

2011 Property Tax Overview

TAX CAPACITY

- Each spring the county assessor mails a statement to you with your property's estimated market value (EMV).
- Your EMV is used to calculate the tax capacity for your property (see example on the chart below). The same formula is used in every city in the state.
- The tax capacity of every property in Greenwood is added together to determine the total tax capacity for the city. Note: The tax capacities of the properties in the county and school district are added together to determine their total tax capacities as well.

EXAMPLE – A property with an assessed EMV of:	\$750,000				
First \$500,000 is multiplied by 1% (same statewide)	\$500,000	x	1%	=	\$5,000
Balance amount is multiplied by 1.25% (same statewide)	\$250,000	x	1.25%	=	\$3,125
Equals the "tax capacity" for the property:					\$8,125

TAX RATES

- In the fall, the city council determines the budget and the amount of taxes to be collected (tax levy) the following year. The tax levy then is divided by the total tax capacity for the entire city to determine the city's tax rate. In other words, once the budget is determined the total tax capacity is used to back into the tax rate. Note: The county and school district determine their tax rates the same way.
- So if market values go down, cities, counties, and schools just raise their tax rates to get what they budget for. This is why your taxes do not necessarily go down if your market value goes down.
- Bottom line ... Government entities determine the size of the budget pie. The assessed property values determine how the budget pie is split up.

PROPERTY TAXES

- Your property's individual tax capacity is multiplied times the county, school, and city tax rates to calculate the total taxes for your property.
- The 2011 proposed tax rates are 46.25% for Hennepin County, 21.269% for the Minnetonka School District, and 19.122% for the City of Greenwood.
- See the chart on the right for a comparison of 2011 proposed city tax rates and what a \$750,000 property would pay for the city portion of the property tax bill in nearby cities compared to Greenwood. Note: The spring 2011 EMVs and tax capacity numbers will be used with the 2012 budget determined this fall to calculate the tax rates for taxes payable in 2012.

What a \$750,000 property pays in CITY taxes in 2011	2011 PROPOSED City Tax Rates		2010 Tax Capacity for a \$750,000 Property	=	2011 Total CITY Taxes for a \$750,000 Property
Excelsior	36.197%	x	\$8,125	=	\$2,941
Minnetonka	33.593%	x	\$8,125	=	\$2,729
Shorewood	28.451%	x	\$8,125	=	\$2,312
Minnetonka Beach	26.674%	x	\$8,125	=	\$2,167
Wayzata	22.979%	x	\$8,125	=	\$1,867
Greenwood	19.122%	x	\$8,125	=	\$1,554
Deephaven	17.230%	x	\$8,125	=	\$1,400
Tonka Bay	16.529%	x	\$8,125	=	\$1,343
Woodland	8.754%	x	\$8,125	=	\$711

WHERE YOUR PROPERTY TAX DOLLAR GOES IN 2011

