

Frequently Asked Questions

What is "Equalized Value"?

Equalized value is the full market value of all taxable property in a municipality, both real estate property and personal property. The Department of Revenue each year determines the equalized value.

What is "Fair Market Value"?

Fair market value is the amount a typical, well-informed purchaser would be willing to pay for a property. For a sale to represent fair market value, the seller must be willing (but not under pressure) to sell and the buyer must be willing (but not under any obligation) to buy. The property must be on the market for a reasonable length of time, the payment must be in cash or its equivalent, and the financing must be typical for that type of property. If all of these conditions were present, this would be a fair market value, arm's-length sale.

In non-revaluation years, assessments typically reflect a fraction of market value due to the changing real estate market. What is the "Assessment Ratio"?

The assessment ratio is the relationship between the assessed value and equalized value of all taxable property within a municipality. For example, if the assessed value of all the taxable property in the County is \$13,900,000,000 and the equalized value is \$14,000,000,000 the assessment level would be 98.6%.
Assessment Ratio = Assessed Value / Equalized Value.

How will my taxes change as a result of the new assessment?

Though the value of your property affects your share of taxes, the actual amount you pay is determined by the budget needs of the schools, village, county, sewer district, technical college, and state reforestation. All of these taxing units decide what services they will provide in the coming year and how much money they will need to provide for those services. Once this decision is made, a tax rate is adopted that will generate the needed dollars. Your property taxes are then determined by dividing the tax rate by 1000 and multiplying by your assessment: $\text{Taxes} = (\text{Tax Rate} / 1000) \times \text{Assessed Value}$ What is "Assessed Value"? An estimate of value assigned to taxable property by the Assessor for purposes of property taxation. State law requires all assessments to be at 100% of market value. Assessed values most closely reflect market value following a revaluation.

What is the "Tax Base"?

The tax base is the total assessed value of all assessments in the municipality that are subject to local property taxes.

What is the "Tax Levy"?

The tax levy is the total amount of property tax money that a taxing unit (such as the schools, city, county, etc.) needs to raise to provide services.

What is the "Tax Rate" (Mil Rate)?

The tax rate is the tax levy (as determined by the taxing bodies) divided by the tax base. It is often expressed in terms of dollars per thousand. The tax rate is multiplied by the assessed value to determine the amount of tax that each property must pay. In the Village of Fox Point, the tax rate for each property varies depending on the applicable school district where the property is located.