

DEFINITION OF TERMS

Assessed Value: The value that is placed on a property by the assessor. It is used to determine the property tax amount and may be below the current market value.

Assessment Ratio: The relationship between the assessed value and the equalized value of that property. The ratio is applied to all property in a municipality. Assessed value divided by estimated fair market value equals average assessment ratio.

Delinquent Taxes: Property taxes that have not been paid timely are subject to 1% interest and an additional ½% county penalty, accruing monthly on the unpaid tax balance until paid in full.

Equalized Value: The estimated market value of all taxable non-agricultural property, both real and personal, plus the use value of agricultural lands in a municipality. The Department of Revenue determines the equalized value each year.

Estimated Fair Market Value: A value calculated by dividing the assessed value by the assessment ratio. This value may not be the actual market value of a property and is not used in the calculation of taxes.

Tax Levy: The total amount of property tax money that an entity (such as school district, city, county, etc.) needs to raise to provide services.

Taxation District: A city, village or town.

Use Value Assessment: An assessment based on the value of the property as it is currently used, not its market value. This applies to agricultural land only.