

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. 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 \downarrow 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		Overall Change in EMV
Property	EMV	Property	EMV	
A	\$375,000	A	\$562,500	+\$187,500
B	\$120,000	B	\$180,000	+\$60,000
C	\$150,000	C	\$225,000	+\$75,000
D	\$400,000	D	\$600,000	+\$200,000
E	\$250,000	E	\$375,000	+\$125,000
Total Tax Base	\$1,295,500	Total Tax Base	\$1,942,500	\$1,942,500

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	\$1,295,500	Divided by Total Tax Base	\$1,942,500
Equals Tax Rate	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:

INSERT LOCAL BOARD OF EQUALIZATION GRAPHIC HERE IN FEBRUARY.

2. The County Board of Appeal and Equalization: This meeting is scheduled for INSERT TIME AND DATE and will also be held at the Anoka County Government Center in the boardroom. An appointment must be made in advance to appear before the County Board. To schedule an appointment, please call the county assessor's office at 763-324-1175.