

Valuations Are Just One Factor that Determine Property Taxes

Anyone who owns a house or business is likely aware property values have increased over the past year-plus, and that trend is likely to continue further into 2022.

So when valuation notices are sent out by Anoka County in early spring this year, it's very likely, in many cases, property owners will notice an increase in both their estimated market value and taxable market value. After seeing this increase, the logical reaction is "My property taxes are going to go up significantly." This may not actually be the case, because there are several factors that impact how much a home or business owner pays in property taxes.

"While property value does play a part in the share of taxes an individual pays, it's less of a factor than one might assume," said District 1 Anoka County Commissioner Matt Look. "How your tax amount changes from year to year is influenced more by the revenues needed to fund local government, including cities and school districts."

For example, if Anoka County increased all values by 50 percent, the resulting tax amounts would not increase by 50 percent; the tax rates would be adjusted to generate the same amount of tax revenue.

The following example illustrates that same basic concept:

2020 Assessment Tax Payable 2021		2021 Assessment Tax Payable 2022		
Property	EMV	Property	EMV	Overall Change in EMV
A	\$375,000	A	\$562,50	+\$187,500
B	\$120,000	B	\$180,000	+\$60,000
C	\$150,000	C	\$225,00	+\$75,000
D	\$400,000	D	\$600,00	+\$200,000
E	\$250,000	E	\$375,00	+\$125,000
Total Tax Base		Total Tax Base	\$1,942,500	\$647,500
Increasing values increase the total tax base				
2021 Tax Rate Calculation		2022 Tax Rate Calculation		
Revenue Needed	\$10,000	Revenue Needed	\$10,000	
Divided by Total Tax Base	\$1,295,000	Divided by Total Tax Base	\$1,942,500	
	0.0077	Equals Tax Rate	0.0051	An increased total tax base requires a lower tax rate to generate the same revenue
Resulting 2021 Tax Calculations		Resulting 2022 Tax Calculations		
Property	Tax Amount	Property	Tax Amount	
A	\$2,896	A	\$2,896	
B	\$927	B	\$927	
C	\$1,158	C	\$1,158	
D	\$3,089	D	\$3,089	
E	\$1,931	E	\$1,931	
Total Tax Generated \$10,000		Total Tax Generated \$10,000		Individual tax amounts remain unchanged

How to challenge valuations

Overall, the work of assessors, which is completed annually before the assessment date of Jan. 2, is very accurate and reflects market value as of Jan. 2 each year. If you feel your valuation is inaccurate there are options to challenge an assessment:

1. Informal appeal: call phone number on value notice to speak to an assessor.
2. Local Board of Appeal or Open Book (depends on city, see website).
3. County Board of Appeal (Appointments encouraged, but not required).

For information on dates, times and locations for both Board of Equalization and Open Book meetings, visit anokacounty.us/273/Records-Taxation-Assessment.