

# Question and Answer Sheet

## **Why are we reassessing?**

The Department of Revenue and State Codified Law requires all values to be within 85 – 100% of market value. It also states that property values should be determined in a fair and equitable manner. Property values – such as home prices – are not static. Over time the market value of property will change, and not in a uniform pattern. That is, even in the same county, some property will appreciate rapidly while values elsewhere may stagnate or even drop. These variations in market value necessitate regular reassessment of the property in order to levy an equitable property tax.

## **How is the assessed value determined?**

The assessments are determined by estimating how much the structure would cost to build new, less the depreciation. Another step in determining the assessment is comparing what similar properties have sold for on the open market in their area or neighborhood.

## **Who determines our taxes?**

Taxes are budget driven and determined by the needs of various county entities including school, ambulance and fire districts, along with city services, county roads, etc. These budget needs are calculated and this determines your taxes.

## **How will this affect my taxes?**

While your assessed value is linked to the taxes you pay, there are other factors involved in the process. The amount of taxes you pay is determined by your value relative to everyone else's values. If everyone's values increase proportionally, then taxes remain the same. If some values increase while others decrease, then taxes will shift from one owner to another. The only time *everyone's* taxes increase is when the county budget itself increases. When the budget remains constant then a tax decrease for one person means a tax increase for someone else. Part of the purpose of reassessment is to insure that tax shifts are occurring fairly. The diagram on the back of this page helps explain it visually.

If you have any further questions or concerns contact our office and ask to speak to an assessor.

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