Manual of Assessment Standards

- Guiding document for the City to provide fair, uniform, and transparent calculation of special assessments.
- Adopted by the Mankato City Council on April 24, 1989
- Latest revision was adopted on January 13, 2020

Reason for Considering Current Updates

- The E Main Street resurfacing project has received inquiries about homestead versus non-homestead assessment rates.
- The City has been utilizing a benefit appraisal methodology to finalize assessment amounts. This methodology protects the City from potential appeals and ensures equitable assessment amounts.

Staff Review

- Reviewed what type of data currently exists regarding homestead vs non-homestead to help guide development of a policy
- Reviewed using zoning data. Too many variables with different variances exist.
- Reviewed using rental license data as a qualifier. This data is up to date and easily extracted.
- Ultimately, staff were looking for an accurate, consistent, & repeatable process.

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Homestead vs Non-homestead

– As part of the 2026 Resurfacing project (E Main Street) staff received clarification inquiries regarding properties classified as homestead versus non homestead. In general, a property classified as homestead is the owner's primary residence.

- Homestead property: Property that meets the requirements of Minnesota Statue 273.124 and has been classified as Homestead by the Blue Earth County Assessor.
- Non- Homestead property: All property not meeting the definition of Homestead Property.

– *SECTION VII of the City's Manual of Assessment Standards lists various assessment rates per front foot of calculated frontage abutting the improvement. A property classified as homestead is the owner's primary residence. Non-homestead properties consisting of rentals with 4 units or less or a residential home not the owner's primary residence shall be assessed at the lesser (homestead) frontage rate because they receive a similar benefit to homestead property and use. All other non-homestead properties shall be assessed at the higher (non-homestead) frontage rate.*

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Benefit Appraisals

- Minnesota law indicates that the amount charged on a special assessment must bear a direct relationship to the value of the benefits the property receives.
- *Prior to the final assessment hearing, the City will conduct a special benefit analysis for all parcels proposed to be assessed with the improvement. The analysis will utilize a qualified and licensed appraiser to interpret the increase in market value as a result of the improvement for each parcel. The final amount assessed against each parcel will be the lesser of the special benefit analysis or the calculated assessment as described in the manual.*

Next Steps

- City Council to consider adopting these Phase 1 revisions on August 10, 2026.

- Look for a greater assessment manual revision in quarter 2 of 2027.