

# Duties of the Assessor

The Assessor is charged with several administrative and statutory duties. The primary duty and responsibility is to assess all real property within the Assessor's jurisdiction except that which is otherwise provided by law. This would include residential, commercial, industrial and agricultural classes of property.

Real property is revalued every two years. The effective date of the assessment is January first of each year. The Assessor determines a full or partial value for all new construction and improvements depending upon their state of completion as of that January first date.

## GENERAL MISCONCEPTIONS ABOUT THE ASSESSOR'S DUTIES

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 county, 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 proportional to the value of your property compared to the total value of property in your taxing district.

## 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 the incorporated cities, and a member of each school district within the jurisdiction. A city with a population of 10,000 or more may elect to have their own assessor. In cities having an assessor the conference board shall consist of the members of the city council, school board and county board of supervisors.

Assessors are required by law 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 Conference Board approves the Assessor's budget and after a public hearing acts on adoption of the same. The Assessor is limited, by statute, depending upon the value of the jurisdiction, to a levy limitation for the budget.

# Market Value

Residential, commercial and industrial real property are assessed at 100% market value. Market value of a property is an estimate of the price that it would sell for on the open market on the first day of January of the year of assessment. This is often referred to as the "arms length transaction" or "willing buyer/willing seller" concept. The Assessor must determine the fair market value of real property. To do this, the Assessor generally uses three approaches to value.

## Market Approach

The first approach is to find properties that are comparable to the subject property and that have recently sold. Local conditions peculiar to the subject property are then considered. In order to adjust for local conditions, the Assessor also uses sales ratio studies to determine the general level of assessment in a community. This method is generally referred to as the MARKET APPROACH and is usually considered the most important in determining the value of residential property.

## Cost Approach

The second approach to value is the COST APPROACH, which is an estimate of how many dollars at current labor and material prices it would take to replace a property with one similar to it. In the event the improvement is not new, appropriate amounts of depreciation and obsolescence are deducted from replacement value. Value of the land is added to arrive at an estimate of total property value.

## Income Approach

The INCOME APPROACH is the third method used if the property produces income. If the property is an income producing property, it 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 thorough knowledge of local and national financial conditions, as well as any developmental trends in the area of the subject property being appraised since errors or inaccurate information can seriously affect the final estimate of value.

Agricultural real property is assessed at 100% of productivity and net earning capacity value. The Assessor considers the productivity and net earning capacity of the property. Agricultural income as reflected by production, prices, expenses, and various local conditions is taken into account.

# Why Values Change

After properties have been appraised, the values are analyzed to ensure accurate and equitable assessments. Iowa 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 property assessments.

# Notification and Appeal

If you disagree with the Assessor's estimate of value, please consider these two questions:

1. What is the actual market value of my property?
2. How does the value compare to similar properties in the neighborhood?

If you have any questions about the assessment of your property, please contact your assessor's office.

A written protest may be filed with the Board of Review which is composed of either three members or five members from various areas of the county who are familiar with local market conditions and trends. The Board operates independently of the Assessor's office and has the power to confirm or to adjust upward or downward any assessment. An individual may petition to the Property Assessment Appeal Board if they are not satisfied with the Board of Review's decision. If dissatisfied with a Property Assessment Appeal Board decision, the decision may then be appealed to the district court. As in the past, a property owner may appeal the Board of Review's decision directly with the district court and forego filing with the Property Assessment Appeal Board.

## Important Dates

### **January 1**

Effective date of current assessment

### **April 16 thru May 5**

Protest of assessment period for filing with Board of Review

### **May 1 thru Adjournment**

Board of Review meets each year

### **July 1**

Signup deadline Homestead Tax Credit & Military Exemption

### **January to November 1**

Signup period for Family Farm Tax Credit

# October 16 thru October 25

Protest period for filing with Board of Review on properties affected by changes in value as a result of Director of Revenue and Finance Equalization Orders (odd numbered years only.)

