

## Why do I pay property taxes?

You pay property taxes to fund local services. The money you pay for property taxes is used for services, such as police, fire, parks, recreational facilities, social services, the court system, and education. Some of your property tax dollars go to the school district, some to the county, and some to the city. A small amount goes to fund other taxing districts such as mosquito control, metro government, and the Housing & Redevelopment Authority (HRA).

## How is my property tax determined?

First, the assessor must determine a fair market value for the property you own. Minnesota Statute 272.03 defines "Market Value" as "the usual selling price ... at the time of assessment." In other words, it is the selling price of a property between a willing seller and a willing buyer. Minnesota state law also requires the assessor to physically review property at least once every 5 years. Establishing a fair and equitable market value will make sure that you are paying your fair share of the total property tax burden, regardless of what the total tax burden is.

Second, Minnesota state law determines how the total tax will be distributed among the various types of property in the state, such as apartment, commercial and industrial, and residential property. Because there are always changes in the property tax laws, the tax burden may shift to different types of property from year to year.

Finally, the actual dollar amount that you pay in property tax is determined by the amount of money that is needed to fund the local services described above.

Of course, the actual calculation of your property tax is a little more complicated. Changes in the city's property tax base, special property classifications, state mandates, credits, and other statutory requirements, like fiscal disparities may affect the actual dollar amount of property tax you pay.

## What should I do if I feel that my property tax is too high?

You may discuss your concerns with your elected officials. You may contact a member of the school board, a county commissioner, your city council person, your state senator, or your state representative. You may also attend one or more of the budget hearings that are held each year in November and December.

Your city assessor can answer questions regarding the market value or classification of your property. If the market value and the property classification are correct, the assessor has very little control over the amount of property tax that is levied against your property.

## Where can I get property tax information?

Because there are always changes in tax laws, the tax base, levies, market values, etc., future property taxes on any parcel are difficult to predict. However, you may be able to get a rough estimate of future taxes by contacting the city where the parcel is located. Ask the assessor for the effective tax rate (Market Value X Effective Tax Rate (ETR) = Estimated Property Tax, excluding special assessments).

Current year property tax information is available from Hennepin County. You may contact them by telephone at (612) 348-3011, or through the Internet at <http://www2.co.hennepin.mn.us/pins/main.htm>.

Having a property identification number and/or the property address will expedite your request.

Bloomington assessing personnel are available to help answer your questions Monday through Friday, from 8:00 am. to 4:30 pm. Our phone numbers are listed below.

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