

Understanding Your Property Value and Taxes



Why did my real estate value increase so much?

The real estate market in Washington County and in the rest of the Twin Cities metro area has seen some of the largest gains in recent history during the past year and a half. Sales prices paid for homes have greatly exceeded the county's assessed values, also called estimated market value.

For example, the nearly 600 home sales in Cottage Grove were on average roughly 22% higher than the county's assessed value, while sales in Oakdale exceeded the assessed values by nearly 18%.

Assessed values are estimates of market value based on sales in a community or neighborhood. They are required to be at or very close to the amount a property would sell for if placed on the open market as of a certain date.

If my value went up 20%, will my tax go up 20%?

A value increase does not correlate directly to an increase in property tax. Property value is only one factor that is used to determine the portion of property tax each property owner pays.

How are property taxes determined?

Property taxes do not have a set rate like income or sales taxes. With property taxes, taxing jurisdictions determine the dollar amount to raise from property taxes. This is called the "levy." The levy is divided by the total value of the property in the taxing jurisdiction, the "tax base," to arrive at a tax rate. The tax rate is multiplied by the value of each individual parcel to determine each parcel's share of property taxes.

What should I do if I feel my assessed market value or classification are incorrect?

Call 651-430-6175 to talk to your assessor. The earlier you call, the more options you have to correct any errors.

$$\text{LEVY} \div \text{TAX BASE} = \% \text{ PROPERTY TAX RATE}$$

$$\% \text{ PROPERTY TAX RATE} \times \text{TAXABLE VALUE OF THE PROPERTY} = \text{AMOUNT OF TAXES OWED}$$

Does an increase in property value mean the government will get more money?

Increases in values do not generate more tax revenue. Only an official action by a taxing authority to increase the tax levy will increase the total amount collected and only the amount levied can be collected.

Factors that impact the property tax calculation



Programs to reduce or defer property taxes for homeowners

- Homestead market value exclusions
- Market value exclusions for Veterans with disabilities
- Special homestead exclusions for property owners who are blind or disabled
- Property tax refund programs
- Senior Citizen Property Tax Deferral

Find information at:

<https://www.revenue.state.mn.us/property-tax-programs>

Property Tax Process

Washington County
Valuation Notice
2022 for Taxes Payable in 2023

1	

Step 1 Value Notice

- Value determined as of January 2, 2022
- Information on how to appeal value or classification
- Mailed in **March 2022**
- *Mailed with tax statement for the current year (2022)*

Washington County
Proposed Taxes
2023

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Step 2 Proposed Taxes

- Taxing districts set preliminary levies in September
- Taxes that will be due if preliminary levies are approved
- Information on public budget meetings
- Mailed in **November 2022**

Washington County
Tax Statement
2023

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Step 3 Tax Statement

- Final taxes after taxing districts set final levies in December after budget meetings
- Mailed in **March 2023**
- *Mailed with Value Notice for the following year*

Questions?

Contact the Department of Property Records and Taxpayer Services at 651-430-6175