

Annual Report to the Mason City Conference Board Year Ending 12/31/2014



From Mason, IA.com

Conference Board Members

Chairperson:

Mayor Eric Bookmeyer

City Council:

Alex Kuhn • Scott Tornquist • John Lee
Jean Marinos • Janet Solberg • Travis Hickey

Cerro Gordo County Board of Supervisors:

Casey Callanan • Phil Dougherty • Jay Urdahl

Mason City Board of Education:

Robert Thoms • Darshini Jayawardena • Paula Recinos
Tim Becker • Mark Dodd • Scott Warren • Janna Arndt

**2014 REPORT
OFFICE OF MASON CITY ASSESSOR**

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January 19, 2015

Following is the 2014 Annual Report for the Mason City Assessor. I hope you find this information useful.

Beacon Website

The Beacon real estate website was launched on November 20, 2013. It has been a huge success! There have been over 240,000 hits to the website over the last 14 months. Almost immediately the requests for property record cards by phone or at the counter ceased. Whenever a copy of a property record is requested from our office, we charge 50¢ per record for the copy. \$2500 in copy charges was collected in FY2013 (prior to Beacon). That dropped to \$1600 in FY 2014 (Beacon implemented ½ way through the fiscal year). So far in FY 2015, we have only collected \$34.50 in copy charges. We are still having people tell us “Thank you” in the Assessor’s Office for providing a website with complete property information which they can access 24-hours a day 7-days a week.

Reappraisal Projects

We have several projects on the works, the biggest being the commercial and residential reappraisal projects. We are almost ready to begin! Vanguard is set to begin the commercial project in March of 2015 and it will be complete for the 2016 assessments. The residential reappraisal will start as soon as the commercial project wraps. The residential project will take two years to complete and we will apply the new values to the 2018 assessments.

My staff and I have finished up the in-house work needed to set the reappraisal projects in motion. After converting all the residential property records from the ProVal software program to the Vanguard VCS software in 2013, we personally reviewed each of the 11,750 records for accuracy. We have corrected all issues generated from the software conversion such as sketch errors, building story height, pricing, and lot size corrections. We also updated how the cost of each structure is calculated, by converting to the most recent cost manual provided by the Iowa Department of Revenue. The cost manual we were operating off of prior to the update was 16 years old.

Property Tax Law Changes

We are currently working through the last of the property tax law changes from the 2013 General Session. We survived the first phase of property tax reform. We have the first year of Business Property Tax Credit, the graduated Commercial & Industrial Rollback, and Disabled Veteran’s Homestead Credit now under our belt.

All of the remaining assessment law changes will be completed by the time we mail individual assessment notices on April 1, 2015. These changes include the addition of the new “Multiresidential” property classification. Properties such as apartment buildings, nursing homes, and mobile home parks are included in the new classification. Other properties such as downtown 2-story buildings will have a dual classification – both commercial and multiresidential. The main floor used for retail, offices, restaurants, etc. remains classified as commercial, but the upper floor of apartments will now be multiresidential. Nearly 200 properties in Mason City have been identified as multiresidential or dual classification. We have nearly finished our work on the multiresidential properties. I am still working on appropriating the correct value allocation to the commercial and multiresidential property classifications for the real estate falling into the category of dual-classification.

Administrative Rule Changes

Another new Administrative Rule requires assessors to apply land-use adjustments to agricultural land assessments. Ag land is assessed based on its productivity value and not actual market value. Just last week I updated the platform for ag land assessment from CSR to CSR2. Each soil type has been assigned a new crop suitability rating according to Iowa State University and USDA standards. In addition to CSR2, I also implemented the non-crop land use layer to be used to determine the 2015 agricultural assessments. According to the new administrative rule, ag land not used specifically for row crop must be identified as non-crop land. The value of the non-crop land, on a parcel-by-parcel basis, will be adjusted downward if it carries a higher CSR rating than what is average for the county.

2015 Assessment Notices

Each odd-numbered year is an assessment revaluation year for Assessors in Iowa. An assessment notice will be generated for every taxable parcel of real estate in Mason City, and the notice will be mailed to the property owner of record on April 1, 2015. Assessment notices of all properties in Mason City have not been mailed since 2007. Assessors are required to notify the property owner in writing any time the assessed value or classification of the property has changed. Most every property in Mason City will be changing in value or classification for 2015. This is due to new law changes, valuing properties using updated software, application of the newest cost manual, and the 2014 sales ratio study. Property owners will also have the opportunity to appeal their assessment to the Board of Review at that time.

As always, please let me know if you have any questions or would like additional information.

Sincerely,

Dana Naumann

Dana Naumann, ICA, RES, AAS
Mason City Assessor

**STAFF OF MASON CITY ASSESSOR'S OFFICE,
BOARD OF REVIEW MEMBERS
EXAMINING BOARD MEMBERS
MASON CITY, IA
2014**

ASSESSOR'S OFFICE

Administration

Dana Naumann, ICA, RES, AAS
City Assessor

Tara Fitzpatrick, ICA
Chief Deputy

Staff

Kelli Jeffrey
Appraiser and clerk

Pamela Pingel
Appraiser and clerk

BOARD OF REVIEW

Steve P. Rye
Realtor & Appraiser

Janel M. Nagel
Appraiser

Ray Mechem
Real estate finance

EXAMINING BOARD

Gerald Stambaugh

William Robinson

Dr. Gary Hoffman

STATEMENT OF ASSESSED VALUATIONS OF MASON CITY
As of July 1, 2014

Real Property		\$1,596,981,347
New Construction added January 1, 2013		\$ 15,033,739
Revaluation		\$ 3,152,603
Property Returned to Taxation		<u>\$ 943,355</u>
Total Real Property		\$1,616,111,044
Less:		
Demolitions	\$	1,887,749
Revaluation	\$	4,234,002
New Claims for Tax Exempt and Non-Taxable	\$	1,285,530
District Court and PAAB Decrees	\$	25,380
		<u>\$ 7,432,661</u>
Net Real Property		\$1,608,678,383
Railroad and Utility Property (Assessed by the Department of Revenue)		\$ 57,536,076
Full Value of Taxable Real Property		\$1,666,214,459
Less Partial Exemptions:		
Urban Revitalization	\$	6,622,286
Pollution Control/Recycling	\$	5,828,692
Impoundments	\$	1,038,210
Land Conservation	\$	320,112
		<u>\$ 13,809,300</u>
ADJUSTED VALUE OF NET TAXABLE REAL PROPERTY		\$1,652,405,159

**STATEMENT OF PROPERTY CLASSIFICATIONS OF MASON CITY
As of July 1, 2014**

Agricultural		
Number of Parcels		345
Total Agricultural Value	\$18,254,440	
Total Agricultural Acres	7,487.90	
Residential		
Number of Parcels		11,322
Total Residential Value	\$1,095,724,756	
Number of Dwellings	10,583	
Commercial		
Number of Parcels		1,434
Total Commercial Value	\$382,489,125	
Number of Buildings	1,338	
Industrial		
Number of Parcels		103
Total Industrial Value	\$12,223,972	
Number of Buildings	181	
Exempt (government owned, schools, churches, etc)		
Number of Parcels		<u>823</u>
Total Parcels in Mason City		14,027

ACTION OF THE 2014 BOARD OF REVIEW
Chair Steve Rye, Janel Nagel, Ray Mechem

The 2014 Board of Review considered 21 protests.

The total value of real estate considered for protests \$19,303,420

Total number of protests by class of property:

Agricultural	0
Residential	5
Commercial	15
Industrial	<u>1</u>
TOTAL	21

Number of protests denied 12

Number of protests upheld 9

Reduction in value - \$2,241,040

Increase in value + \$0

TOTAL value of real estate after BOR action \$17,062,380

2014 TAX EXEMPT PROPERTY SUMMARY REPORT

Assessing Jurisdiction Mason City

TYPE OF EXEMPT PROPERTY

A. RELIGIOUS INSTITUTIONS (427.1(8))		
1. Churches	<u>26,433,634</u>	
2. Recreational.	<u>0</u>	
3. Schools.	<u>3,118,109</u>	
4. Residential	<u>1,241,749</u>	
5. Church Camps	<u>7,167</u>	
6. Others.	<u>623,568</u>	
TOTAL ALL RELIGIOUS INSTITUTIONS.		<u>31,424,227</u>
B. TOTAL ALL LITERARY SOC. & EDUCATIONAL INST. (427.1(8))		<u>3,885,064</u>
C. TOTAL ALL LOW RENT HOUSING (427.1(21))		<u>0</u>
D. TOTAL ALL ASSOCIATIONS OF WAR VETERANS (427.1(5))		<u>229,152</u>
E. CHARITABLE AND BENEVOLENT SOCIETIES (427.1(8))		
1. Hospitals	<u>84,018,931</u>	
2. Fraternal Organizations	<u>9,431,232</u>	
3. Agricultural Societies . .	<u>457,230</u>	
4. Retirement Homes	<u>5,424,751</u>	
5. Nursing Homes.	<u>10,197,236</u>	
6. Others.	<u>15,985,534</u>	
TOTAL ALL CHARITABLE & BENEVOLENT SOCIETIES . . .		<u>125,514,914</u>
F. TOTAL ALL LIBRARIES & ART GALLERIES (427.1(7))		<u>83,514</u>
G. TOTAL ALL DWELLING UNIT PROPERTY (427.1(21A))		<u>0</u>
H. TOTAL ALL HOMES FOR SOLDIERS (427.1(10))		<u>0</u>
I. TOTAL ALL RACETRACKS (427.1(2))		<u>0</u>
TOTAL ALL EXEMPT PROPERTY		<u>161,136,871</u>

CREDITS, EXEMPTIONS & MISC PROCESSES
As of December 31, 2014

Urban Revitalization Exemptions:	
New applications 2013/2014	44
Expired U.R. exemptions 2014	0
Total ongoing U.R. exemptions 2014	118
Homestead Credits:	
New applications 2013/2014	323
Disallowed credits 2014	396
Total ongoing credits 2014	7,306
Disabled Veterans Homestead Applications:	
Approved applications 2013/2014	20
Non-qualifying applications 2013/2014	15
Military Credit:	
New applications 2013/2014	60
Disallowed credits 2014	135
Total ongoing credits 2014	1,761
Business Property Tax Credit:	
New applications 2013/2014	924
Non-qualifying applications 2013/2014	5
Other Credits/Exemptions in 2014:	
Charitable & Benevolent Property Exemption	4
Forest & Fruit Tree Reserve Exemption	12
Slough Bill Exemption	8
Family Farm Tax Credit	24
Miscellaneous other in 2014:	
Building Permits	588
Deeds & Contracts	1,012
Declaration of Value Statements	630
Plats & Surveys	14
Apportionments & Combinations	79
Class Changes	55
Grain Tax Returns	5
Credit Union Statements	6
Section 42 Housing	9

ChangeFinder™ RESULTS

Whether assessing property, maintaining the integrity of a pipeline or managing right-of-way encroachments, staying on top of the constant change created by building construction, demolitions and permits has traditionally been time-consuming and resource intensive. ChangeFinder helps by providing a consolidated data set that tells you exactly what has changed rather than just overloading your team with more data to sort through. Changes can be validated right from the desktop.

GIS polygon outlines are created for analysis of changes in size and shape. These building outlines are compared with imagery and changes are flagged for verification and analysis. This technology can also compare existing building outlines to new Pictometry imagery to find changes. Assessors can:

- Dramatically reduce the time and expense of field assessments
- Increase revenue by discovering previously undetected improvements
- Improve communications during the appeal process using imagery



RESULTS OF CHANGEFINDER IN MASON CITY

- Comparison of 2009 to 2013 aerial & oblique imagery
- **19,307** individual property changes recognized by ChangeFinder – new construction, demolition or change in building footprint. One record could have multiple individual changes such as tear down old garage, build new garage, and build a new deck. These would be logged in ChangeFinder as three separate changes.

The results of the 19,307 logged changes:

- **263** False positives
 - **18,801** property changes already accounted for due to permits or other discovery methods between 2009 -2014.
 - **243** property changes unknown to Assessor's Office to be listed for the 2015 assessment year. These are new construction items such as garages, sunrooms, decks, additions, new buildings, etc. in which building permits were never taken out.
- We have until 4/1/2015 to update our records with the results of these 243 changes. As of 1/19/2015, we will be adding **\$3,669,730** to the assessment rolls as new construction due to real estate discovered by ChangeFinder.
 - Almost all of these changes are to Residential records. At the current effective tax rate for residential property, this equates to **\$65,145 in new property taxes**.
 - The cost of ChangeFinder in 2013 was \$10,400.
 - A new Pictometry flight is scheduled for Spring 2016. The cost of ChangeFinder in 2016 has been quoted at \$5,650 to compare the 2013 to the 2016 imagery.

BEACON WEBSITE USER REPORT

Mason City, IA



Date Created: 1/14/2015

Summary

Application Name	CityofMasonCityIA
Date	Wednesday, January 14, 2015 11:00:50 AM
Date Range	11/20/2013 12:00:00 AM - 12/31/2014 11:59:59 PM
Total Requests	142,662
Avg Requests / Day	351.38
Total Visits	23,293
Avg Visits / Day	57.37
Avg Requests / Visitor	6.12

Month of Year

Month of Year	Requests	%	Visits	%
January	7,258	5.09%	1,105	4.74%
February	7,191	5.04%	1,373	5.89%
March	9,019	6.32%	1,575	6.76%
April	14,947	10.48%	2,076	8.91%
May	11,786	8.26%	1,815	7.79%
June	10,741	7.53%	1,761	7.56%
July	12,278	8.61%	1,973	8.47%
August	11,983	8.40%	1,912	8.21%
September	11,791	8.26%	2,156	9.26%
October	13,269	9.30%	2,380	10.22%
November	12,938	9.07%	2,118	9.09%
December	19,461	13.64%	3,049	13.09%

Day of Week

Day of Week	Requests	%	Visits	%
Sunday	7,935	5.56%	1,388	5.96%
Monday	26,063	18.27%	4,280	18.37%
Tuesday	26,993	18.92%	4,265	18.31%
Wednesday	26,543	18.61%	4,288	18.41%
Thursday	25,271	17.71%	3,983	17.10%
Friday	21,606	15.14%	3,611	15.50%
Saturday	8,251	5.78%	1,478	6.35%

Hour of Day

Hour of Day	Requests	%	Visits	%
00:00 - 00:59	2,202	1.54%	412	1.47%
01:00 - 01:59	1,268	0.89%	263	0.94%
02:00 - 02:59	861	0.60%	175	0.62%
03:00 - 03:59	619	0.43%	150	0.53%
04:00 - 04:59	471	0.33%	128	0.46%
05:00 - 05:59	572	0.40%	144	0.51%
06:00 - 06:59	793	0.56%	200	0.71%
07:00 - 07:59	1,370	0.96%	325	1.16%
08:00 - 08:59	2,686	1.88%	631	2.24%
09:00 - 09:59	7,822	5.48%	1,606	5.71%
10:00 - 10:59	11,915	8.35%	2,481	8.83%
11:00 - 11:59	13,468	9.44%	2,745	9.76%
12:00 - 12:59	14,381	10.08%	2,640	9.39%
13:00 - 13:59	10,407	7.29%	2,027	7.21%
14:00 - 14:59	12,193	8.55%	2,368	8.42%
15:00 - 15:59	13,513	9.47%	2,614	9.30%
16:00 - 16:59	13,220	9.27%	2,499	8.89%
17:00 - 17:59	9,973	6.99%	1,992	7.09%
18:00 - 18:59	5,438	3.81%	995	3.54%
19:00 - 19:59	3,498	2.45%	717	2.55%
20:00 - 20:59	3,625	2.54%	743	2.64%
21:00 - 21:59	4,243	2.97%	766	2.72%
22:00 - 22:59	4,112	2.88%	729	2.59%
23:00 - 23:59	4,012	2.81%	761	2.71%