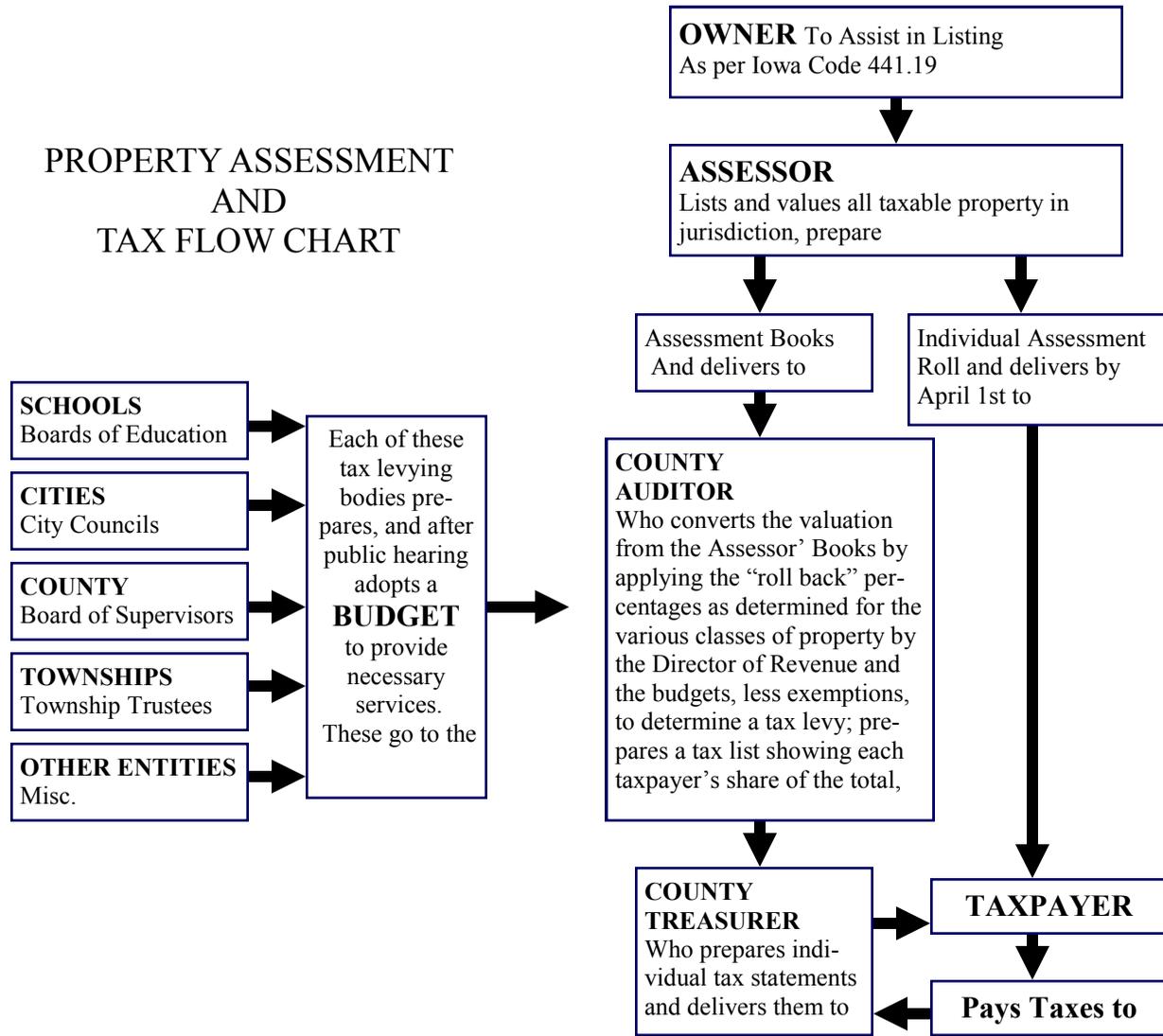


PROPERTY ASSESSMENT AND TAX FLOW CHART



THINGS TO REMEMBER

- Assessed value and taxable values are not synonymous terms.
- Property is assessed as of January 1st.
- Property is reassessed every two years.
- Taxes are levied on a value determined by the auditor by applying a “roll back” percentage to the assessed value and deducting any applicable exemptions or credits. The “roll back” percentages vary each year.

Example:

\$150,000	-assessed value (residential class)
x .569391	-roll back percentage (2014)
85,409	-roll back value (taxable)
- 1,852	-military exemption (if applicable)
83,557	-net taxable value
x 37.64106	-levy \$ per thousand (varies with taxing district)
\$ 3,145.17	
- 182.56	-Homestead Credit ((4,850 x levy x 100%) (level of funding)
\$2,962.00	-property tax (rounded to nearest even dollar)

On values determined as of January 1st, one does not start to pay taxes until eighteen months later. The “roll back” is the percentage of actual value that is determined by the Director of Revenue each year on the several classes of property where the total value increase STATEWIDE, exceeds three percent for each class of property. The percentage so determined by the Director of Revenue is certified to and applied by the local county auditor to all property in each class affected throughout the State. Percentages determined by the Director of Revenue are the same for all the assessing jurisdictions in the State.

Increases in assessed value of individual parcels of property as determined by the assessor, may exceed three percent within a jurisdiction. Agricultural property, except agricultural dwellings, are assessed on the basis of productivity and net earning capacity using a five-year crop average and capitalized at a rate set by the Legislature. The rate is currently seven percent. Tentative and final equalization orders are issued by the Director of Revenue in odd numbered years on or about August 15th, and October 1st respectively. The orders are sent to the various county auditors who apply them to the classes of property affected, if any.

Assessors and members of the Board of Review are appointed to their terms of office. Assessors, in addition to completing the required 150 hours of Continuing Education, must be approved by a majority vote of the Conference board in order to be reappointed.

If you desire further information, questions concerning PROPERTY VALUES or other information relating thereto should be addressed to the assessor's office in the respective jurisdiction and not the Board of Supervisors or Treasurer.

Questions relating to taxes should be addressed to the local county treasurer.

The assessors of Iowa hope that the information contained herein will be of value to the property owner and has clarified some of these problems and issues relating to assessment and the applicable laws.

If you need further information, please call or write your local assessor.

This pamphlet was prepared by the Public Relations Committee of the Iowa State Association of Assessors (1992). Updated 1995. Updated 1997. Updated 2001. Updated 2006. Updated 2009. Updated 2014. Updated 2015. Updated 2017.

THE ASSESSOR'S DUTIES

and what they mean to you



IOWA STATE ASSOCIATION OF ASSESSORS
Established 1948

What are the Assessor's duties?

The assessor is charged with several administrative and statutory duties; however, the primary duty and responsibility is to cause to be assessed all real property within his/her jurisdiction except that which is otherwise provided by law. This would include residential, multi-residential, commercial, industrial and agricultural classes of property. Real property is revalued every two years. The effective date of the assessment is January 1st of the current year. The assessor determines a full or partial value of the new construction, or improvements depending upon the state of completion as of January 1st.

General Misconceptions About the Assessor's Work

The Assessor does not-

- collect taxes
- calculate taxes
- determine tax rate
- set policy for the Board of Review.

The Assessor is concerned with value, not taxes. Taxing jurisdictions such as schools, cities and townships, adopt budgets after public hearings. This determines the tax levy, which is the rate of taxation required to raise the money budgeted. The taxes you pay are proportionate to the value of your property compared to the total value of the taxing district in which your property is located.

General Information About the Assessor

Assessors are appointed to their position by a Conference Board consisting of the members of the Board of Supervisors, the Mayors of all incorporated cities and a member from each school district within the jurisdiction. A city with a population of ten thousand or more may elect to have their own assessor. Assessors are required, by statute, to pass a state examination and complete a Continuing Education Program consisting of 150 hours of formal classroom instruction with 90 hours tested and a passing grade of 70% attained. The latter requirement must be met in order for the assessor to be reappointed to the position every six years. The Deputy Assessor also must pass a state examination as well as successfully complete 90 hours of classroom instruction of which at least 60 hours are tested. The Conference Board approves the assessors budget and after a public hearing acts on adoption of same. The assessor is limited, by statute, depending upon the value of the jurisdiction, to a levy limitation for his/her budget.

What is Market Value?

Market value of a property is an estimate of the price that it would sell for on the open market on January 1st of the year of assessment. This is sometimes referred to as the "arm's length transaction" or "willing buyer/willing seller" concept.

How does the Assessor Estimate Market Value?

To estimate the market value of your property, the Assessor generally uses three approaches. The first approach is to find properties that are comparable to yours which have sold recently. Local conditions peculiar to your property are taken into consideration. The assessor also uses sales ratio studies to determine the general level of assessment in a community in order to adjust for local conditions. This method is generally referred to as the MARKET APPROACH and usually considered the most important in determining the value of residential property. The second approach is the COST APPROACH and is an estimate of how many dollars at current labor and material prices it would take to replace your property with one similar to it. In the event the improvement is not new appropriate amounts for depreciation and obsolescence would be deducted from the replacement value. Value of the land then would be added to arrive at the total estimate of value. THE INCOME APPROACH is the third method used if your property produces income such as an apartment or office building. In that case, your property could be valued according to its ability to produce income under prudent management; in other words, what another investor would give for a property in order to gain its income. The income approach is the most complex of the three approaches because of the research, information and analysis necessary for an accurate estimate of value. This method requires a thorough knowledge of local and national financial conditions, as well as any development trends in the area of the subject property being appraised since errors or inaccurate information can seriously affect the final estimate of value.

Why Value Changes

State law requires that all real property be reassessed every two years. The current law requires the reassessment to occur in odd numbered years. Changes in market value as indicated by research, sales ratio studies and analysis of local conditions as well as economic trends both in and outside the construction industry are used in determining your assessment.

If you disagree with the assessors estimate of value, please consider these two questions before proceeding as outlined below:

1. What is the actual market value of my property?
2. How does the value compare to similar properties in the neighborhood?
 - A. If you have any questions about the assessment of your property, feel free to come in and discuss it with the Assessor.
 - B. You may file a written protest with the Board of Review which is composed of three or five members from various areas of the assessing jurisdiction. The Board operates independently of the assessor's office, and has the power to confirm or to adjust either upward or downward any assessment.
 - C. If not satisfied with the Board's decision, appeals may be filed with the Property Assessment Appeal Board or to district court within 20 days after adjournment or May 31, whichever date is later.

Tax Levies and Assessed Values

There are a number of different taxing districts in a jurisdiction, each with a different levy. Each year the County Auditor determines for that district a levy that will yield enough money to pay for schools, police and fire protection, road maintenance and other services budgeted for in that area. The tax levy is applied to each \$1,000 of a property's taxable value. The value determined by the Assessor is the assessed value and is the value indicated on the assessment roll. The taxable value is the value determined by the auditor after application of state-ordered "rollback" percentages for the various classes of property and is the value indicated on the tax statement. When comparing the value of your property with other properties, always compare with the value on the assessment roll or the assessors property record cards and not the value indicated on the tax statement.

Exemptions and Credits

Iowa law provides for a number of exemptions and credits, including Homestead Credit, Disabled Veteran's Homestead, Military Exemption and Business Property Tax Credit. It is the property owner's responsibility to apply for these as provided by law. If the property you were occupying as a homestead is sold, or you cease to use the property as a homestead, you are required to report this to the assessor in whose jurisdiction the property is located. For properties currently receiving the Business Property Tax Credit, changes in ownership or other changes that would affect the requirements for the credit, requires reapplication for the credit.

Dates to Remember

January 1—Effective date of current assessment

April 2 through April 25 inclusive—property owner may request an informal review of their assessment by the assessor.

April 2 through April 30 inclusive—Protest of assessment period for filing with the local Board of Review

May 1 through adjournment—Board of Review meets each year.

October 9 through October 31 inclusive—Protest period for filing with Board of Review on those properties affected by changes in value as a result of the Director of Revenue Equalization Orders (odd numbered years).

January 1 through December 31—Period for filing for Homestead Credit, Military Exemption and Business Property Tax Credit One time filing is provided, by statute, unless the property owner is (1)filing for Homestead Credit, Disabled Veteran's Homestead, Military Exemption or Business Property Tax Credit for the first time; (2)has purchased a new or used home and is occupying the property as a homestead as of July 1st; (3)owner was using as a homestead but did not previously file and (4)some change occurs that affects the requirements of the Business Property Tax Credit, then reapplication is require.

If the home qualifies, and the property owner files on or before July 1, the credit or exemption will go into effect for the current assessment year. If the property owner files after July 1, the credit or exemption will go into effect the year following the sign up.

Business Property Tax Credit

2014 Assessment Year-applications due March 15, 2015

2015 Assessment Year-applications due March 15, 2016

Starting with the 2016 assessment year, and each year thereafter, the deadline has changed to the following:

2016 Assessment Year-applications due July 1, 2016

Filing is required on the following, if provisions have been made for the exemptions as required:

- Family Farm
- Barn & One-Room School
- Religious, Literary, & Charitable
- Forest Reservation
- Fruit Tree Reservation
- Geothermal Heating & Cooling System
- Historic Property
- Impoundment Structure
- Indian Housing Authority
- Industrial Property Tax
- Low Rent Housing
- Methane Gas Conversion Property
- Mobile Home Park Shelter
- Natural Conservation or Wildlife areas
- Native Prairie
- Pollution Control
- Recycling
- Speculative Shell Building
- Urban Revitalization
- Wetlands
- Wildlife Habitat
- Disabled Vet Homestead