

City Q&A: Property Taxes and Your Valuation Notice

Why do we need property taxes?

If you live in Red Wing, your local property taxes go primarily to three major entities: the City of Red Wing, Goodhue County, and the Red Wing School District. The City portion helps fund local services such as the fire and police departments, library, snow plowing, water and sewer services, and park maintenance, along with local infrastructures such as streets, sidewalks, and bridges. The county portion contributes to Goodhue County services like public health, county infrastructure projects, and social services. The school district portion goes toward funding staff, equipment, programs, buildings, and more for our schools.

I received a Valuation Notice with my property taxes recently. What is a Valuation Notice?

The Goodhue County Assessor's Office mails an annual Valuation Notice to every property owner each March. This notice shows your property's classification, its Estimated Market Value (EMV), and its Taxable Market Value (TMV). Often the EMV and TMV amounts are not the same.

What exactly is an Estimated Market Value?

Your property's Estimated Market Value is the amount that the Goodhue County Assessor's Office estimates your property would likely sell for on the open market. County assessors look at numerous data to determine this amount. They review the sales of all other properties in your area during a specific time frame. (For 2022, that sales period was between October 1, 2020, and September 30, 2021.) They also evaluate supply and demand data, vacancy rates, and other information to help them understand housing in each neighborhood and city.

What is a Taxable Market Value?

Your property's Taxable Market Value is its Estimated Market Value minus any exclusions such as a homestead or agricultural exclusion. If you have received an exclusion, you will see that noted.

My realtor valued my house at a much different amount than the County Assessor valued it. Why is that?

When the Goodhue County Assessor's Office calculates the Estimated Market Value of a property, the County is mandated by the state government to use all sales in the same classification in Red Wing from October 1, 2020, to September 30, 2021. A realtor or bank appraiser will use roughly only three to five property sales to determine the value. Often there is a significant dollar difference between the county's assessment and a real estate agent's appraisal.

My property value increased significantly this year. How does that compare with other places around the state?

Goodhue County's average residential property valuations increased 19% in the 2022 assessment, and while this is definitely more than usual, it was roughly in the middle statewide. Wabasha County's average residential properties went up 22%, Olmsted's rose 20%,

and Scott's went up 23%. Some areas were slightly less; Dakota County's went up 17% and Rice County's increased 16%.

How does my property value affect my property taxes?

Your property's Estimated Market Value (EMV) does not directly affect your property tax bill. Instead, the Taxable Market Value (TMV) is used to calculate your share of the local city/county/school budgets you will pay. Also, one thing to note: your Estimated Market Value does not change the total amount of property tax revenue that is collected each year for a city, county, or school district. That is up to the local and county councils and boards when they set their budgets and the tax rate, and it depends on if an additional school levy or other federal funds are collected that year to help fund the city/county/school budgets.

What can I do if I do not agree with my property's Estimated Market Value or Taxable Market Value listed on the notice?

Step 1: If you have questions or disagree with the classification or the value of your property on the notice, first contact the Goodhue County Assessor's Office as soon as possible at 651-385-3040 to discuss your concerns. Often issues can be resolved at this level.

Step 2: Contact your Local and County Boards of Appeal and Equalization

If your concerns are not resolved by calling or meeting in person at the Assessor's Office, you may appear before the Local Board of Appeal and Equalization. This date is listed on your Valuation Notice. This year, Red Wing's public meeting is on Tuesday, May 3, at 5:30 p.m. in the City Council Chambers.

If that meeting does not resolve your concerns, you may then bring your case to the County Board of Appeal and Equalization. Call 651-385-3040 in advance to get on the agenda. You'll also find this date, time, and location on your Valuation Notice. This year, the meeting will be held on Tuesday, June 14, at 6 p.m. in the Goodhue County Government Center. Visit www.co.goodhue.mn.us/134/Board-of-Appeal-Equalization for more details.

Step 3: Contact Minnesota Tax Court

You can use this option if you did not feel your concerns were resolved during those appeals. You must file a petition to the Minnesota Tax Court on or before April 30. For more information, visit the Minnesota Tax Court website at <https://mn.gov/tax-court/>.

When are my property taxes due?

Most property taxes are due two times during the year, May 15 and October 15.

What is a "Truth in Taxation" notice?

This notice arrives in your mailbox every November and is often called the Notice of Proposed Taxes. The Goodhue County Auditor/Treasurer Office sends this notice to all property owners before local governments finalize their budgets for the coming year. The notice is to help you understand how your property taxes are determined. This notice also tells you about the meeting when the City of Red Wing's budget will be finalized in December. The City of Red Wing highly recommends you contact the Red Wing City Council earlier in the budgeting process (especially during the spring and summer budget workshops) so Council members have

time to potentially incorporate your suggestions into the next budget. If you wait until the December meeting, it will be too late.

What is the most important thing to remember?

If you disagree with the amounts listed for your property on your Valuation Notice that you recently received in the mail, or if you have questions or comments, please call the Goodhue County Assessor's Office at 651-385-3040 as soon as possible. You can also visit their office at 509 West 5th Street, Red Wing. Hours are 8:00 a.m. to 4:30 p.m. Monday through Friday.

Resources:

For more information, visit www.co.goodhue.mn.us/134/Board-of-Appeal-Equalization or contact the Goodhue County Assessor's Office at 651-385-3040.

If you have questions or comments specifically about the City of Red Wing's budget, please contact Marshall Hallock, City of Red Wing Administrative Business Director, at 651-385-3602 / marshall.hallock@ci.red-wing.mn.us.

To give input into the City of Red Wing's budget, email your Council members and Mayor at citycouncilmayor@ci.red-wing.mn.us.

To sign up for the City's free online bi-monthly newsletter City Beat, visit www.red-wing.org/citybeat