

FAQs - Understanding Your Property Assessment

In Minnesota, property taxes provide most of the funding for local government services. The County of Anoka collects the taxes and distributes the money among the County, cities, townships, school district and special districts such as the Metropolitan Council, Metropolitan Transit and the Metropolitan Mosquito Control District.

Each property's share of taxes is determined according to its value, use, and the property tax levies. Assessors are responsible for estimating property values and setting classification for tax purposes.

Q1. What does the assessor do?

Estimates value

The law specifically requires that assessors view each parcel of real estate to appraise its market value. Property values change continuously with changing economic conditions. In addition to market changes, numerous physical changes affect the value of land and buildings. All factors are considered in estimating the value of property. This requires physical inspection of all property subject to assessment.

Classifies property

The assessor also determines the classification or use of each parcel. For instance, property may be residential homestead (owner-occupied), residential non-homestead, agricultural, or commercial. Each classification is taxed at a different percentage of market value. These percentages are set by the State Legislature.

Q2. Who are the county appraisers and what are their credentials?

Appraisers employed by Anoka County Assessment Services are professionals, with stringent training and experience requirements set by the State Board of Assessors. The State Board of Assessors governs and administers licensure of appraisers.

Q3. What is "market value"?

Minnesota Statute 272.03 defines "market value" as "the usual selling price at the time of assessment". It is "the price that could be obtained at a private sale or an auction sale, if the assessor determines that the price from an auction sale represents an arms-length transaction. The price obtained at a forced sale shall not be considered" ([view the statute on the State of Minnesota Web site](#)).

In other words . . .Market Value = the price that would prevail under competitive, open market conditions.

Q4. How does the assessor determine market value?

State law requires that the value and classification of real estate be established as of January 2 each year. The Assessor's Office works throughout the year to estimate the market value of each property for the following January 2.

Views property

Minnesota Statute 273.08 requires that the Assessor is responsible to review every parcel under his/her jurisdiction at least once every five years to make sure that the information used to establish market values is accurate and up to date ([view the statute on the State of Minnesota Web site](#)). The appraisal interval may be shorter due to review appraisals requested by the homeowner, ongoing new construction, or if the appraiser feels there may be an error in the property information for a particular property. All new construction, alterations or improvements will be viewed in the current year.

Gathers information

The appraiser gathers information on all characteristics of the property that affect market value, such as size, age, quality, basement finish and extra features, such as fireplaces, extra baths, walkouts, etc.

Estimates value

The property characteristics are entered into a computerized system. The computer aids the assessor in estimating the property value. Information from actual sales is used to update your market value. The market value estimated by the assessor should be at, or very close to, the amount the property would sell for if placed on the open market. The State Board of Equalization requires the overall level of assessment to be between 90% and 105% of market value.

Analyze Sales

Each year the assessor analyzes actual sales of property in each community. Preceding the January 2nd assessment date, sales in a 12 month time period (October 1st to September 30th) are reviewed to determine what properties have sold for on the open market. These sales are used as a guide to help determine "what similar properties would likely sell for" if they were placed on the market.

Notification

A Value Notice is mailed around mid March each year to each property owner. The assessment on January 2 forms the basis for the following year's tax. That is,

the value and classification on January 2, of the current year is used to calculate the next year's taxes.

Q5. Why has my value gone up or gone down?

Property values are based on market values that fluctuate with general market conditions such as recent sale prices, supply and demand, demographic changes, and changes in tax laws. By Minnesota State law as property values change in the market place those changes must be reflected in the assessor's estimated market values.

Q6. Does the estimated market value increase or decrease at the same rate on all properties?

No, it does not. There are differences between individual properties and between neighborhoods. In one area the sales may indicate a large increase in value in a given year. In another neighborhood there may be very little or no change in value. Different types of property within the same neighborhood may show different value changes. There are numerous factors to be considered in each property, which will cause value changes to differ. Some of the factors that can affect value are location, condition, size, quality, number of baths, basement finish, garages, and many others.

Q7. Can my estimated market value change even if the assessor has not been inside my property?

Yes. The assessor keeps records on the physical characteristics of each property in the County. Even though the assessor may have been unable to go through your property, the estimated market value will still be reviewed based on existing records and sales of similar property.

Q8. What if I don't let the appraiser inspect my home?

The appraiser will then be forced to make an arbitrary appraisal of the property. This will include assuming that the interior is as appealing as possible or is typical for that type of property (i.e. recently remodeled, finished basement, added bath, etc.). Appraisers want to view as many properties as possible in order to have the best possible information on all property since the quality of the assessment is a measure of the quality of their work. Not allowing an interior inspection will result in the loss of the right to appeal your market value at the Board of Appeal and Equalization (see Q11) MS 274.01 sub 1 ([view the statute on the State of Minnesota Web site](#)).

Q9. What will happen to my estimated market value if I improve my property?

Generally speaking, improvements that increase the market value of a property will increase the assessor's estimated market value. The following are typical improvements that will increase the estimated market value of your property:

- Added rooms or garages
- Substantial modernization of kitchens or baths
- Central air conditioning
- Fireplaces
- Extensive remodeling

Q10. Will my estimated market value go up if I repair my property?

Good maintenance will help retain the market value of your property. Generally, your estimated market value will not be increased for individual minor repairs such as those that follow. However, a combination of several of these items could result in an increase in your estimated market value.

- Replacing water heater
- Repairing or replacing roof
- Repairing porches or steps
- Repairing original siding
- Painting/decorating
- Replacing plumbing or electrical fixtures

Q11. What can I do if I think the estimated market value is too high?

You have the right to appeal the estimated market value (see Q8). The methods of appeal are detailed on the back page of the “Notice of Valuation and Classification” statement. ([Go to the back page of a sample Notice of Valuation and Classification statement](#))