

Hennepin County

Budget and property tax impacts

August 21, 2025



Assessment process

Josh Hoogland, Hennepin County Assessor



Assessment process

- **Sales review and ratio study period:** October 1, 2023 – September 30, 2024
- **Assessment, Notice and appeals:** 2025 (right)
- **Truth in Taxation:** December 2025
- **Tax Statement mailing:** March 2026
- **Taxes due:** May 2026 & October 2026



Assessment date: January 2

Value Notice mailing: March



Local appeal process: April/May

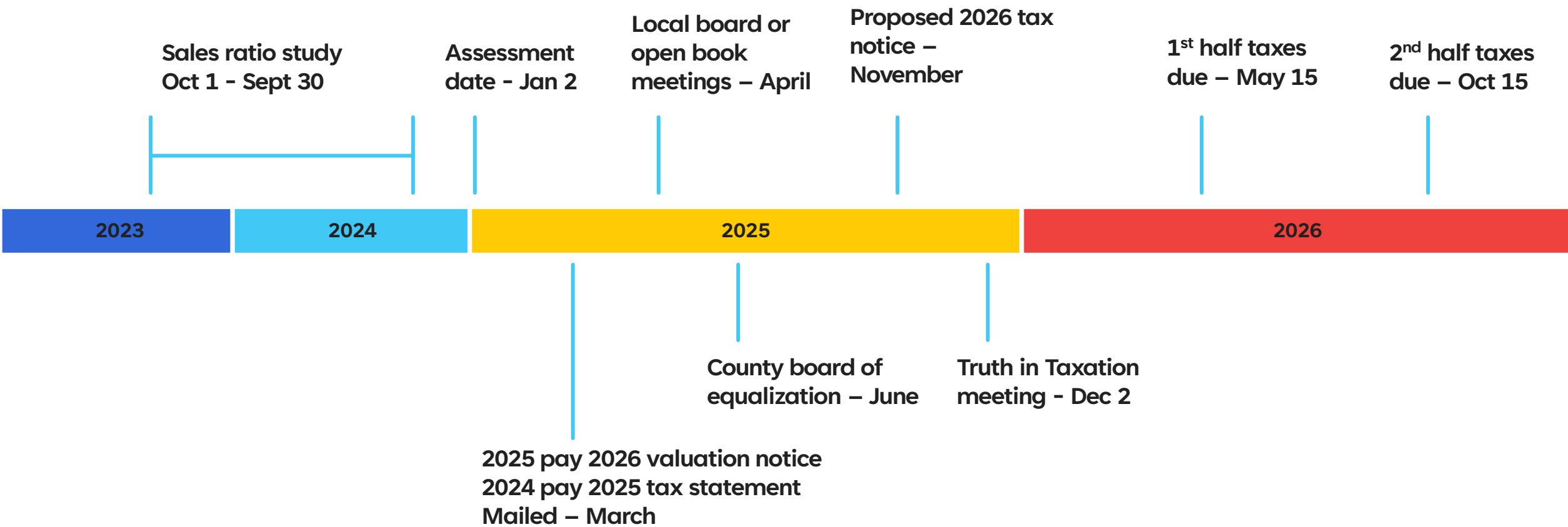
County appeal process: June



Data review and collection: Summer/fall.
20% of properties inspected each year, new construction

Statistical equity measures: Fall/winter.
Sales ratio analysis, role of county assessor, final review by Minnesota Department of Revenue

Review of cycle for taxes payable in 2026



Property values



Countywide
growth by
assessment year
(net of new construction)

Property type	2023	2024	2025
Agricultural	0.80%	2.40%	4.40%
Apartment	2.80%	-5.10%	-4.10%
Commercial	2.90%	-2.70%	-5.10%
Industrial	18.00%	3.10%	0.50%
Residential	4.50%	0.40%	2.60%

Estimated commercial value growth

Commercial Growth (net of new construction)

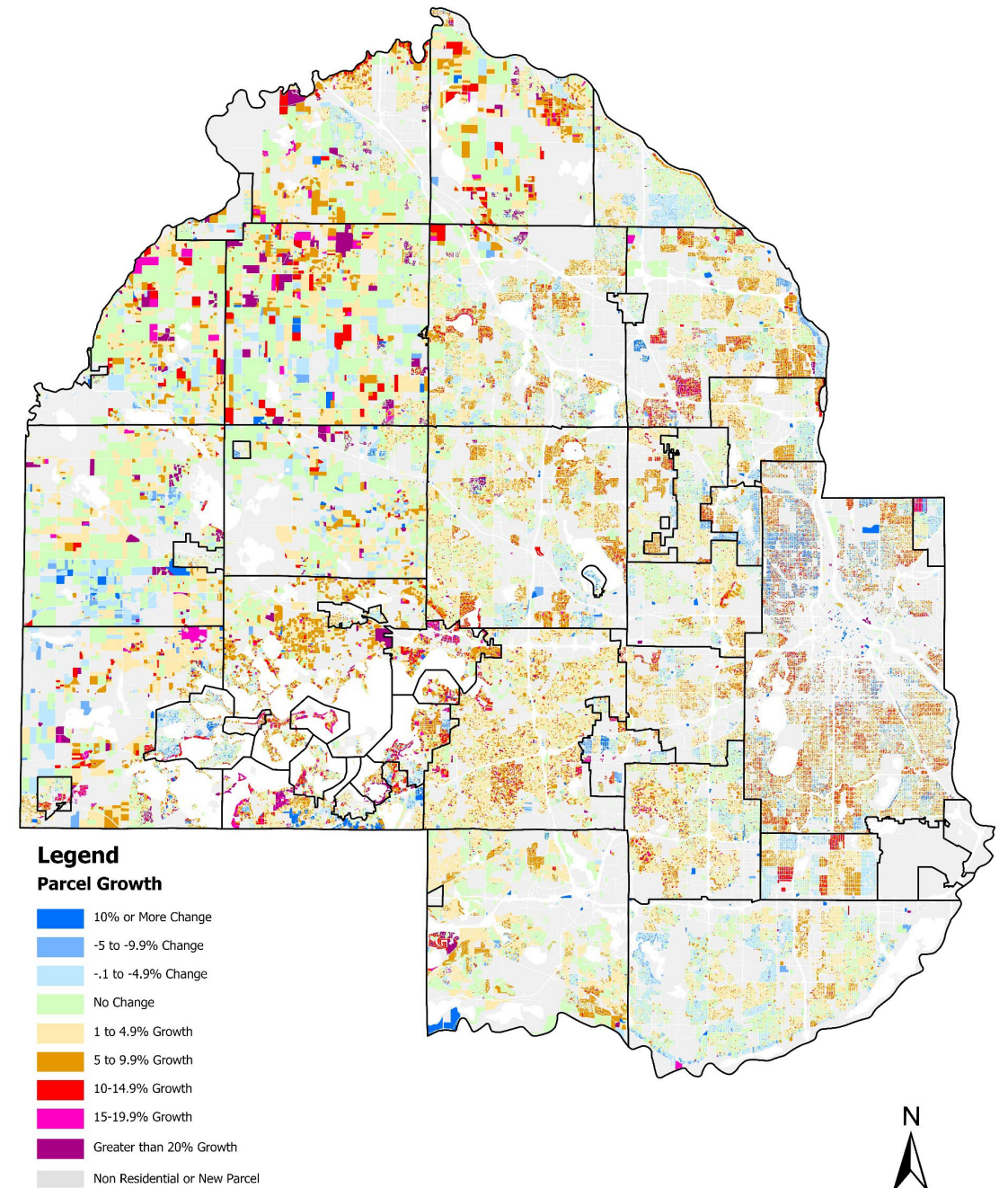
Location	2023	2024	2025
Minneapolis	0.70%	-8.70%	-10.90%
Downtown	-1.60%	-15.30%	-19.30%
Non-Downtown	2.10%	-2.20%	-4.00%
Suburban	4.20%	0.80%	-2.10%
Countywide	2.90%	-2.70%	-5.10%

Estimated market value growth

Property type	2024 value pay 2025	2025 value pay 2026	Net growth	New construction	Gross growth
Agricultural	\$1,075,291,000	\$1,124,488,500	4.40%	\$1,975,700	4.60%
Apartment	\$31,017,956,300	\$30,771,764,700	-4.10%	\$1,017,557,200	-0.80%
Commercial	\$28,688,348,800	\$27,478,276,900	-5.10%	\$245,677,300	-4.20%
Industrial	\$13,830,445,500	\$14,076,553,200	0.50%	\$174,947,600	1.80%
Residential	\$173,373,385,500	\$179,452,338,500	2.60%	\$1,508,794,600	3.50%
Total	\$247,985,427,100	\$252,903,421,800	0.80%	\$2,948,952,400.00	2.00%

Residential property growth trend (gross change)

Residential property value growth was relatively consistent across the county in the 2025 assessment with higher growth rates occurring in higher valued homes.

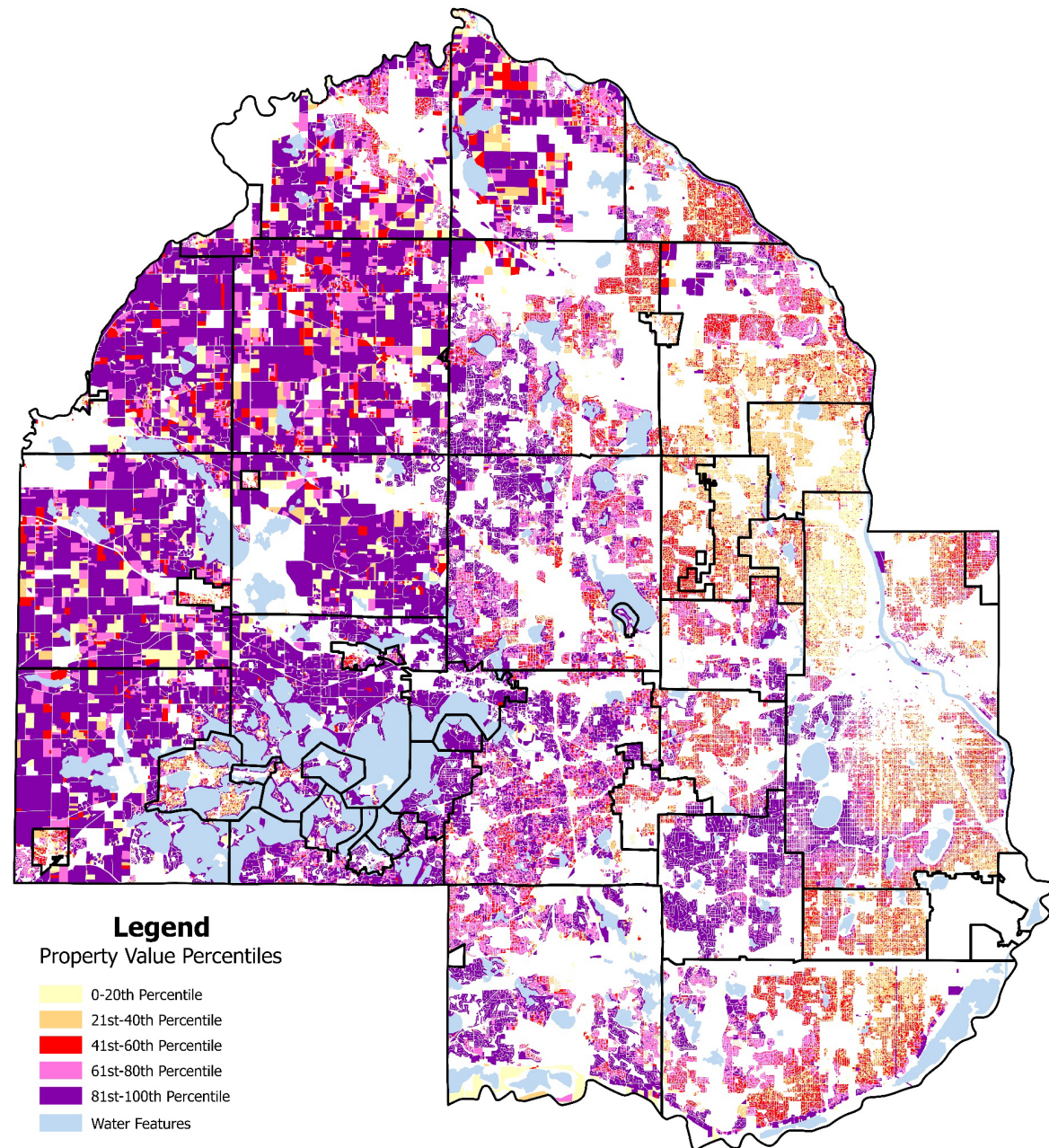


Residential property growth trend

Residential property aggregate growth trend	Value change 2023-2025 assessment		
2025 Quintile	2023	2024	2025
under \$251,000	2.89%	0.26%	1.16%
\$250,001-\$324,400	3.30%	-0.13%	2.09%
\$324,401-\$405,600	3.50%	-0.04%	2.64%
\$405,601-\$564,900	4.92%	0.48%	3.15%
\$564,901+	8.78%	3.11%	5.00%

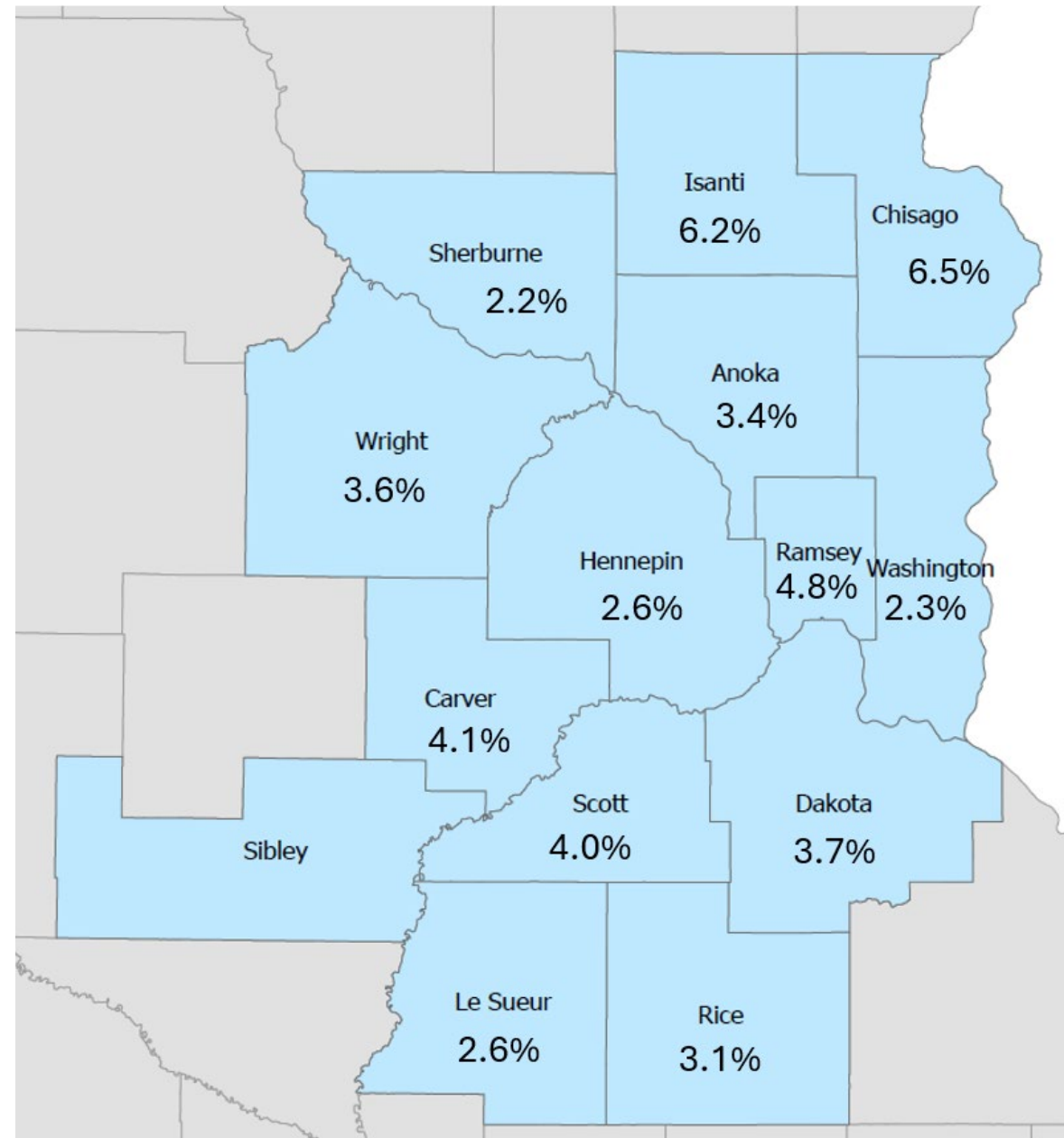
Hennepin County Value Percentiles

2025 assessment



Single-family home growth from 2024 to 2025 assessment (net of new construction)

(Taxes payable 2025 to 2026)



Homestead market value exclusion (HMVE)

Changes 2023 – 2025
Assessment

Percentage of total estimated
market value excluded from
taxable market value.

Homestead Market Value Exclusion(HMVE)

HMVE as a % of EMV	2023	2024	2025
Minneapolis	1.04%	2.02%	1.85%
Suburban	0.76%	1.53%	1.37%
Countywide	0.84%	1.66%	1.49%

Budget considerations

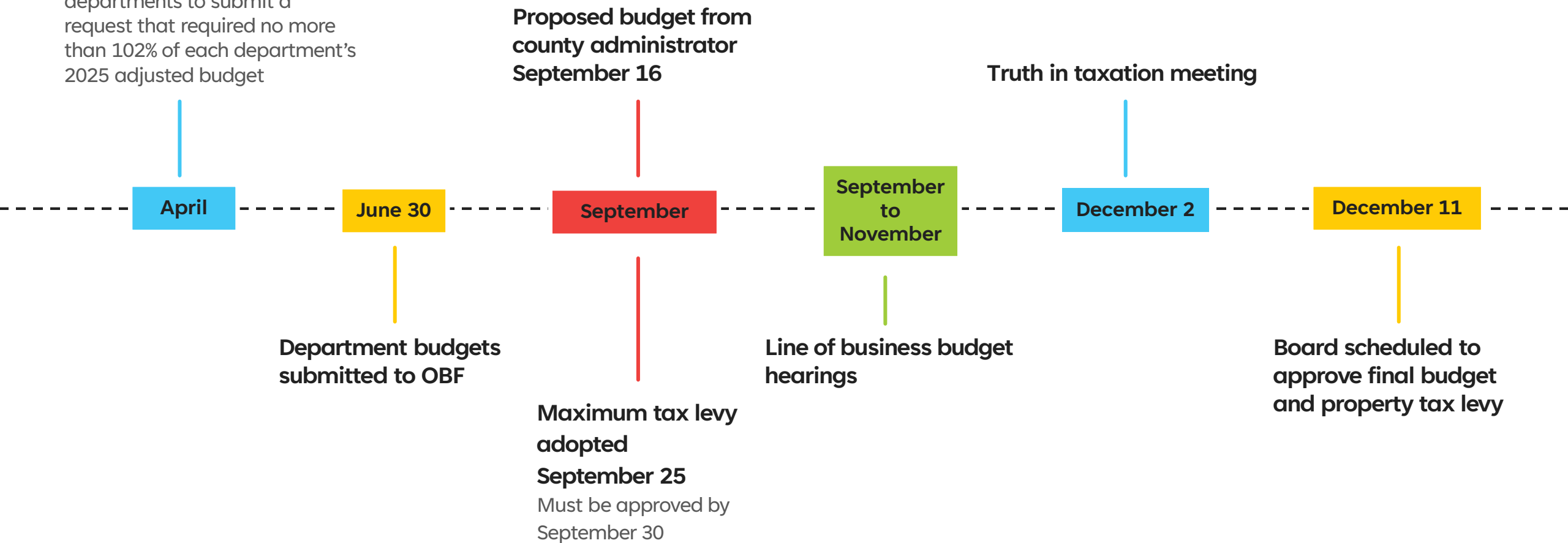
Joe Mathews, Hennepin County Chief Financial Officer



Budget process

OBF distributes budget instructions

For 2026, guidelines directed departments to submit a request that required no more than 102% of each department's 2025 adjusted budget



Preliminary Pay 2026 Estimated Market Value

Hennepin County January 2025 Assessment

Includes Personal Property, Not Reduced for Homestead Market Value Exclusion

Countywide

<u>Property Type</u>	<u>Final Pay 2025 County</u>	<u>% Total</u>	<u>Est. Pay 2026 County</u>	<u>% Total</u>	<u>Percent Change 2025-2026</u>
Apartment	\$31,017,907,100	12.4%	\$30,612,236,900	12.1%	(1.3%)
Residential	173,150,146,600	69.4%	179,154,029,500	70.5%	3.5%
Commercial	27,892,468,600	11.2%	26,425,386,400	10.4%	(5.3%)
Industrial	14,716,513,800	5.9%	14,924,156,000	5.9%	1.4%
Farm and Other	978,008,000	0.4%	986,116,400	0.4%	0.8%
Personal Prop.	<u>1,790,106,500</u>	<u>0.7%</u>	<u>1,875,759,700</u>	<u>0.7%</u>	<u>4.8%</u>
Total	\$249,545,150,600	100.0%	\$253,977,684,900	100.0%	1.8%

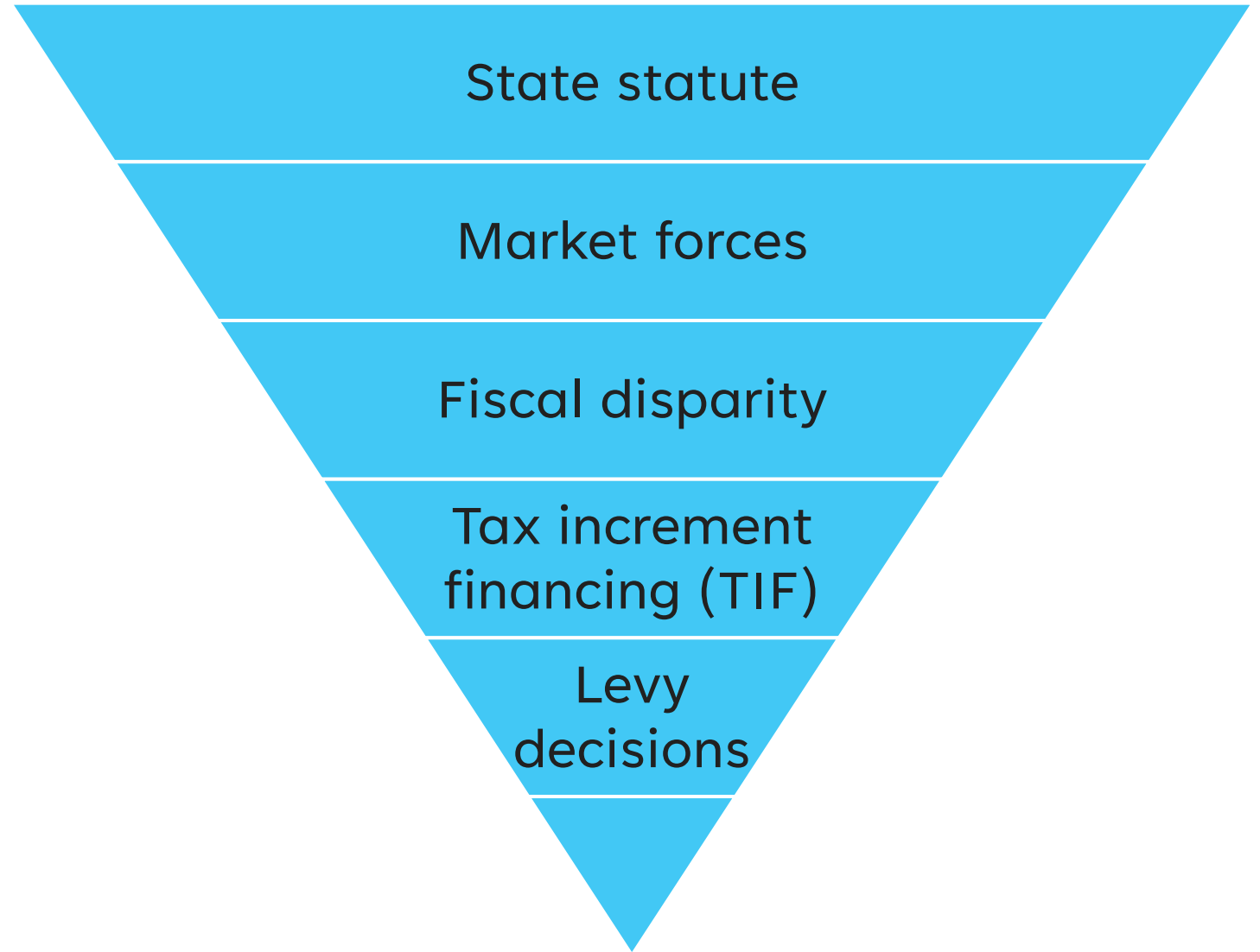
**Preliminary Pay 2026 Net Tax Capacity Adjusted for
Fiscal Disparities and Tax Increment Financing*
Hennepin County January 2025 Assessment**

Includes Personal Property, Fiscal Disparities, TIF - Reduced for Homestead Market Value Exclusion

Countywide ANTC

<u>Property Type</u>	<u>Final Pay 2025 County</u>	<u>% Total</u>	<u>Est. Pay 2026 County</u>	<u>% Total</u>	<u>Percent Change 2025-2026</u>
Apartment	\$347,367,512	12.3%	\$340,911,974	11.8%	(1.9%)
Residential	1,777,968,158	62.7%	1,847,951,821	64.0%	3.9%
Commerical	437,500,335	15.4%	420,803,577	14.6%	(3.8%)
Industrial	230,305,181	8.1%	235,476,869	8.2%	2.2%
Farm and Other	8,605,829	0.3%	8,771,662	0.3%	1.9%
Personal Prop.	<u>33,413,958</u>	<u>1.2%</u>	<u>35,215,323</u>	<u>1.2%</u>	<u>5.4%</u>
Total	\$2,835,160,973	100.0%	\$2,889,131,226	100.0%	1.9%

Tax impact factors



2026 county budget drivers

Investments in employees

- General salary adjustment at 4% (total \$35.5M, property tax \$31.6)
- Step increases at 3% and market rate adjustment (total \$16.8M, property tax \$15.0M)
- Health insurance increases 7% (total \$12.5, property tax \$11.0M)

Healthcare systems and supports

Public safety staffing

2026 Election Cycle

Federal and State Fiscal Uncertainty

Homeowner impact estimates

County Levy Increase Scenarios, No change to HCRRA Levy Increase, No change to HCHRA Levy

	Minneapolis		Suburban		Countywide	
	Pay 2026 EMV	% Change	Pay 2026 EMV	% Change	Pay 2026 EMV	% Change
Median Single Family Home value	\$334,000	3.1%	\$428,700	2.3%	\$400,900	2.6%
Levy Increase	\$	%	\$	%	\$	%
4.0%	70	5.8%	77	4.8%	76	5.1%
5.0%	82	6.8%	93	5.8%	91	6.1%
6.0%	95	7.9%	110	6.9%	107	7.2%
7.0%	107	8.9%	127	7.9%	122	8.2%
8.0%	120	10.0%	143	8.9%	137	9.2%

EMV – Estimated Market Value

Thank you

Discussion

