

**Assessor's Annual Report to the
Mason City Conference Board
Year ending 12-31-2018**



Mason City Conference Board

Chairperson:

Mayor Bill Schickel

City Council:

Paul Adams • John Jaszewski • John Lee •
Joshua Masson • Will Symonds • Tom Thoma

Cerro Gordo County Board of Supervisors:

Casey Callanan • Tim Latham • Chris Watts

Mason City Board of Education:

Doug Campbell • Jodi Draper • Lorrie Lala •
Jacob Schweitzer • Brent Seaton • Alan Steckman • Scott Warren

**2018 Report to the Mason City Conference Board
Office of the Mason City Assessor**

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January 15, 2019

Following is the 2018 Annual Report of the Mason City Assessor to the Mason City Conference Board. I hope you find this information useful.

New Website Launched

Cerro Gordo County launched a new website in January of 2018. The Mason City Assessor established a subsite to the County's website at the same time to allow for "one-stop-shopping" for the citizens of Mason City & Cerro Gordo County. The Mason City Assessor's website is www.masoncityassessor.net. Deputy Assessor Tara Fitzpatrick took the lead on this project and has been instrumental in the development and ongoing maintenance of new website. Since this site went live, the Beacon Real Estate website usage has doubled (see Page 13). We attribute this to better visibility of the new City Assessors website.

Staff Updates

Stephanie Halbur joined the City Assessor's Office on January 2, 2018. Stephanie was hired as the office clerk and her primary duties include processing all real estate sales and assisting taxpayers in applying for various property tax credits and exemptions. Prior to joining the Assessor's Office, Stephanie worked at Cerro Gordo Abstract.

Residential Appraiser Pamela Pingel achieved the Iowa Certified Assessor (ICA) professional designation from the Institute of Iowa Certified Assessors (IICA) in June. Pam also maintains her status on the Assessor Register held by the Iowa Department of Revenue (IDR).

Deputy Assessor Tara Fitzpatrick achieved the Residential Evaluation Specialist (RES) professional designation from the International Association of Assessing Officers (IAAO) in October. Tara also holds the ICA designation and maintains her status on the Assessor Register. Tara is actively working towards achieving the Assessment Administration Specialist (AAS) professional designation from IAAO.

Reappraisal Project Overview

One of the largest projects the Assessor's Office has been working on over the last few years is the Residential Reappraisal Project. The Mason City Conference Board approved the project with Vanguard Appraisals Inc. in 2013. The reappraisal was done for the purpose of equalizing assessments to ensure compliance with the state laws of Iowa, and the rules and policies of the Iowa Department of Revenue. It is worthwhile to note that Vanguard Appraisals was also contracted to reappraise property in Cerro Gordo County simultaneously with the Mason City project.

A copy of the residential property record database was delivered to Vanguard in early 2016. Door-to-door inspections began in the spring of 2016 and wrapped up in summer of 2017. The next phase of the project involved real estate sales validation, establishing land values, establishing manual level and depreciation charts and application and preliminary property values.

Senior appraisers then conducted final field reviews in the fall of 2017 including listing new construction from building permits issued in 2017. Final values were established, final parcel editing was completed by Vanguard, and the reappraisal project was delivered to the City Assessor the first week of 2018.

The assessed values determined were to be reflective of the market value of the property as of January 1, 2018. Only sales of real estate in Mason City were used in determining the assessed values for residential properties in Mason City. The Residential Sales Ratio Study for 1/1/2018 that analyzes the final results of the reappraisal project is included in this report (see Page 15). The reappraisal has addressed and corrected the inequity issues that were problematic while maintaining a median sales ratio of 99.77%. These are the results we expected to see after such a project.

While there was a 6% cumulative increase in residential taxable valuation as a result of the reappraisal, the valuation changes of individual parcels varied. Property owners were individually notified of their new assessments in March 2018. Informal appeal hearings were held with the Assessor's Office and Vanguard Appraisals staff in April 2018, and formal hearings were held with the Board of Review in May 2018. Highlights from the residential reappraisal project and the ensuing hearings are contained in this report.

Sincerely,

Dana Shipley

Dana Shipley, ICA, RES, AAS
Mason City Assessor

**STAFF OF ASSESSOR'S OFFICE &
BOARD OF REVIEW MEMBERS
2018**

ASSESSOR'S OFFICE

Administration

Dana Shipley, ICA, RES, AAS

Mason City Assessor

Appointment term 1/1/2016 – 12/31/2021

Tara Fitzpatrick, ICA, RES

Chief Deputy Assessor

Appointment term 7/29/2013 – 7/28/2019

Staff

Pamela Pingel, ICA

Residential Appraiser

Stephanie Halbur

Real Estate Clerk

BOARD OF REVIEW

Janel M. Nagel

Real estate appraiser

Appointment term 1/1/2013-12/31/2018

David Guetzko

Realtor

Appointment term 1/1/2015-12/31/2020

Ray Mechem

Real estate finance

Appointment term 1/1/2017-12/31/2022

STATEMENT OF ASSESSED VALUATIONS OF MASON CITY
As of July 1, 2018

Taxable Real Property (7-1-2017)		\$1,725,373,620
New Construction (added 1-1-2018)		\$ 20,205,450
Revaluation		\$ 105,900,490
Property Returned to Local Taxation		<u>\$ 972,200</u>
Total Taxable Real Property		\$1,852,451,760
Less:		
Demolition (removed 1-1-2018)	\$ 787,470	
Revaluation	\$ 49,929,728	
New Claims for Tax Exempt and Non-Taxable	\$ 152,190	
District Court and PAAB Decrees	\$ 705,150	
		<u>\$ 51,574,538</u>
Net Taxable Real Property		\$1,800,877,222
Utility Property (Assessed by the Department of Revenue)		\$ 156,987,665
Full Value of Taxable Real Property		\$1,957,864,887
Less Partial Exemptions:		
Urban Revitalization	\$ 13,221,890	
Pollution Control/Recycling	\$ 1,607,990	
Land Conservation	\$ 282,420	
Geothermal/Solar/Wind	\$ 10,330	
		<u>\$ 15,122,630</u>
ADJUSTED VALUE OF NET TAXABLE REAL PROPERTY		\$1,942,742,257

**STATEMENT OF PROPERTY CLASSIFICATIONS OF MASON CITY
As of July 1, 2018**

Agricultural		
Number of Parcels		345
Total Agricultural Value	\$13,587,230	
Total Gross Acres	7,777.91	
Total Net Acres	7,616.91	
 Residential		
Number of Parcels		11,313
Total Residential Value	\$1,177,631,140	
Number of Dwellings	10,645	
 Multiresidential		
Number of Parcels		197
Total Commercial Value	\$51,614,197	
Number of Units	178	
 Commercial		
Number of Parcels		1,306
Total Commercial Value	\$452,778,485	
Number of Units	767	
 Industrial		
Number of Parcels		<u>99</u>
Total Industrial Value	\$105,266,170	
Number of Units	36	
 Total Taxable Parcels in Mason City		
		13,280
 Exempt (government owned, schools, churches, etc.)		
Number of Parcels		<u>868</u>
 Total Parcels in Mason City		
		14,128

2018 TAX EXEMPT PROPERTY SUMMARY REPORT

RELIGIOUS INSTITUTIONS (427.1(8))

1. Churches	<u>\$36,713,120</u>
2. Recreational	<u>\$0</u>
3. Schools	<u>\$9,172,190</u>
4. Residential	<u>\$2,332,980</u>
5. Others	<u>\$1,301,950</u>

TOTAL ALL RELIGIOUS INSTITUTIONS \$49,520,240

TOTAL ALL LITERARY SOC. & EDUCATIONAL INST. (427.1(8)) \$453,730

TOTAL ALL LOW RENT HOUSING (427.1(21)) \$1,072,990

TOTAL ALL ASSOCIATIONS OF WAR VETERANS (427.1(5)) \$239,400

CHARITABLE AND BENEVOLENT SOCIETIES (427.1(8))

1. Hospitals	<u>\$103,377,518</u>
2. Fraternal Organizations	<u>\$2,116,310</u>
3. Agricultural Societies	<u>\$401,388</u>
4. Retirement Homes	<u>\$17,145,925</u>
5. Nursing Homes	<u>\$15,819,390</u>
6. Others	<u>\$49,077,857</u>

TOTAL ALL CHARITABLE & BENEVOLENT SOCIETIES \$187,938,388

GOVERNMENT PROPERTY

1. State	<u>\$6,318,060</u>
2. Federal	<u>\$2,126,370</u>
3. County	<u>\$8,984,050</u>
4. Municipal	<u>\$20,189,290</u>

TOTAL GOVERNMENT OWNED PROPERTY \$37,617,770

PUBLIC SCHOOLS

1. 0 - 12	<u>\$2,208,842</u>
2. Colleges	<u>\$31,906,670</u>
3. Regent	<u>\$0</u>

TOTAL PUBLIC SCHOOLS \$34,115,512

TOTAL ALL EXEMPT PROPERTY \$310,958,030

INFORMAL ASSESSMENT APPEALS REPORT 2018

Appeals to Assessor

Assessment and Vanguard Appraisals staff considered 177 informal appeals.

Appeals were considered April 2, 2018 – April 25, 2018.

TOTAL value of taxable real estate before hearings: \$1,802,793,102

TOTAL value of real estate considered for protests: \$18,516,620

Total number of protests by class of property:

Agricultural	0
Residential	177
Multiresidential	0
Commercial	0
Industrial	<u>0</u>
TOTAL	177

Number of protests denied: 49

Number of protests upheld: 128

Reduction in value: - \$1,389,090

Increase in value: + \$138,160

TOTAL value of real estate considered after hearings: \$17,265,690

Reduction in total value of real estate considered: - 6.76%

Percentage of M.C. total taxable parcels appealed to Assessor: 1.33%

Reduction in M.C. total taxable value after Assessor action: - 0.04%

BOARD OF REVIEW REPORT 2018
Chair Ray Mechem, Janel Nagel, Dave Guetzko

The 2018 Board of Review considered 72 assessment appeals.

The Board of Review was in session for a total of 5 days.

TOTAL value of taxable real estate before BOR action: \$1,801,542,172

TOTAL value of real estate considered for protests: \$25,071,080

Total number of protests by class of property:

Agricultural	0
Residential	55
Multiresidential	0
Commercial	17
Industrial	<u>0</u>
TOTAL	72

Number of protests denied: 45

Number of protests upheld: 27

Reduction in value: - \$693,650

Increase in value: + \$28,700

TOTAL value of real estate considered after BOR action: \$24,406,130

Reduction in total value of real estate considered: - 2.65%

Percentage of M.C. total taxable parcels appealed to BOR: 0.54%

Reduction in M.C. total taxable value after BOR action: - 0.04%

**DISTRICT COURT & PROPERTY ASSESSMENT APPEAL BOARD (PAAB)
Report for 2018**

District Court appeals filed after 2018 BOR Session: 0

PAAB appeals filed after 2018 BOR Session: 6

PAAB appeals by class of property:

Agricultural 0

Residential 2

Multiresidential 0

Commercial 4

Industrial 0

TOTAL 6

Number of appeals upheld: 0

Number of appeals denied: 1

Number of appeals settled: 1

Number of appeals withdrawn: 0

Number of appeals unresolved (2018 docket): 4

TOTAL reduction in assessed value from decisions: - \$39,200

District Court & PAAB appeals from 2017 docket decided in 2018:

Number of appeals upheld: 0

Number of appeals denied: 1

Number of appeals settled: 3

Number of appeals withdrawn: 0

TOTAL reduction in assessed value from decisions: - \$2,940,475

CREDITS, EXEMPTIONS & MISC PROCESSES
Report for 2018

Urban Revitalization Exemptions:

New applications	61
Expired exemptions	39
Total ongoing exemptions	198

Homestead Credits:

New applications	359
Disallowed credits	387
Total ongoing credits	6,984

Disabled Veterans Homestead Credit Applications:

New applications	13
Disallowed credits	8
Total ongoing credits	73

Military Credit:

New applications	55
Disallowed credits	103
Total ongoing credits	487

Business Property Tax Credit:

New applications	93
Disallowed credits	88
Total ongoing credits	1,002

Other Credits/Exemptions:

Forest & Fruit Tree Exemptions	14
Slough Bill Exemptions	16
Family Farm Tax Credits	26

Miscellaneous:

Assessment Notices	11,167
Building Permits (\$33,418,631 reported value)	543
Demolition Permits (\$93,712 reported value)	22
Deeds & Contracts	1,112
Declaration of Value Statements	708
Apportionments, Combinations & Plats	28
Grain Tax Returns	5
Section 42 Housing Statements	6
Minimum Assessment Agreements	3

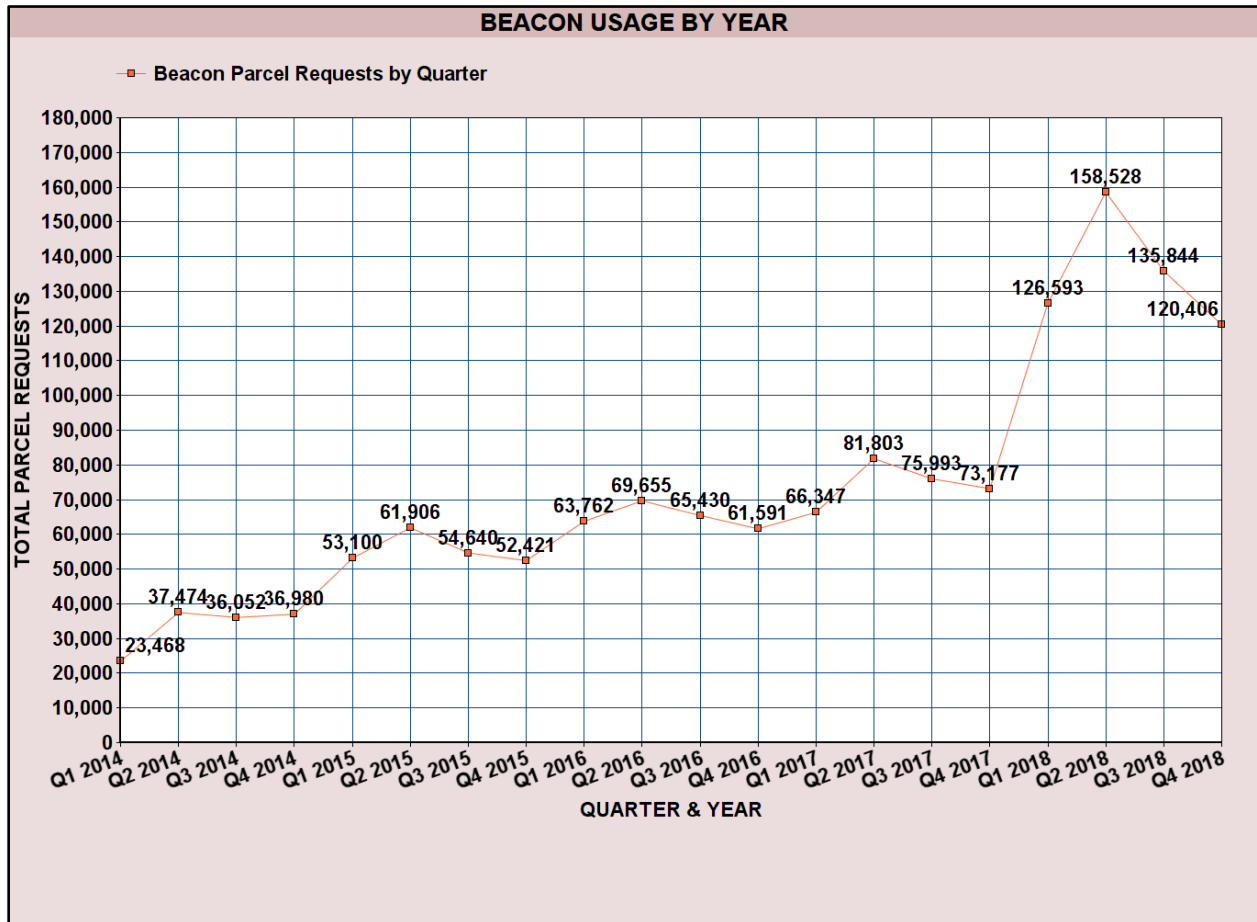
Beacon Real Estate Website Usage Report 1/1/2018-12/31/2018



268,955 – All-time Website Visits as of Dec 31, 2018

1,464,924 – All-time Parcels Requests as of December 31, 2018

Year	Annual Website Visits	Ave. Visits/Day	Annual Parcel Requests	Ave. Requests/Day	Ave. Requests/Visit
2013 (Q3-Q4)	1,302	3.58	9,754	26.80	7.49
2014	22,232	61.08	133,974	368.06	6.03
2015	39,455	108.39	222,067	610.07	5.63
2016	49,369	135.26	260,438	713.53	5.28
2017	55,870	153.49	297,320	816.81	5.32
2018	100,727	276.72	541,371	1,487.28	5.37



**2018 RESIDENTIAL REAPPRAISAL PROJECT
By the Numbers**

Project Employees:

Number of Vanguard Appraisal staff to work on the project	26
Number of Assessor's Office staff to work on the project	<u>4</u>
	30

Residential Parcel Counts:

Residential improved parcels	10,634
Agricultural dwelling parcels	28
Residential vacant land parcels	<u>651</u>
	11,313

Inspection Results:

Inspected	5,472	(52%)
Information from Owner	477	(4.5%)
Estimated	2,465	(23.5%)
Refused	2,071	(20%)

Individual Parcel Value Changes from 2017 to 2018:

Increased	7,955	(70.3%)
Decreased	3,334	(29.5%)
No Change	24	(0.2%)

Assessment Totals:

2017 Residential (& Ag Dwelling) Total Value:	\$1,110,748,610	
2018 Residential (& Ag Dwelling) Total Value:	\$1,177,631,140	(+6%)*

*+5% from revaluation & +1% from new construction

SALES RATIO ANALYSIS BEFORE & AFTER THE REAPPRAISAL PROJECT

Key terms:

Sales Ratio = Assessed Value /
Sale Price

Mean Ratio = Average Ratio

Median Ratio = Middle Ratio

- Target Median is 95% - 105%
- Median <95% means properties are generally under assessed
- Median >105% means properties are generally over assessed
- If the median does not fall within 95% - 105%, and revaluation is not done locally, the Iowa Department of Revenue (IDR) will order the entire classification of properties increase or decrease in value by a flat percentage as an Equalization Order to reach 100%.

Price Related Differential (PRD)

- Target PRD is 0.98 – 1.03
- PRD measures progressivity & regressivity
- PRD < 0.98 = High end properties are over appraised compared to low end properties.
- PRD > 1.03 = High end properties are under appraised compared to low end properties.

Coefficient of Dispersion (COD)

- COD measures uniformity of assessments
- Target COD is 15 or less for Residential property

Mason City Residential Properties Pre-Reappraisal Project Analysis:

Residential Sales Ratio Study for 2013

**Analysis of 328 real estate sales in Mason City
(1/1/2012 – 12/31/2012)**

2012 Assessments vs. 2012 Sale Prices

Mean Ratio = 109.87%
Median Ratio = 103.80%
PRD = 1.07
COD = 18.17

- By comparing residential property assessments to their sale prices, the median sales ratio shows that assessments are 3.8% above market value yet comply with IDR requirements.
- The PRD indicates high-value properties are under assessed compared to low-value properties.
- The COD indicates residential properties assessments are not uniform throughout the city.
- A reappraisal is warranted according to the ratio study results. A reappraisal will help correct these equity and uniformity issues.

Mason City Residential Properties Vanguard Appraisals Reappraisal Results:

Preliminary Residential Sales Ratio Study for 2018:

**Vanguard Appraisals analyzed 351 real estate sales in
Mason City (1/1/2017- Q4 2017)**

New 2018 Assessments vs. 2017 Sale Prices

Mean Ratio = 100.36%
Median Ratio = 99.77%
PRD = 1.02
COD = 7.61

- Comparing property assessments to their sale prices, both the mean and median ratios show that properties are assessed at market value and comply with IDR requirements.
- The PRD indicates high-value and low-value properties are being valued equitably.
- The COD indicates residential property assessments are uniform throughout the city.

PROFESSIONAL ACCOMPLISHMENTS IN 2018

Assessor Dana Shipley:

- **Co-Chair of the ISAA Education Committee**
 - Committee is responsible for developing and providing continuing education to members of the Iowa State Association of Assessors. This committee sponsors schools, workshops and courses throughout Iowa and reports to the ISAA Executive Board
- **Iowa Department of Revenue (IDR) Multiresidential Equalization Committee**
 - Committee is tasked with writing Iowa Administrative Rules for the equalization procedures for the new multiresidential property classification.
- **IDR Preliminary Education Committee**
 - Committee is tasked with reviewing existing educational requirements for Iowa Assessors and Deputy Assessors, recommending preliminary education courses and additional continuing education to comply with HF 478. Committee is tasked with writing Iowa Administrative Rules and recommending changes to Iowa Code in report format for the 2018-2019 Iowa Legislature.
- **International Association of Assessing Officers (IAAO) Professional Designation Advisor**
 - Proctored 14 exams for 4 students on behalf of IAAO.

Deputy Assessor Tara Fitzpatrick:

- **Achieved the IAAO Residential Evaluation Specialist (RES) designation.**
- **Secretary for the North Central District of Assessing Officers.**
- **Co-Chair of the ISAA Program Committee**
 - Committee is responsible for planning annual meeting including: programs, music, house, reception, fellowship, and inter-agency relations. This committee reports to the ISAA Executive Board.
- **Board Member – Institute of Iowa Certified Assessors (IICA)**
 - The purpose of the IICA is to provide education to assessors and encourage professional designations.

Appraiser Pamela Pingel:

- **Achieved the IICA Iowa Certified Assessor (ICA) designation.**