Hennepin County

Budget and property tax impacts

August 20, 2026

Agenda

Assessment process

Property values

Budget considerations

Discussion

Assessment process

Josh Hoogland, Hennepin County Assessor

Assessment process

- **Sales review and ratio study period:** October 1, 2024 – September 30, 2025
- **Assessment, Notice and appeals:** 2026 (right)
- **Truth in Taxation:** December 2026
- **Tax Statement mailing:** March 2027
- **Taxes due:** May 2027 & October 2027

Assessment date: January 2

Value Notice mailing: March

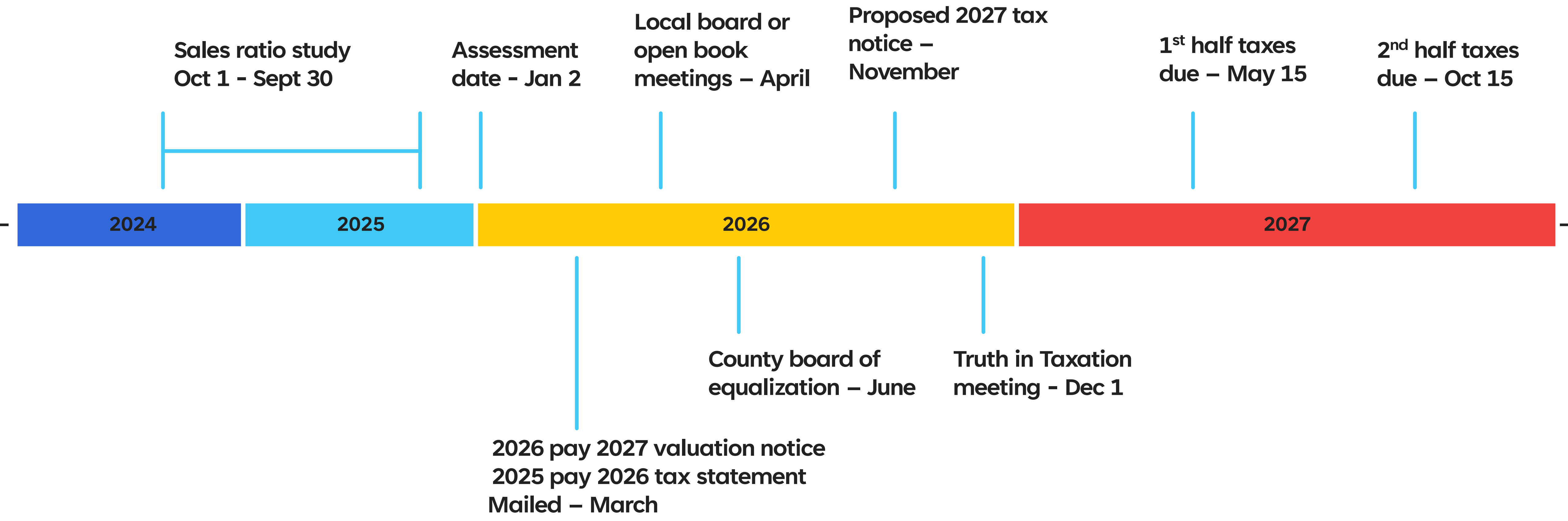
Local appeal process: April/May

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 2027



Property values

Countywide value changes by assessment year
(net of new construction)

Property type	2024	2025	2026
Agricultural	2.4%	4.4%	4.8%
Apartment	-5.1%	-4.1%	-0.1%
Commercial	-2.7%	-5.1%	-2.7%
Industrial	3.1%	0.5%	2.0%
Residential	0.4%	2.6%	2.6%

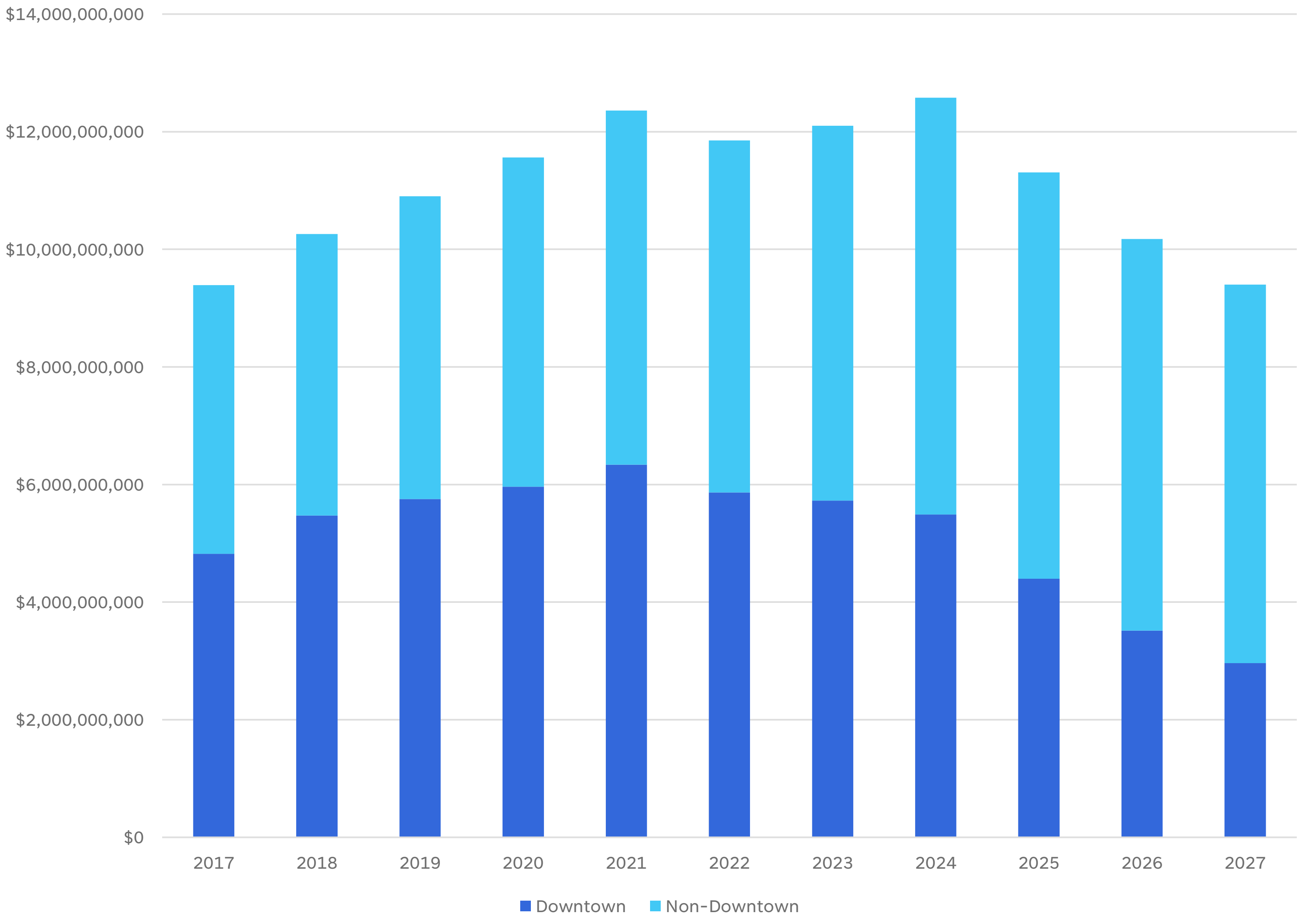
Commercial and industrial property value changes

Commercial and industrial gross changes

Location	2024	2025	2026
Minneapolis	-6.00%	-8.20%	-5.90%
Downtown	-15.48%	-19.45%	-15.43%
Non-Downtown	.95%	-1.07%	0.57%
Suburban	3.10%	-0.10%	1.92%
Countywide	.4%	-2.30%	-0.06%

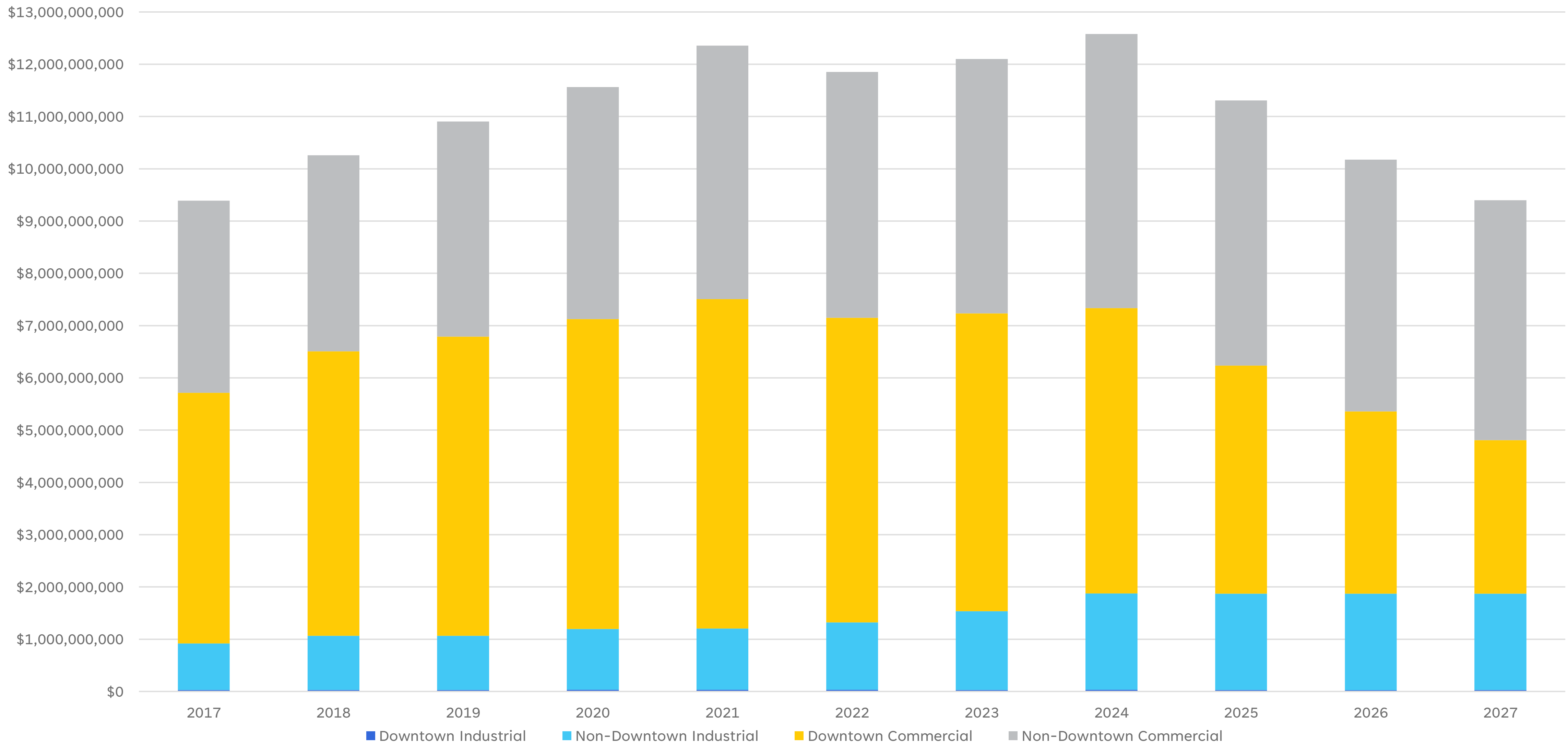
Minneapolis commercial and industrial property value change

Tax Years 2017-2027



Minneapolis commercial and industrial property value change

Tax years 2017-2027

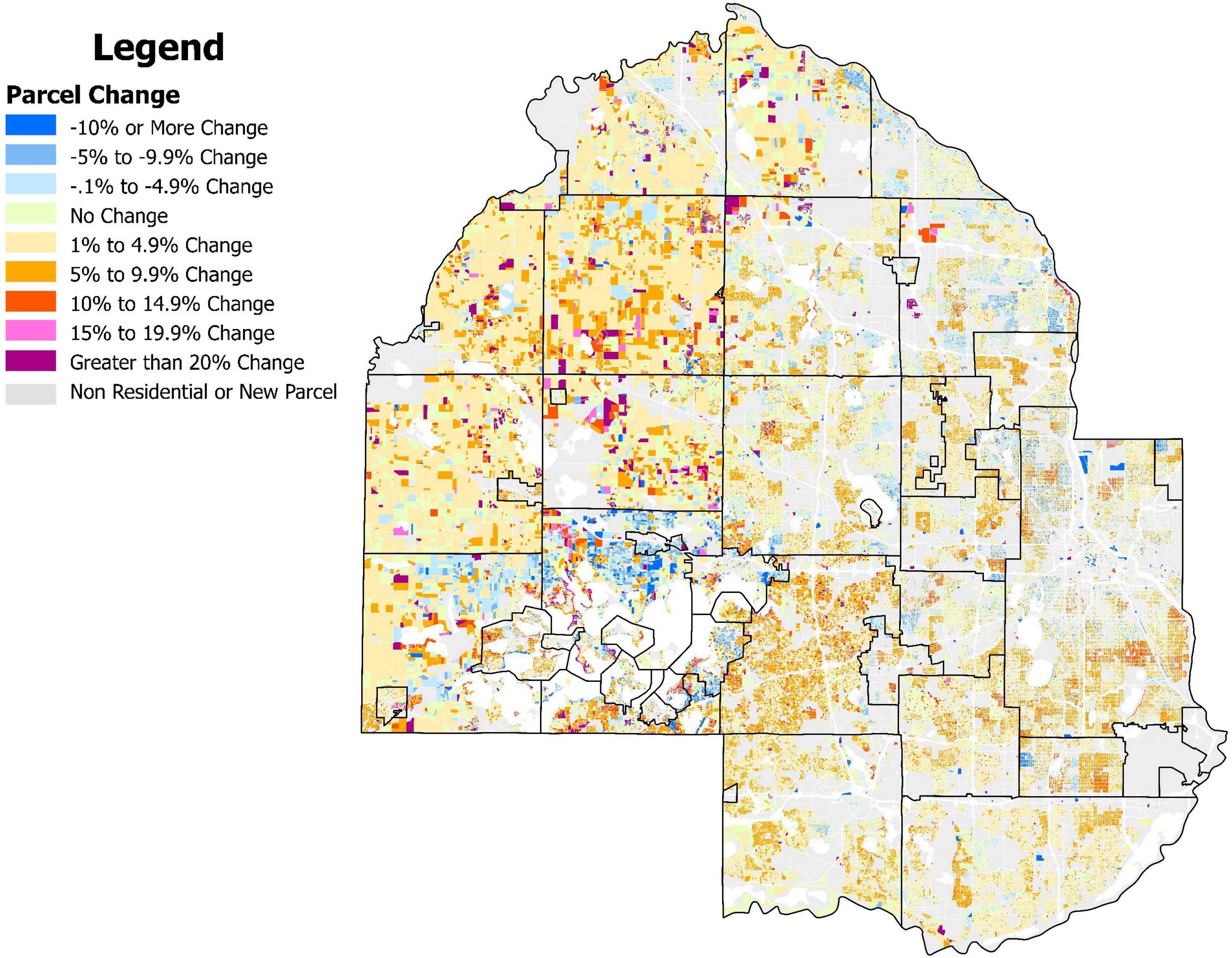


Estimated market value change

Property type	2025 value pay 2026	2026 value pay 2027	Net change	New construction	Gross change
Agricultural	$1.04 billion	$1.1 billion	4.8%	$1.53 million	4.9%
Apartment	$30.5 billion	$31.27 billion	-0.1%	$750 million	2.4%
Commercial	$27.06 billion	$26.59 billion	-2.7%	$258 million	-1.8%
Industrial	$13.9 billion	$14.37 billion	2.0%	$174.7 million	3.3%
Residential	$179.32 billion	$185.46 billion	2.6%	$1.56 billion	3.4%
Total	**$251.88 billion**	**$258.78 billion**	**1.6%**	**$2.75 billion**	**2.7%**

Residential property value change trend
(gross change)

Residential property value growth was relatively consistent across the county in the 2026 assessment as compared to prior assessments.

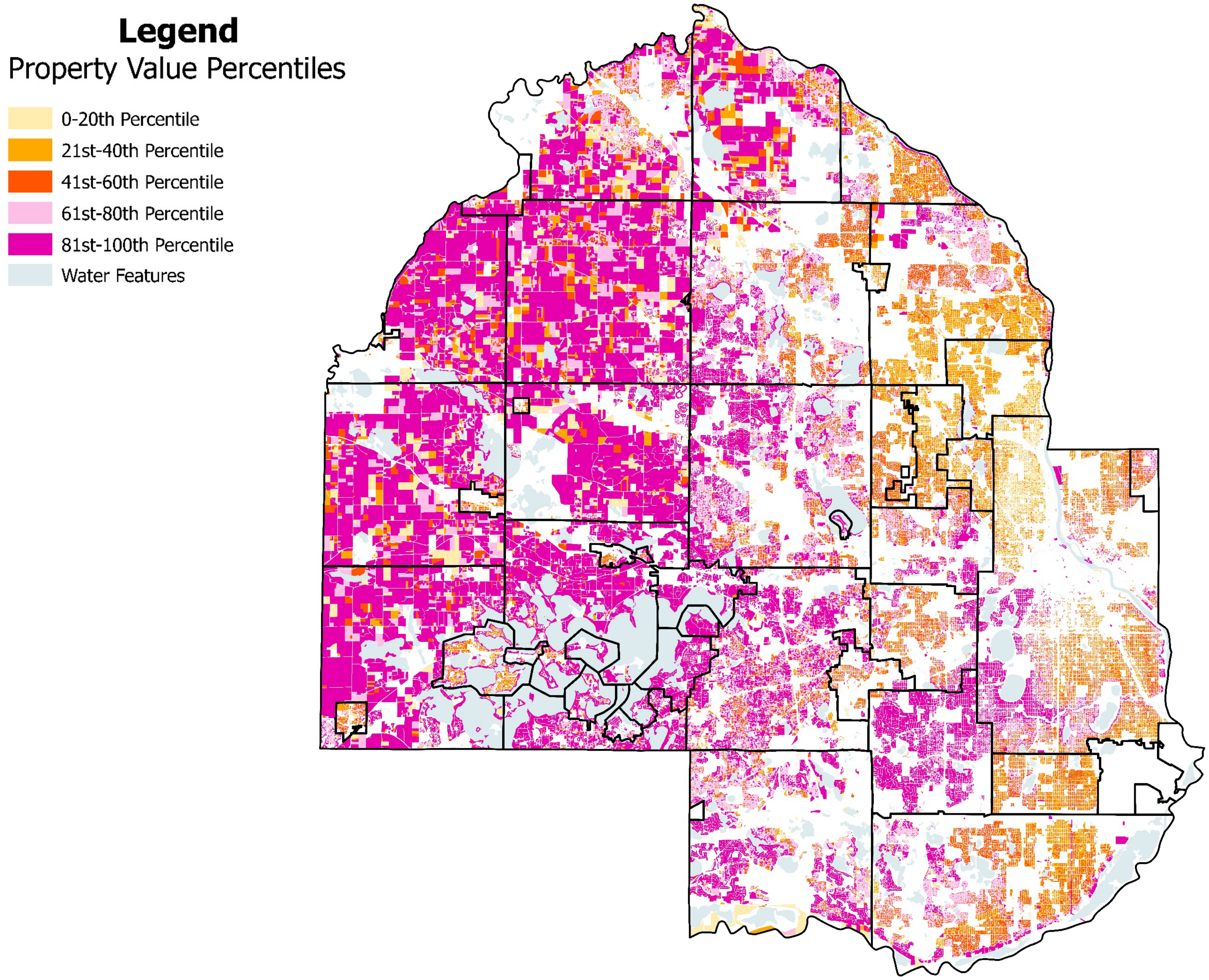


Residential property change trend

Residential property aggregate growth trend	Value change 2024-2026 assessment		
2026 Quintile	**2024**	**2025**	**2026**
under $255,600	0.18%	0.37%	-1.33%
$255,601-$333,400	-0.13%	2.06%	2.00%
$333,401-$417,500	-0.01%	2.60%	2.91%
$417,501-$584,500	0.43%	2.86%	3.17%
$584,501+	3.18%	4.81%	3.73%

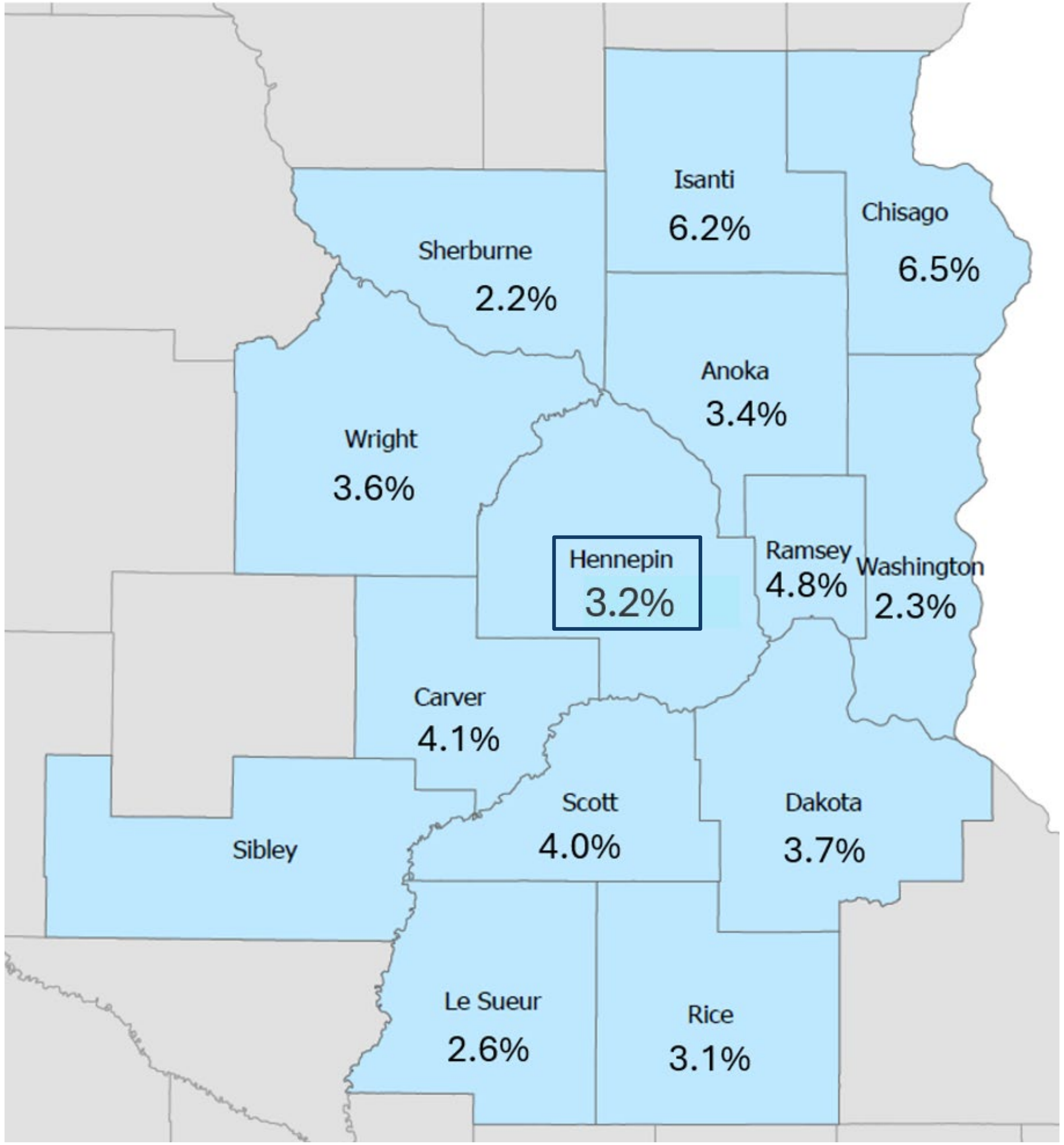
Hennepin County Residential Value Percentiles

2026 assessment



Single-family home change from 2025 to 2026 assessment
(net of new construction)

Taxes payable 2026 to 2027



Homestead market value exclusion (HMVE)

Changes 2023 – 2026 Assessment

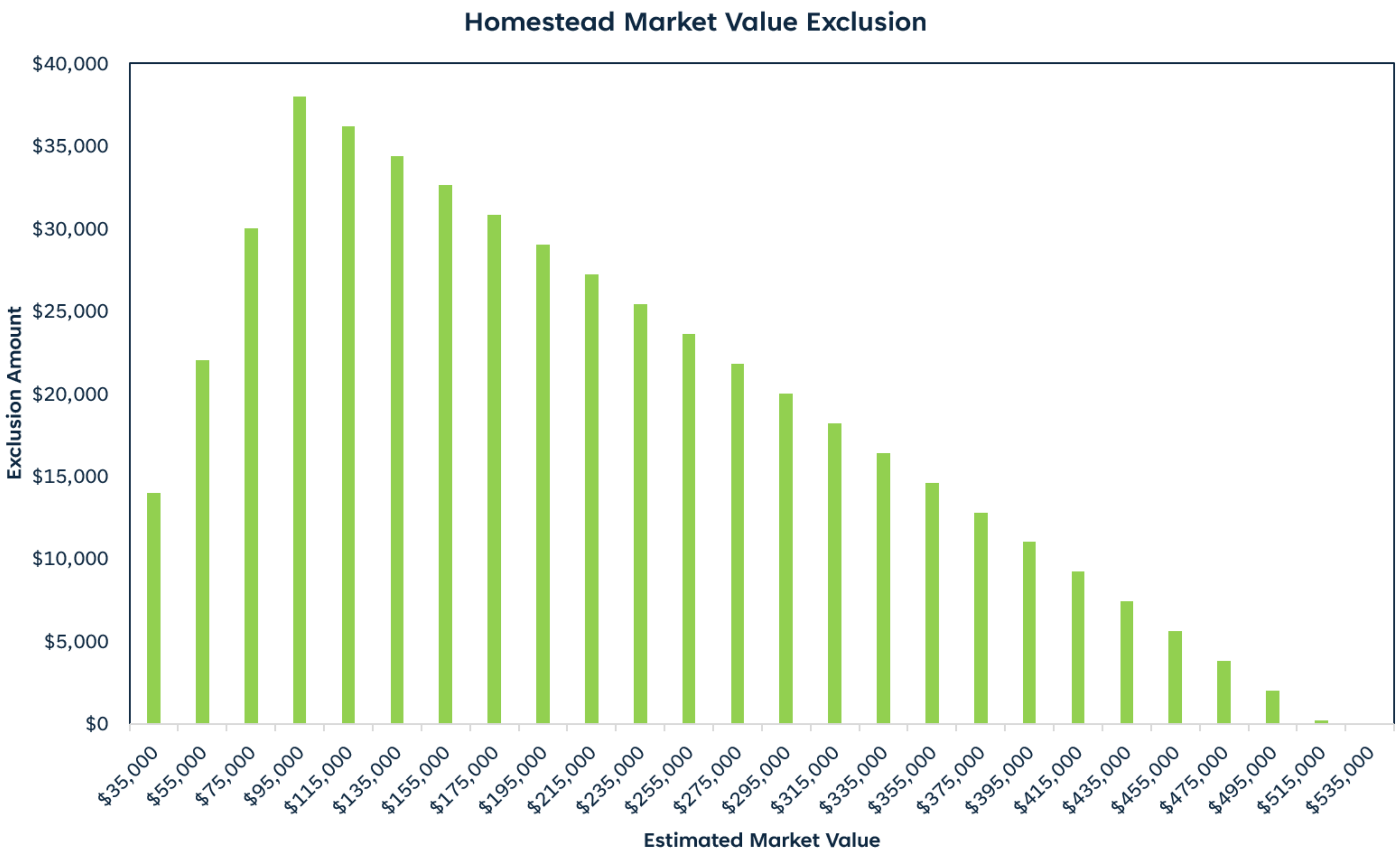
Percentage of total estimated market value excluded from taxable market value.

Homestead Market Value Exclusion(HMVE)

HMVE as a % of EMV	2023	2024	2025	2026
Minneapolis	1.04%	2.02%	1.85%	1.75%
Suburban	0.76%	1.53%	1.37%	1.28%
Countywide	0.84%	1.66%	1.49%	1.40%

Homestead market value exclusion (HMVE)

Excluded taxable value by estimated market value.



Budget considerations

Joe Mathews, Hennepin County Chief Financial Officer

Budget process

April

OBF distributes budget instructions

For 2027, guidelines directed departments to submit a request that required no more than 102% of each department's 2026 adjusted budget

June 30

Department budgets submitted to OBF

September

Proposed budget from county administrator September 22

Maximum tax levy adopted September 29

Must be approved by September 30

September to November

Line of business budget hearings

December 1

Truth in taxation meeting

December 15

Board scheduled to approve final budget and property tax levy

Preliminary Pay 2027 Estimated Market Value

Hennepin County January 2026 Assessment

Includes Personal Property, Not Reduced for Homestead Market Value Exclusion

Countywide

Property Type	Final Pay 2026 County	% Total	Est. Pay 2027 County	% Total	Percent Change 2026-2027
Apartment	$30,536,414,000	12.0%	$31,204,106,700	12.0%	2.2%
Residential	179,138,717,200	70.6%	185,111,953,688	71.1%	3.3%
Commercial	26,260,810,600	10.4%	25,606,672,700	9.8%	(2.5%)
Industrial	14,765,312,800	5.8%	15,387,214,700	5.9%	4.2%
Farm and Other	981,156,300	0.4%	983,914,900	0.4%	0.3%
Personal Prop.	1,875,759,700	0.7%	1,953,922,100	0.8%	4.2%
Total	$253,558,170,600	100.0%	$260,247,784,788	100.0%	2.6%

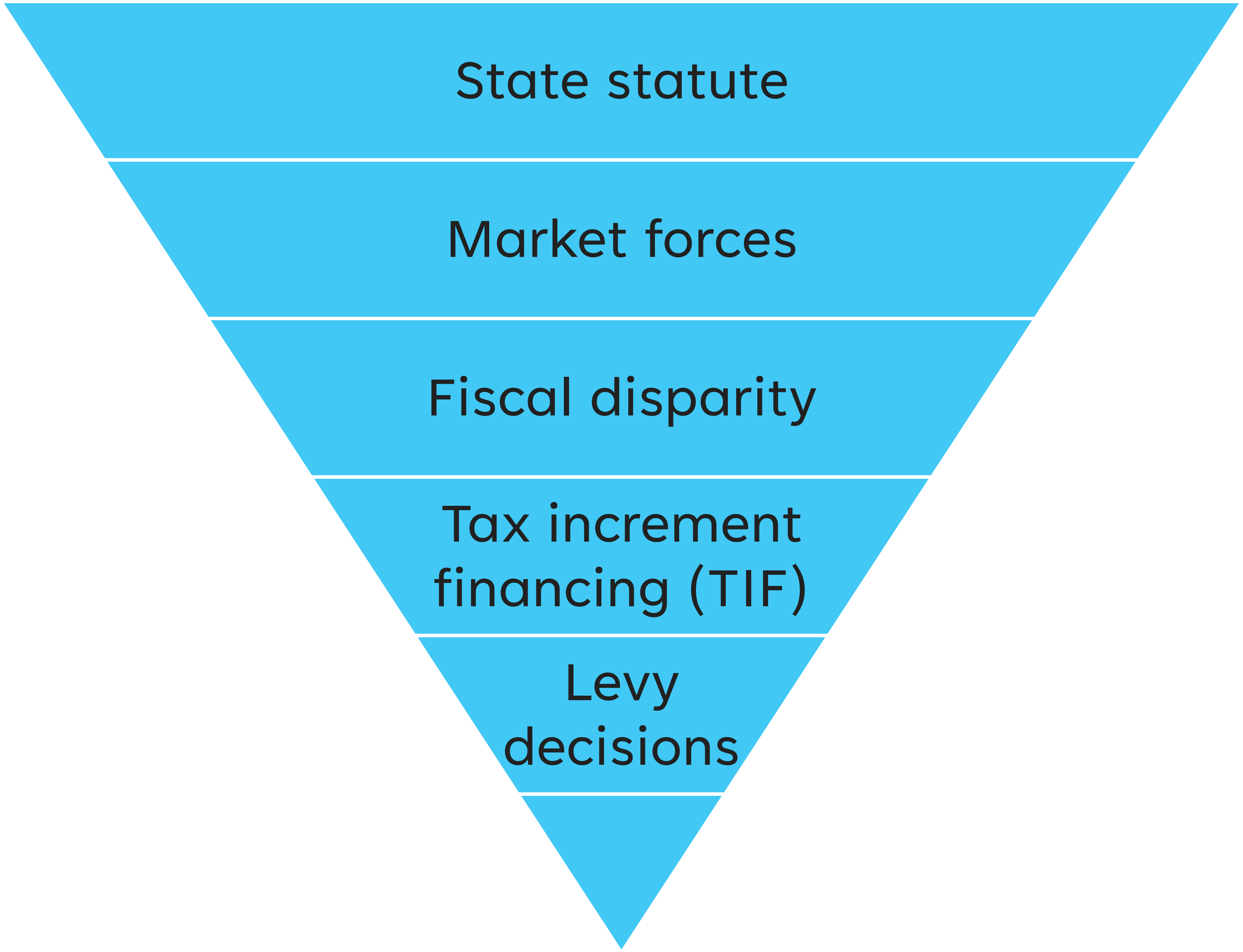
Preliminary Pay 2027 Net Tax Capacity Adjusted for Fiscal Disparities and Tax Increment Financing*
Hennepin County January 2026 Assessment

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

Countywide ANTC

Property Type	Final Pay 2026 County	% Total	Est. Pay 2027 County	% Total	Percent Change 2026-2027
Apartment	$339,963,689	11.80%	$345,506,318	11.63%	1.6%
Residential	1,847,095,314	64.12%	1,916,710,234	64.50%	3.8%
Commerical	417,457,869	14.49%	415,717,352	13.99%	(0.4%)
Industrial	232,367,182	8.07%	247,996,075	8.35%	6.7%
Farm and Other	8,682,450	0.30%	8,700,115	0.29%	0.2%
Personal Prop.	35,215,323	1.22%	36,827,281	1.24%	4.6%
Total	$2,880,781,827	100.0%	$2,971,457,375	100.0%	3.1%

Tax impact factors



2027 county budget drivers

Investments in employees

- General salary adjustment at 4% (total $36.2M, property tax $32.2)
- Step increases at 3% and market rate adjustment (total $14.6M, property tax $13.0M)
- Employee health insurance cost increases

Debt Service

Public safety staffing

Federal and state fiscal uncertainty

Reduce Use of Fund Balances

Homeowner impact estimates

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

	Minneapolis		Suburban		Countywide	
	Pay 2027 EMV	**% Change**	**Pay 2027 EMV**	**% Change**	**Pay 2027 EMV**	**% Change**
Median Single Family Home value	$349,800	4.7%	$441.300	2.9%	$414,200	3.3%
Levy Increase	**$**	**%**	**$**	**%**	**$**	**%**
7.0%	112	8.5%	111	6.4%	111	6.9%
7.5%	119	9.0%	120	6.9%	119	7.4%
8.0%	126	9.6%	129	7.4%	127	7.9%
8.5%	133	10.1%	137	7.9%	136	8.4%
9.0%	140	10.6%	146	8.4%	144	8.9%

EMV – Estimated Market Value

Discussion