WHY PROPERTY TAXES GO UP

Here is a recent e-mail I received from a local property owner and my response. As other property owners may find themselves in a similar situation, I thought it would be helpful to reprint his e-mail and my response. In summary, the main reason property taxes go up is new or increased tax levies passed by the voters. And this exchange explains that.

The property owner's e-mail:

Dear Mr. Rhodes:  I have noticed that my real estate taxes keep going up here.  For example, in 2007, my taxes were $2870 and my house was appraised at $156,700.  My 2014 value of my house is $155,100 and my taxes are now $3884??  That is a significant increase.  What can I do to contest this or get this re-evaluated??  Please respond.  Thank you.

My response:

Thanks for your e-mail.  Besides the value, property taxes are determined by levies approved by the voters.  If a majority of the voters in your community/school district/county pass new levies your taxes will go up.  Significant new levies since 2007 in your taxing district include a new city current expense levy of 6.9 mills in 2007, an additional schools current expense levy of 6.9 mills in 2013 and a schools permanent improvement levy of 1 mill in 2013.  These levies added about $750 to your annual taxes since 2007.

Several increased county wide levies in that time period, including a new 1 mill levy for the Library, added just under $200 to your annual taxes.  The additional amount is the result of changes in the reduction factors by the state.  They are set to provide the annual amount to the taxing districts which the voters approved.  In periods of rising values these reduction factors serve to lower the millage.  The opposite is true when values are declining.  If other properties in your taxing district decrease in value by more than yours it will increase your taxes.

Obviously you cannot contest levies passed by a majority of the voters in your district.  Our office works in terms of values, not taxes.  If you believe your valuation is inaccurate you have the right to file a complaint with the Board of Revision (BOR) through our office between January 1 and March 31 in any one year in the three year reappraisal period.  If you wish to do so, please contact our office in December for a complaint form and instructions.  In the meantime you may want to read up on the BOR on our website under Departments on the main page.

---Dusty Rhodes---

June 26, 2015