to fill in gaps from other property types. Apartments saw decreases in both market share and net tax, as expected given the low increases or decreases in most regions.

Overall, the 2025 assessment saw lower increases in agricultural land, and small increases or decreases in most regions in most other major property types. The last two years have seen statewide market value growth remain consistent, but the specific property types and regions in which these increases or decreases appear have varied between the two years. No property types have seen the dynamic increases that residential property and agricultural property did in 2022 and 2023, respectively, but decreases or the somewhat abrupt end of increases in property types like apartments and industrial property have shifted the share of market value onto residential property as the one property type that generally saw more increases in value. As a result of the zero-sum calculations of property tax in Minnesota, this has meant that more of the market share and subsequent tax burden has fallen upon residential properties.

Appendix A – Summary of 2025 State Board Orders

Sales Ratios and Coefficients of Dispersion

Property Type	Final Adjusted Median Ratio		Coefficient of Dispersion		Sample Size	
State Board Year	2023	2024	2023	2024	2023	2024
Residential/Seasonal	95.24	95.38	8.36	8.39	57,909	55,875
Apartment	95.26	95.15	12.48	13.15	495	456
Commercial/Industrial	94.91	95.28	15.24	15.51	1,589	1,508
Resorts	99.81	99.39	23.38	18.51	22	13
Agricultural 2a / Rural Vacant 2b	94.11	96.44	20.53	23.6	3,488	3,270

Table 17

The International Association of Assessing Officers (IAAO) recommends trimming the most extreme outliers from the sample before calculating the COD. The trimming method used by the Sales Ratio excludes sales outside of an interquartile range determined by jurisdiction. This eliminates a few extreme sales that would distort the COD. Per the IAAO, the acceptable ranges for the COD are as follows:

Coefficient of Dispersion (COD) Acceptable Ranges

by Property Type

Property Type	Acceptable COD Range
Newer, homogenous residential properties	10.0 or less
Older residential areas	15.0 or less
Rural residential and seasonal properties	20.0 or less
Income producing: larger, urban area	15.0 or less
smaller, rural area	20.0 or less
Vacant land	20.0 or less
Depressed markets	25.0 or less

Table 18

State Board Orders by County for 2025 Assessment Year

County	Assessment District	Class	Percent Increase	Percent Decrease
Becker	Township of Savannah	Residential and Seasonal Residential Recreational Non-Commercial- Land and Structures		5%
Mahnomen	Countywide	2b Rural Vacant- Land Only	10%	
Otter Tail	Countywide	2b Rural Vacant- Land Only	5%	
Pennington	City of Thief River Falls	Commercial- Land and Structures	10%	
	Township of Norden	Residential and Seasonal Residential Recreational Non-Commercial- Land and Structures	5%	

2021-2025 State Board of Equalization Summary

Comparison of SBE Orders

	2021			2022			2023			2024			2025		
	Count	% of Counties	% Change	Count	% of Counties	% Change	Count	% of Counties	% Change	Count	% of Counties	% Change	Count	% of Counties	% Change
Counties with SBE orders	5	6%	-6%	13	15%	9%	13	15%	0%	8	9%	-6%	4	5%	-5%
Counties with no SBE orders	82	94%	-6%	74	85%	-9%	74	85%	0%	79	91%	6%	83	95%	5%
Districts with orders	10			39			23			12			3		
Countywide orders	0	0%	-1%	2	2%	2%	10	11%	9%	6	7%	-5%	2	2%	-5%

2025 Takeaways

Overall magnitude of orders (EMV) decreased from 8.3% to 7.0%, all orders but two were increases

57.1% of orders were Res/SRR, 28.6% were 2b Rural Vacant Land and 14.3% were Commercial

67% of the orders were caused by assessors missing minimum ratio requirements by less than 5%

Two counties needed countywide orders

Magnitude & Frequency of Assessment District Orders

	# of Assessment Dist. Orders				
Amount of change ordered:	2021	2022	2023	2024	2025
+15% or more	4	2	8	3	0
+10%	8	9	14	4	1
+5%	10	32	22	14	2
-5%	0	1	2	0	2
-10%	2	1	2	0	0
-15% or more	0	0	0	0	0
Reassessment	2	1	0	1	0
Total:	26	46	48	22	5

Magnitude & Frequency of Countywide Orders

	# of Countywide Orders				
Amount of change ordered	2021	2022	2023	2024	2025
+15% or more	0	0	1	2	0
+10%	0	0	1	2	1
+5%	0	2	7	2	1
-5%	0	0	0	0	0
-10%	0	0	0	0	0
-15% or more	0	0	0	0	0
Reassessment	0	0	1	0	0
	0	2	10	6	2

Appendix B – Sales Ratio Studies

12-Month Study

The 12-month study is mainly used to determine State Board of Equalization Orders. The 12 months encompass the period from October 1 of one year through September 30 of the following year. The dates are based on the dates of sale as indicated on the Certificate of Real Estate Value (CRV).

CRVs are filled out by the buyer or seller whenever property is sold or conveyed and filed with the county. The certificates include the sales price of the property, disclosure of any special financial terms associated with the sale, and whether the sale included personal property. The actual sales price from the CRV is then compared to what the county has reported as the market value.

The data contained in the report is based on the 12-month study using sales from October 1, 2021, through September 30, 2022. These sales are compared with preliminary values for assessment year 2023, taxes payable 2024. The sale prices are adjusted for time and financial terms to the date of the assessment, which is January 2 of each year. For this study, the sales are adjusted to January 2, 2023.

In areas with few sales, it is very difficult to adjust for inflation or deflation because the sales samples are used to develop time trends. For example, based on an annual inflation rate of 3% (.25% monthly), if a house were purchased in August 2022 for $200,000, the sales price would be adjusted upward by 1.25% for a 5-month timeframe to a January 2023 value of $202,500.

The State Board of Equalization orders assessment changes when the level of assessment (as measured by the median sales ratio) is below 90%, or above 105%. The orders are usually on a county-, city-, or township-wide basis for a particular classification of property. All State Board Orders must be implemented by the county. The changes will be made to the current assessment under consideration, for taxes payable the following year.

The equalization process (including issuing State Board Orders) is designed not only to equalize values on a county-, town-, or city-wide basis, but also to equalize values across county lines to ensure a fair valuation process across taxing districts, county lines, and property types. State Board Orders are implemented only after a review of values and sales ratios and discussions with the county assessors in the county affected by the State Board Orders, county assessors in adjacent counties, and the department.

A separate nine-month study is used by the Tax Court and is based on sales occurring between January 1 and September 30 of a given year. (It is the same as the 12-month study, but excludes the sales from October, November, and December.)

21-Month Study

The purpose of the 21-month study is to adjust values used for state aid calculations so that all jurisdictions across the state are equalized. To build stability into the system, this longer term of 21 months is used, which allows for a greater number of sales. While the 9- and 12-month studies compare the actual sales to the assessor's *estimated* market value, the 21-month study compares actual sales to the assessor's *taxable* market value. As with the 9- and 12-month studies, the sale prices are adjusted for time and terms of financing.

The 21-month study is used to calculate adjusted net tax capacities that are used in the foundation aid formula for school funding. It is also used to calculate tax capacities for Local Government Aid (LGA) and various smaller aids such as library aid. This study is also utilized by bonding companies to rate the fiscal capacity of different governmental jurisdictions.

The adjusted net tax capacity is used to eliminate differences in levels of assessment between taxing jurisdictions for state aid distributions. All property is meant to be valued at its selling price in an open market, but many factors make that goal hard to achieve. The sales ratio study can be used to eliminate differences caused by local markets or assessment practices.

The adjusted net tax capacity is calculated by dividing the net tax capacity of a class of property by the sales ratio for the class. For example, the net tax capacity for residential properties is divided by the residential sales ratio to produce the residential adjusted net tax capacity. The process would be repeated for all the property types. The total adjusted net tax capacity would be used in state aid calculations.

Appendix C – Classification Rates (2025 Assessment)

Class	Description	Tiers	Class Rate	State General Rate
1a	Residential Homestead	First $500,000	1.00%	N/A
		Over $500,000	1.25%	N/A
1b	Homestead of Persons who are Blind/Disabled	First $50,000	0.45%	N/A
	[classified as 1a or 2a]	$50,000 - $500,000	1.00%	N/A
	[classified as 1a or 2a]	Over $500,000	1.25%	N/A
1c	Homestead Resort	First $600,000	0.50%	N/A
		$600,000 - $2,300,000	1.00%	N/A
		Over $2,300,000	1.25%	1.25%
1d	Housing for Seasonal Workers	First $500,000	1.00%	N/A
		Over $500,000	1.25%	N/A
2a	Agricultural Homestead - House, Garage, 1 Acre (HGA)	First $500,000	1.00%	N/A
		Over $500,000	1.25%	N/A
2a/2b	Agricultural Homestead - First Tier	First $3,800,000	0.50%	N/A
2a/2b	Farm Entities Excess First Tier	Unused First Tier	0.50%	N/A
2a	Agricultural - Nonhomestead or Excess First Tier		1.00%	N/A
2b	Rural Vacant Land		1.00%	N/A
2c	Managed Forest Land		0.65%	N/A
2d	Private Airport		1.00%	N/A
2e	Commercial Nominal Deposit		1.00%	N/A
3a	Commercial/Industrial/Utility (*not including utility machinery*)	First $100,000	1.50%	N/A
		$100,000 - $150,000	1.50%	1.50%
		Over $150,000	2.00%	2.00%
	Electric Generation Public Utility Machinery		2.00%	N/A
	All Other Public Utility Machinery		2.00%	2.00%
	Transmission Line Right-of-Way		2.00%	2.00%
4a	Residential Nonhomestead 4+ Units		1.25%	N/A
4b(1)	Residential Non-Homestead 1-3 Units		1.25%	N/A
4b(2)	Unclassified Manufactured Home		1.25%	N/A
4b(3)	Agricultural Non-Homestead Residence (2-3 units)		1.25%	N/A
4b(4)	Unimproved Residential Land		1.25%	N/A
4bb(1)	Residential Non-Homestead Single Unit	First $500,000	1.00%	N/A
		Over $500,000	1.25%	N/A
4bb(2)	Agricultural Non-Homestead Single Unit - (HGA)	First $500,000	1.00%	N/A
		Over $500,000	1.25%	N/A
4bb(3)	Condominium Storage Unit	First $500,000	1.00%	N/A
		Over $500,000	1.25%	N/A
4c(1)	Seasonal Residential Recreational Commercial (resort)	First $500,000	1.00%	1.00%
		Over $500,000	1.25%	1.25%

Class	Description	Tiers	Class Rate	State General Rate
4c(2)	Qualifying Golf Course		1.25%	N/A
4c(3)(i)	Non-Profit Community Service Org. (non-revenue)		1.50%	N/A
	Congressionally Chartered Veterans Organization (non-revenue)		1.00%	N/A
4c(3)(ii)	Non-Profit Community Service Org. (donations)		1.50%	1.50%
	Congressionally Chartered Veterans Organization (donations)		1.00%	1.00%
4c(4)	Post-Secondary Student Housing		1.00%	N/A
4c(5)(i)	Manufactured Home Park		1.25%	N/A
4c(5)(ii)	Manufactured Home Park (>50% owner-occupied)		0.75%	N/A
4c(5)(ii)	Manufactured Home Park (50% or less owner-occupied)		1.00%	N/A
4c(5)(iii)	Class I Manufactured Home Park		1.00%	N/A
4c(6)	Metro Non-Profit Recreational Property		1.25%	N/A
4c(7)	Certain Non-Comm. Aircraft Hangars and Land (leased land)		1.50%	N/A
4c(8)	Certain Non-Comm. Aircraft Hangars and Land (private land)		1.50%	N/A
4c(9)	Bed & Breakfast		1.25%	N/A
4c(10)	Seasonal Restaurant on a Lake		1.25%	N/A
4c(11)	Marina	First $500,000	1.00%	N/A
		Over $500,000	1.25%	N/A
4c(12)	Seasonal Residential Recreational Non-Commercial	First $76,000	1.00%	0.40%
		$76,000 - $500,000	1.00%	1.00%
		Over $500,000	1.25%	1.25%
4d(1)	Low Income Rental Housing (Per Unit)		0.25%	N/A
4d(2)	Homestead Community Land Trust (Per Unit)		0.75%	N/A
5(1)	Unmined Iron Ore and Low-Grade Iron-Bearing Formations		2.00%	2.00%
5(2)	All Other Property		2.00%	N/A

Appendix D – Green Acres and Rural Preserve Values

The Minnesota Agricultural Property Tax Law (referred to as "Green Acres") helps insulate farm owners from rising land values due to non-agricultural influences on the land—such as nearby residential and commercial development, or seasonal cabin and resort properties.

Property enrolled in the Green Acres program is valued at its agricultural value rather than its highest and best use value (which may be impacted by development pressures). This provides a lower taxable value for qualifying properties and redistributes the tax burden to other properties in the same jurisdiction.

Only property classified as class 2a agricultural land under Minnesota Statutes section 273.13, subdivision 23 can qualify for Green Acres, and at least 10 contiguous acres must be used (unless it is a qualifying nursery or greenhouse).

Green Acres is a property tax deferral program. When a property is sold, transferred, or no longer qualifies for the program, the owner must pay the difference in tax for the last three years of enrollment. When a property enrolled in Green Acres is sold to another person who may qualify for the program, the new owner must apply to the county assessor within 30 days of the purchase for the program to continue on the property.

Taxable Green Acres Value

Green Acres requires assessors to look at qualifying agricultural property in two ways.

- First, the assessor must value the property according to its highest and best use (as is done for all properties). This may include non-agricultural value influences.
- Then the assessor must determine the agricultural value of the property using values determined by the Department of Revenue as a baseline, then adjusting based on both the county and local jurisdictions agricultural market.
- If the agricultural value is below the highest and best use value, the assessor must use the agricultural value for tax purposes.

The Minnesota Department of Revenue establishes agricultural land values throughout the state in consultation with the University of Minnesota. (See Minnesota Statutes, section 273.111, subdivision 4.)

Analyzing Agricultural Sales

To establish these agricultural values, the department examines sales of agricultural land throughout the state. (See Minnesota Statutes, section 273.111, subdivision 4.)

The department looks at agricultural sales in each of the 87 counties to determine Green Acres values that reflect the agricultural economy in general. When determining Green Acres values, the department attempts to identify pure agricultural sales—sales that were not influenced by developmental pressure or other non-agricultural factors.

To identify pure agricultural sales, the department identifies areas where development pressure may affect the sale price of agricultural land. Properties from these areas are removed from the sales data. The remaining sales are used to determine Green Acres values for tillable and non-tillable land in each county.

Identifying Areas with Non-Agricultural Influences

The department has identified three variables that may indicate non-agricultural influences in a particular area, city, or town:

- Change in number of households
- Newly created non-agricultural parcels
- Annexations to cities and towns

These variables indicate the change in the previous three years for each city or town in Minnesota.[11] Each variable is assigned a threshold that may indicate development pressure:

- More than five households in a city or town
- More than five new non-agricultural parcels in a city or town
- Any annexations (for all cities and towns in and surrounding the annexation)

Agricultural sales in areas that meet any two of the thresholds are flagged as sales with potential non-agricultural influence. These sales are referred to the department's regional Property Tax Compliance Officers (PTCOs) for further review.

Whenever a PTCO confirms that non-agricultural influence may have affected the price of a sale, it is removed from the sales data used to determine the Green Acres value. Sales are also removed if they include land on a lake or river, include non-agricultural land, or represent outliers in the data.

Determining Agricultural Values

After sales with potential non-agricultural influences are removed from the sales data, the remaining sales are used to determine each county's agricultural value, used for Green Acres purposes.

These values are calculated using a basic regression and the county's sales data from the previous 12 months—sale prices, tillable acres, and non-tillable acres. This regression estimates a value per acre for tillable land (β_1) and non-tillable land (β_2).

$$Sale\ Price = \beta 1 * Tillable\ Acres + \beta 2 * Non-Tillable\ Acres$$

Equation 2

The size and representativeness of sales data can vary by county and from year to year. As a result, the Green Acres values calculated with a county's data for the previous 12 months may not always be reliable.

To get more data, the regression is run using two additional data sets: the previous 21 months of sales in each county and the previous 12 months of sales in each agricultural region. If a county's 12-month value is questionable, the additional results are considered, prioritizing the 21-month results for the county over the 21-month results for the agricultural regions.

If all three regressions fail to yield a consistent Green Acres value, the Property Tax Division's staff sets Green Acres values based on surrounding counties, counties with similar agricultural markets, and previous years' Green Acres values.

Rural Preserve

[11] Data for the three variables comes from the Minnesota State Demographic Center, Metropolitan Council, Market Value by Parcel File, and Minnesota Geospatial Information Office.

The Rural Preserve Property Tax Program complements Green Acres and provides similar property tax benefits for class 2b rural vacant land that is part of a contiguous farm enrolled in Green Acres (see Minnesota Statutes, section 273.114).

As with Green Acres, a portion of taxable value is deferred for qualifying land while it is enrolled in the program. The assessor determines two values for the land: a "highest and best use value" based on market conditions, and a value that is uninfluenced by non-agricultural factors such as residential or commercial development. The assessor must use whichever value is lower for property tax purposes.

This provides a lower taxable value for qualifying properties and redistributes the tax burden to other properties in the same jurisdiction. When a property is sold, transferred, or no longer qualifies for the program, the owner must pay the difference in tax for the last three years of enrollment.

Taxable Rural Preserve Value

Rural Preserve values may be different than Green Acres values. Each year, the department issues a memo to notify counties of their Green Acres values for tillable and non-tillable agricultural lands. The department recommends counties use the following guidelines to calculate Rural Preserve values:

- For otherwise-tillable lands, use the Green Acres tillable land value.
- For non-tillable lands that are otherwise pasturable, use their non-tillable Green Acres value.
- For unusable waste, wild land, swamp land, etc., use 50% of the **non-tillable** Green Acres value.

Examples

1. If the county has estimated the value of woods at $2,500 per acre because of recreational or other non-agricultural value influences, and the value for Rural Preserve is $2,200, the deferral is based on the $300 per acre difference.
2. If a county has estimated the value of a swamp at $1,800 per acre because of recreational or other non-agricultural market value influences, and the value for Rural Preserve is $2,200, then the recommended Rural Preserve value for the **unusable** swamp land is $1,100 per acre (50% of $2200), and the deferral is based on the $700 difference in value.
3. If a county has valued a swamp at $900 per acre due to lack of non-agricultural market influences, and the recommended value for Rural Preserve is $2,200 and 50% of that value is $1,100, there is no deferral. (The property may still be enrolled in the program, but the tax deferral only applies if the EMV set by the county exceeds the Rural Preserve value.)

Unusable wasteland often carries a very low estimated market value, which may not be high enough to receive a tax deferral under Rural Preserve (as shown in Example 3). However, there may be some areas of the state where recreational uses are affecting the market value of these unusable wastelands that are part of a farm.

County Average Value Per Acre – Assessment Year 2025

County	Tillable Value	Non-Tillable Value
Aitkin	2,400	1,600
Anoka	4,700	2,900
Becker	6,500	2,400
Beltrami	1,800	1,400
Benton	4,400	2,900
Big Stone	6,700	1,900
Blue Earth	11,000	2,200
Brown	12,400	2,100
Carlton	2,200	1,700
Carver	9,900	3,200
Cass	4,200	2,200
Chippewa	9,600	1,900
Chisago	4,700	2,900
Clay	7,400	1,900
Clearwater	3,100	1,500
Cook	1,300	1,200
Cottonwood	12,300	1,900
Crow Wing	3,200	2,300
Dakota	9,900	3,300
Dodge	12,000	2,600
Douglas	6,000	2,600
Faribault	9,900	1,900
Fillmore	9,800	3,800
Freeborn	9,300	1,900
Goodhue	9,900	3,200
Grant	8,000	2,300
Hennepin	9,900	3,300
Houston	7,500	4,200
Hubbard	3,800	2,200
Isanti	4,600	3,200
Itasca	2,100	1,200
Jackson	10,900	1,900
Kanabec	3,800	1,900
Kandiyohi	10,100	2,000
Kittson	3,600	1,200
Koochiching	1,300	1,000
Lac qui Parle	7,700	1,900
Lake	1,400	1,200

County	Tillable Value	Non-Tillable Value
Lake of the Woods	1,600	1,000
Le Sueur	9,500	3,300
Lincoln	8,800	1,900
Lyon	11,100	1,900
McLeod	10,000	2,300
Mahnomen	5,600	1,500
Marshall	3,800	1,200
Martin	10,900	1,900
Meeker	9,000	2,200
Mille Lacs	4,300	1,800
Morrison	4,500	2,600
Mower	12,100	1,900
Murray	10,900	1,900
Nicollet	12,700	2,300
Nobles	12,800	2,100
Norman	7,000	1,500
Olmsted	11,200	3,900
Otter Tail	5,400	2,400
Pennington	3,200	1,300
Pine	3,500	2,000
Pipestone	10,400	2,600
Polk	5,700	1,300
Pope	6,800	2,500
Ramsey	9,900	3,300
Red Lake	3,900	1,300
Redwood	11,000	2,000
Renville	11,900	1,900
Rice	11,000	3,300
Rock	15,600	2,600
Roseau	2,500	1,200
St. Louis	1,500	1,200
Scott	9,900	3,300
Sherburne	4,600	3,000
Sibley	11,900	2,500
Stearns	6,800	3,200
Steele	12,000	2,100
Stevens	8,300	2,100
Swift	8,700	1,900
Todd	4,500	2,600
Traverse	8,000	1,900
Wabasha	9,500	4,000

County	Tillable Value	Non-Tillable Value
Wadena	3,200	2,200
Waseca	11,800	2,100
Washington	9,900	3,300
Watonwan	10,900	1,900
Wilkin	7,500	1,900
Winona	8,100	4,200
Wright	9,000	3,500
Yellow Medicine	9,700	1,900

Appendix E – Maps: Statewide Market Values and Assessment Practices Indicators

The following pages contain statewide charts and maps with information about Minnesota property values, sales ratio measures, and the Green Acres and Rural Preserve programs.

MAP 1 displays the percentage change in estimated market value for each county from assessment years 2024 to 2025.

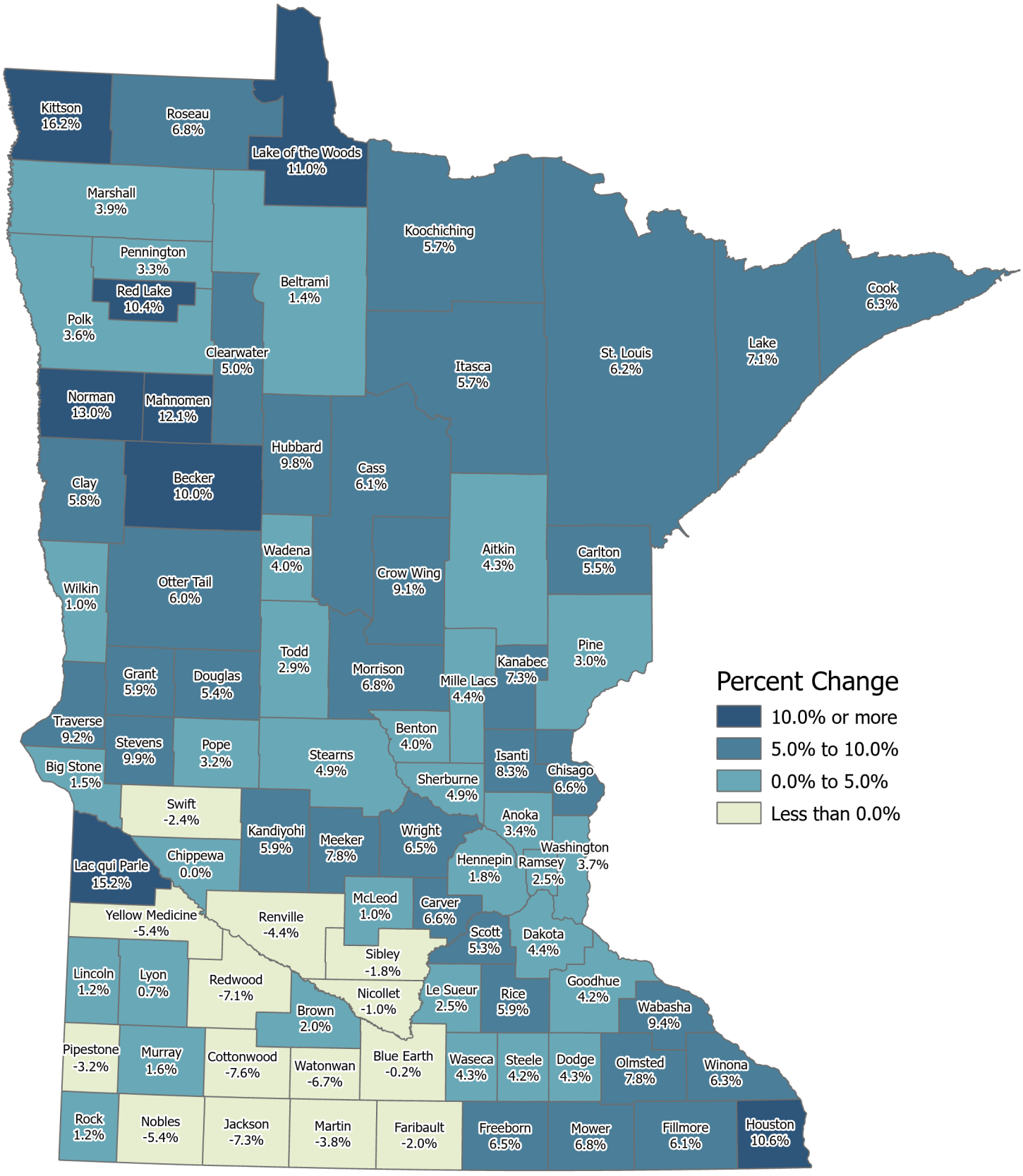
MAP 2 displays the real property sales per 100 parcels for each county for assessment year 2025.

MAP 3 shows taxable tillable Green Acres and Rural Preserve values. Higher taxable values are shown in the southern portion of the state while lower taxable values are shown in the northeastern part of the state.

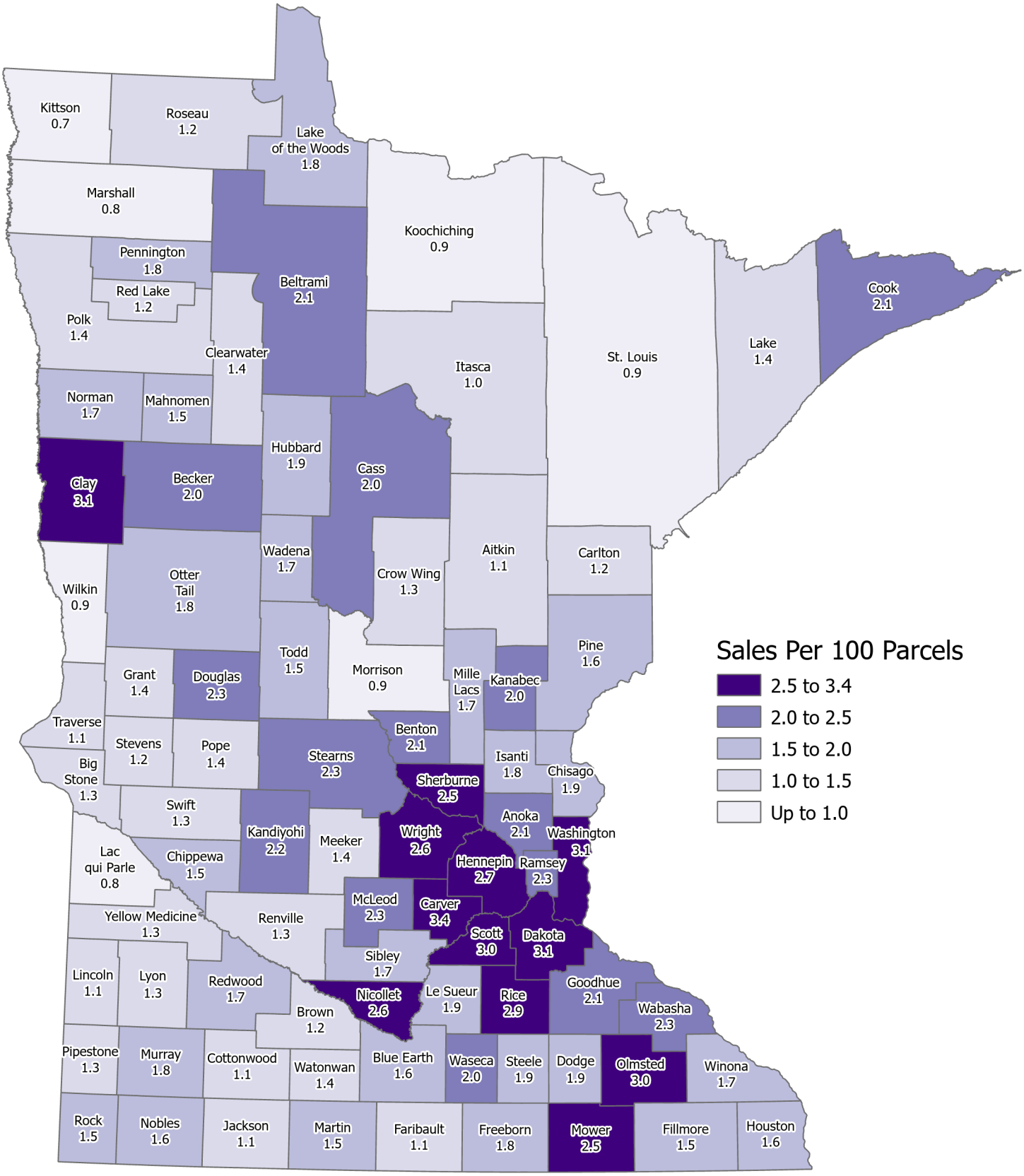
MAP 4 shows taxable non-tillable Green Acres and Rural Preserve values. Values to be used for non-tillable properties enrolled in Green Acres or Rural Preserve do not vary as widely as the values for tillable properties. The non-tillable values are closer to the tillable values in the northern half of the state.

MAP 5 shows the percentage of county EMV that is a result of new construction first assessed in the 2025 assessment year.

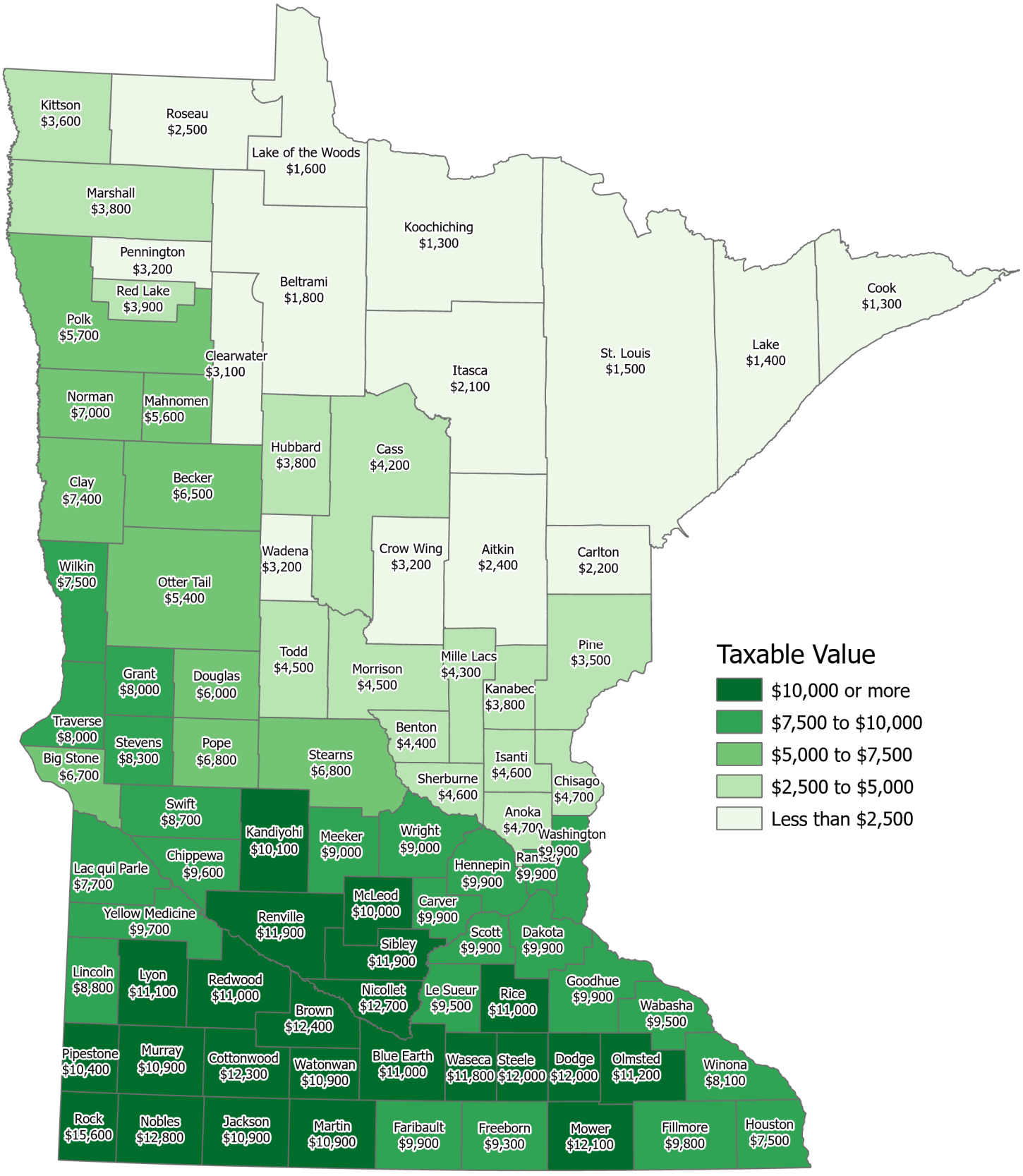
Percent Change in Total Estimated Market Value 2024-2025



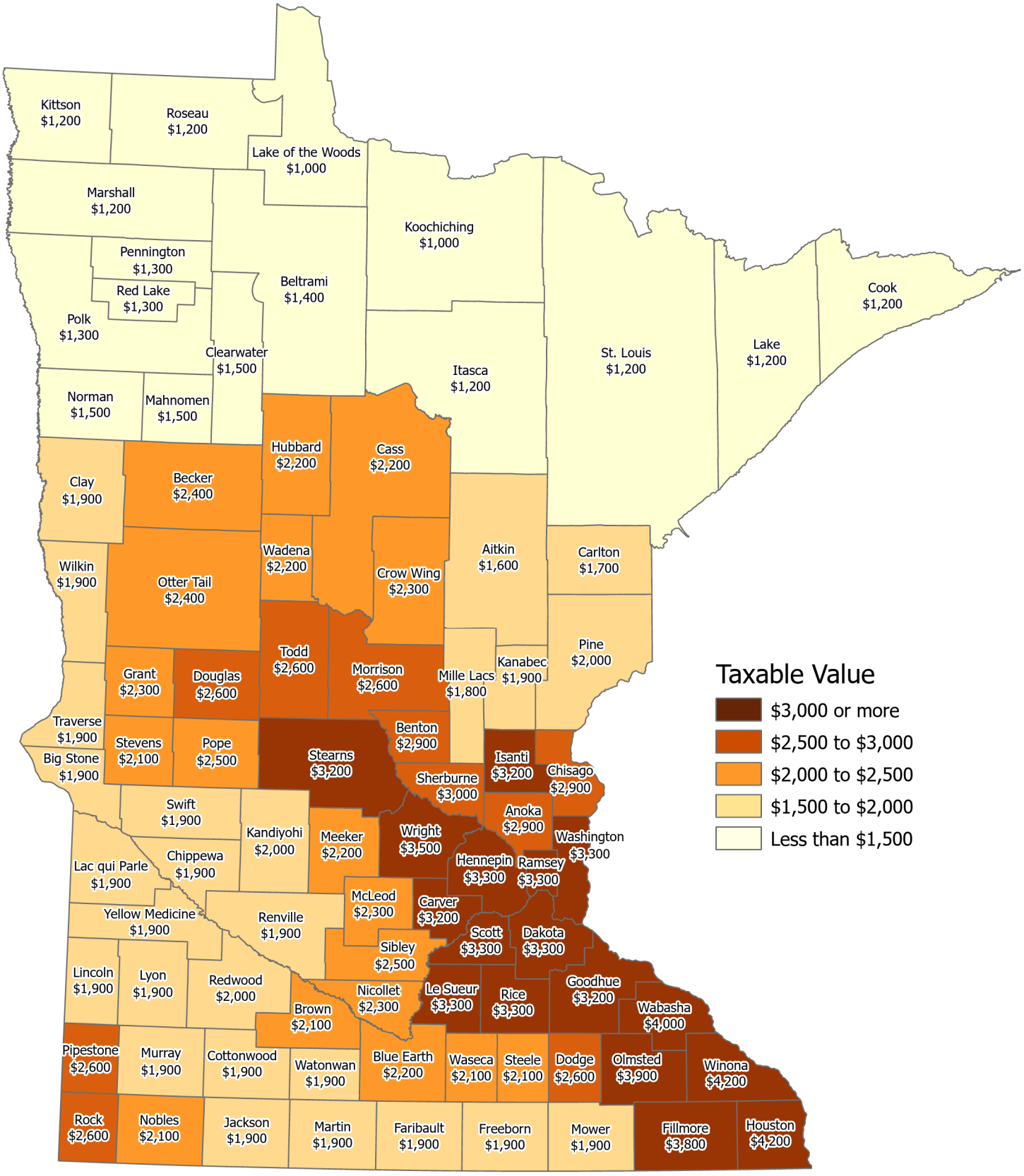
Real Property Sales Per 100 Parcels in 2025



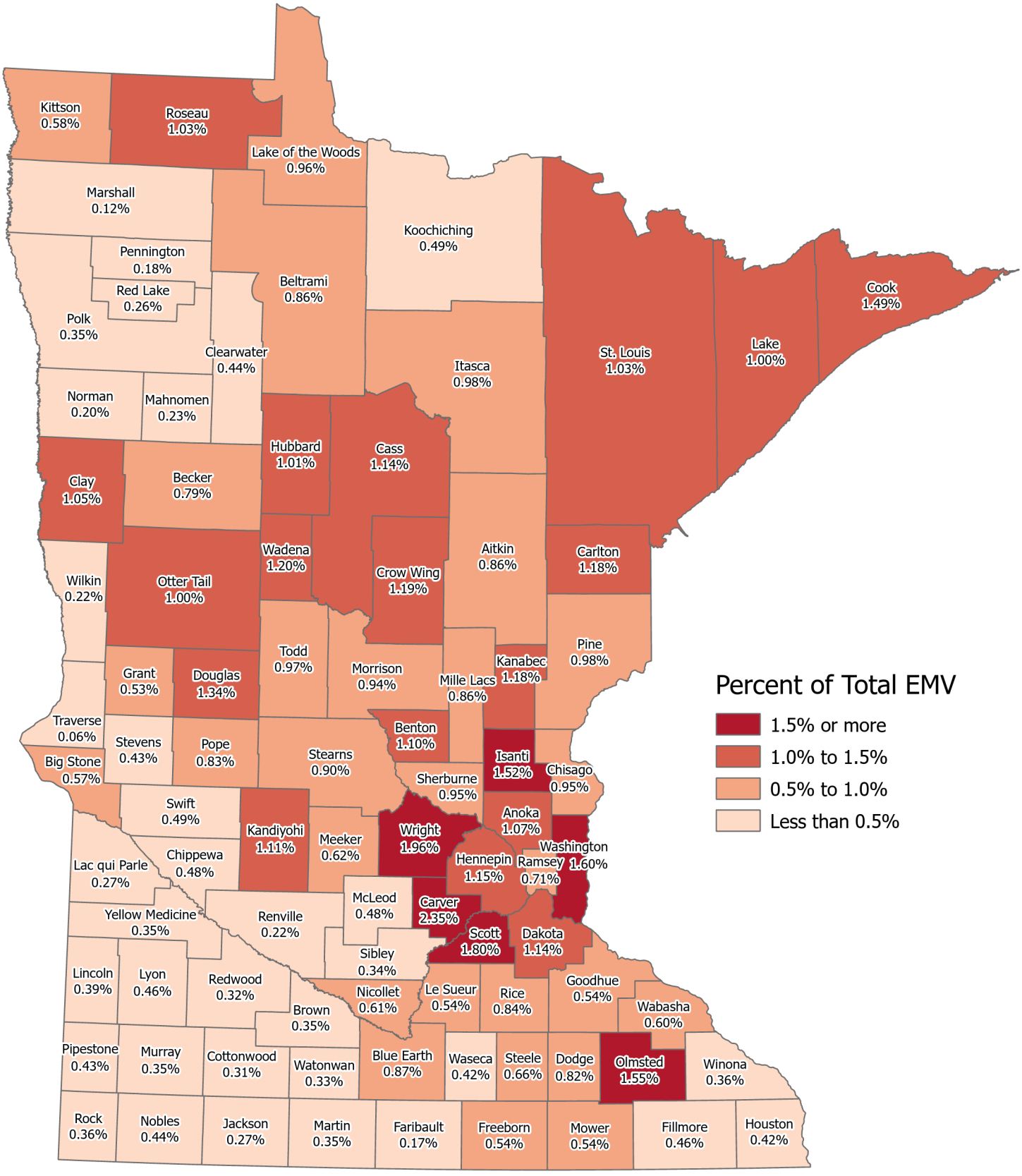
Taxable Tillable Green Acres/Rural Preserve Value (2025 Assessment)



Taxable Non-Tillable Green Acres and Rural Preserve Value (2025 Assessment)



New Construction EMV as a Percentage of Total EMV (2025 Assessment)



Appendix F – Glossary

ADJUSTED MEDIAN RATIO The adjusted median ratio is calculated by multiplying the median ratio by one plus the overall percent change in value made by the local assessor between the prior and current assessment year. The change in assessor's value is also called local effort.

Adjusted Median Ratio = Median Ratio × (1 + Local Effort)
Equation 3

CERTIFICATE OF REAL ESTATE VALUE (CRV) A certificate of real estate value must be filed with the county auditor whenever real property is sold or conveyed in Minnesota. Information reported on the CRV includes the sales price, the value of any personal property, if any, included in the sale, and the financial terms of the sale. The CRV is eventually filed with the Property Tax Division of the Minnesota Department of Revenue.

CLASSIFICATION In Minnesota, property is classified according to its use on the assessment date (January 2). The classification system is used to identify a given property's classification rate, which in turn determines the share of the tax burden borne by that property. While there are five main property tax classifications used in Minnesota, the breakdown of those classifications includes 44 specific statutory descriptions that result in different class rates based on value tiers and homestead benefits. A classification rate table is shown in Appendix C.

COEFFICIENT OF DISPERSION (COD) The coefficient of dispersion is a measurement of variability (the spread or dispersion) and provides a simple numerical value to describe the distribution of sales ratios in relationship to the median ratio of a group of properties sold. The COD is also known as the "index of assessment inequality" and is the percentage by which the various sales ratios differ, on average, from the median ratio.

ESTIMATED MARKET VALUE (EMV) The estimated market value is the assessor's estimate of the price at which a property would sell on the open market with a typically motivated buyer and seller without special financial terms. This is the most probable price, in terms of money, that a property would receive in an open and competitive market. The EMV for a property is finalized on the assessment date, which is Jan. 2 of each year.

MEDIAN RATIO The median ratio is a measure of central tendency. It is the sales ratio that is the midpoint of all ratios. Half of the ratios fall above this point and the other half fall below this point. The median ratio is used for the State Board of Equalization and the Minnesota Tax Court studies after all final adjustments.

NET TAX CAPACITY In Minnesota, property taxes are based on a property's net tax capacity, which is its taxable market value multiplied by its classification rate.

Taxable Market Value × Classification Rate = Net Tax Capacity (NTC)
Equation 4

For example, consider a residential homestead with a Taxable Market Value of $100,000:

$100,000 × 1.00% = $1,000 NTC

SALES RATIO A sales ratio is the ratio comparing the market value of a property with the actual sales price of the property. The market value is determined by the county assessor and reported annually to the Department of Revenue. The actual sales price is reported on the Certificate of Real Estate Value (eCRV).

STATE BOARD OF EQUALIZATION The State Board of Equalization consists of the Department of Revenue, who has the power to review sales ratios for counties and make adjustments in order to bring estimated market values within the accepted range of 90 to 105 percent.

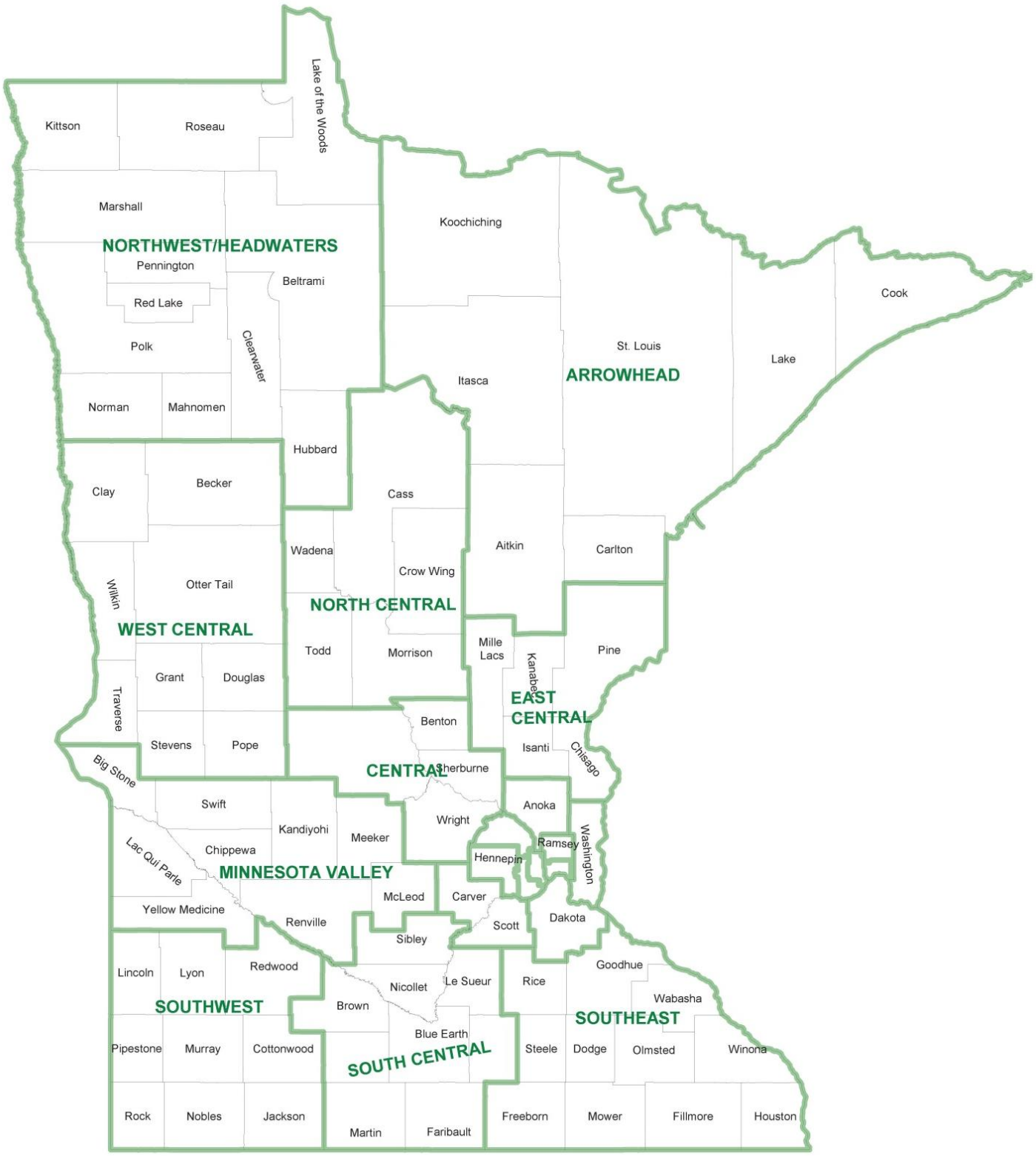
STATE BOARD ORDER A state board order is issued by the State Board of Equalization to adjust the market values of certain property within certain jurisdictions.

TAXABLE MARKET VALUE (TMV) The taxable market value is the value that a property is actually taxed on after all limits, deferrals, and exclusions are calculated. It may or may not be the same as the property's estimated market value or limited market value.

TRIMMING METHOD The trimming method used here is to exclude sales with ratios less than 0.5 or greater than 2. This eliminates a few extreme sales that would distort the COD.

VOSS REGIONS Maps showing the Voss regions used in the report are on the following pages.

Voss Regions – Greater Minnesota Map



Voss Regions- Metro Map