

**City Assessor's Annual Report to the
Mason City Conference Board
Year ending 12-31-2021**



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:

Carol Dettmer • Cindy Garza • Katie Koehler • Peterson Jean-Pierre
Lorrie Lala • Brent Seaton • Alan Steckman

**2021 Report to the Mason City Conference Board
Office of the Mason City Assessor**

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STAFF OF ASSESSOR'S OFFICE

Tara Brueggeman, ICA, RES, AAS
Mason City Assessor
Appointment term 1/1/2022 – 12/31/2027

Stephanie Halbur
Residential Appraiser

Pamela Pingel, ICA
Chief Deputy Assessor
Appointment term 1/1/2022 – 12/31/2027

Vacant
Administrative Assistant

ASSESSOR

The Conference Board appoints, or reappoints, an assessor to a six-year term. Iowa assessors are required to pass coursework and a comprehensive examination before being eligible to be appointed. In order to be reappointed, 150 hours of state-approved continuing education, of which at least 90 hours must be tested courses, are required during the six-year term.

The main duties of the Assessor are to classify and value all property in the assessment jurisdiction. Iowa law requires reassessment in odd-numbered years and notification of changes of value in even-numbered years. Even-numbered year changes are typically new construction or renovation of existing structures. In odd-numbered years, the Mason City office recalculates values and sends notices to property owners.

In addition, the Assessor administers multiple credit and exemption programs. The most common are the homestead credit and military service exemption. Less common, but more problematic, are exemption claims for religious and charitable organizations and business property tax credits.

In the course of classifying and valuing property in Mason City, extensive property-related information is acquired. Public information laws require, and common-sense dictates, that most of this information be readily available for review. This often involves considerable time and effort, but it is an essential part of the operation.

It is also important for the Conference Board members to fully understand what the Assessor does not do:

- Does not calculate or collect taxes.
- Does not set the level of value – the Assessor measures the level of value, as indicated by sales of real property in Mason City.
- Does not make the laws and rules for assessments.

The most visible function of the office tends to be providing information to the public via the Internet or through requests in the office. However, the first priority and the primary effort of the office is discovering changes in real property, such as new construction, and maintaining the classification and values for the entire tax base of Mason City.

In summary, the Assessor has a variety of duties and functions and is an integral component of local government operations.

BOARD OF REVIEW

The Mason City Board of Review has three members. Members are appointed for staggered six-year terms. The Code requires members to have different occupations, and that at least one is experienced in real estate or construction.

The Board of Review meets annually in a limited time frame to hear assessment appeals. Most decisions from the Assessor can be appealed (e.g. value, classification, exemption).

The term dates for each current board member are as follows:

David Guetzko

Realtor

Appointment term 1/1/2021-12/31/2026

Ray Mechem

Real estate finance (retired)

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

Janel M. Nagel

Real estate appraiser (retired)

Appointment term 1/1/2019-12/31/2024

STATEMENT OF ASSESSED VALUATIONS OF MASON CITY
As of July 1, 2021

Taxable Real Property (7-1-2020)		\$1,867,706,439
New Construction (added 1-1-2021)		\$ 33,656,570
Revaluation		\$ 106,144,281
Property Returned to Local Taxation		<u>\$ 1,136,950</u>
 Total Taxable Real Property		 \$2,008,644,240
 Less:		
Demolition (removed 1-1-2021)	\$ 3,683,710	
Revaluation	\$ 12,546,921	
New Claims for Tax Exempt and Non-Taxable District Court and PAAB Decrees	\$ 217,690	
	\$ 2,627,640	
		<u>\$ - 19,075,961</u>
 Net Taxable Real Property		 \$1,989,568,279
 Utility Property (Assessed by the Department of Revenue)		 \$ 189,550,807
 Full Value of Taxable Real Property		 \$2,179,119,086
 Less Partial Exemptions:		
Urban Revitalization	\$ 27,364,310	
Pollution Control/Recycling	\$ 1,797,210	
Land Conservation	\$ 120,360	
Geothermal	\$ 19,700	
Transmission Property	\$ 1,896,680	
		<u>\$ - 31,198,260</u>
 ADJUSTED VALUE OF NET TAXABLE REAL PROPERTY		 \$2,147,920,826

**STATEMENT OF PROPERTY CLASSIFICATIONS OF MASON CITY
As of July 1, 2021**

Agricultural		
Number of Parcels		345
Total Value	\$15,173,030	
Total Gross Acres	7,724.45	
Total Net Acres	7,564.86	
 Residential		
Number of Parcels		11,345
Total Value	\$1,325,685,850	
Number of Dwellings	10,834	
 Multiresidential		
Number of Parcels		260
Total Value	\$68,318,605	
Number of Units	177	
 Commercial		
Number of Parcels		1,338
Total Value	\$469,678,604	
Number of Units	783	
 Industrial		
Number of Parcels		<u>82</u>
Total Value	\$110,682,190	
Number of Units	32	
 Total Taxable Parcels in Mason City		
		13,370
 Exempt (government owned, schools, churches, etc.)		
Number of Parcels		<u>883</u>
 Total Parcels in Mason City		
		14,253

2021 TAX EXEMPT PROPERTY SUMMARY REPORT

RELIGIOUS INSTITUTIONS (427.1(8))

1. Churches	<u>\$36,101,742</u>	
2. Recreational	<u>\$0</u>	
3. Schools	<u>\$9,534,930</u>	
4. Residential	<u>\$2,562,928</u>	
5. Others	<u>\$1,400,580</u>	
TOTAL ALL RELIGIOUS INSTITUTIONS		<u>\$49,600,180</u>
TOTAL ALL LITERARY SOC. & EDUCATIONAL INST. (427.1(8))		<u>\$590,150</u>
TOTAL ALL LOW RENT HOUSING (427.1(21))		<u>\$1,316,310</u>
TOTAL ALL ASSOCIATIONS OF WAR VETERANS (427.1(5))		<u>\$239,400</u>

CHARITABLE AND BENEVOLENT SOCIETIES (427.1(8))

1. Hospitals	<u>\$100,827,345</u>	
2. Fraternal Organizations	<u>\$2,081,790</u>	
3. Agricultural Societies	<u>\$392,888</u>	
4. Retirement Homes	<u>\$20,093,714</u>	
5. Nursing Homes	<u>\$20,631,000</u>	
6. Others	<u>\$48,718,524</u>	
TOTAL ALL CHARITABLE & BENEVOLENT SOCIETIES		<u>\$192,745,261</u>

GOVERNMENT PROPERTY

1. State	<u>\$8,378,750</u>	
2. Federal	<u>\$2,126,370</u>	
3. County	<u>\$9,194,780</u>	
4. Municipal	<u>\$28,457,070</u>	
TOTAL GOVERNMENT OWNED PROPERTY		<u>\$48,156,970</u>

PUBLIC SCHOOLS

1. 0 - 12	<u>\$103,310</u>	
2. Colleges	<u>\$41,652,380</u>	
3. Regent	<u>\$0</u>	
TOTAL PUBLIC SCHOOLS		<u>\$41,755,690</u>

TOTAL ALL EXEMPT PROPERTY		<u>\$334,403,961</u>
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INFORMAL ASSESSMENT APPEALS REPORT
Appeals to Assessor in 2021

Assessment staff considered 52 informal appeals.

Appeals were considered April 1, 2021 – April 25, 2021.

TOTAL value of taxable real estate BEFORE hearings: \$2,325,338,680

TOTAL value of real estate considered for protests: \$8,630,250

Total number of protests by class of property:

Agricultural	0
Residential	46
Multiresidential	1
Commercial	5
Industrial	<u>0</u>
TOTAL	52

Number of protests denied: 24

Number of protests upheld: 28

Reduction in value: - \$127,590

Increase in value: + \$0

TOTAL value of real estate considered AFTER hearings: \$8,502,260

Reduction in total value of real estate considered: - 1.478%

TOTAL value of taxable real estate AFTER hearings: \$2,325,211,090

Percentage of M.C. total taxable parcels appealed to Assessor: 0.371%

Reduction in M.C. total taxable value after Assessor action: - 0.005%

BOARD OF REVIEW REPORT
Formal Appeals to the Board in 2021

The 2021 Board of Review (BOR) considered 59 assessment appeals.

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

TOTAL value of taxable real estate BEFORE BOR action: \$2,325,211,090

TOTAL value of real estate considered for protests: \$131,712,970

Total number of protests by class of property:

Agricultural	0
Residential	13
Multiresidential	1
Commercial	38
Industrial	<u>7</u>
TOTAL	59

Number of protests denied: 41

Number of protests upheld: 18

Reduction in value: - \$1,268,850

Increase in value: + \$0

TOTAL value of real estate considered AFTER BOR action: \$130,368,710

Reduction in total value of real estate considered: - 0.963%

TOTAL value of taxable real estate AFTER BOR hearings: \$2,323,942,240

Percentage of M.C. total taxable parcels appealed to BOR: 5.665%

Reduction in M.C. total taxable value after BOR action: - 0.054%

**DISTRICT COURT & PROPERTY ASSESSMENT APPEAL BOARD (PAAB)
Report for 2021**

District Court appeals filed after 2021 BOR Session: 1

PAAB appeals filed after 2021 BOR Session: 6

PAAB appeals by class of property:

Agricultural 0

Residential 0

Multiresidential 0

Commercial 2

Industrial 4

TOTAL 6

Number of appeals upheld: 0

Number of appeals denied: 0

Number of appeals settled: 1

Number of appeals withdrawn: 1

TOTAL reduction in assessed value from decisions: \$2,298,750

District Court & PAAB appeals from 2020 docket decided in 2021:

Number of appeals upheld: 1

Number of appeals denied: 0

Number of appeals settled: 3

Number of appeals withdrawn: 1

TOTAL reduction in assessed value from decisions: \$4,906,580

CREDITS, EXEMPTIONS & MISC. PROCESSES
Report for 2021

Urban Revitalization Exemptions:	
New applications	43
Total ongoing exemptions	177
Homestead Credits:	
New applications	406
Disallowed applications	464
Total ongoing credits	6,823
Disabled Veterans Homestead Credit Applications:	
New applications	5
Disallowed applications	9
Total ongoing credits	86
Military Credit:	
New applications	33
Disallowed applications	107
Total ongoing credits	1,280
Business Property Tax Credit:	
New applications	46
Disallowed applications	53
Total ongoing credits	1039
Other Credits/Exemptions:	
Forest & Fruit Tree Exemptions	14
Slough Bill Exemptions	18
Family Farm Tax Credits	33
Transmission Property Exemption	17
Miscellaneous:	
Assessment Notices	10,188
Building Permits	531
Demolition Permits	25
Deeds & Contracts	1,016
Declaration of Value Statements	714
Apportionments, Combinations & Plats	24
Grain Tax Returns	5
Section 42 Housing Statements	6
Minimum Assessment Agreements	3

SALES RATIO & EQUALIZATION TERMS

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

What is an Equalization Order?

The Iowa Department of Revenue is responsible for “equalizing” assessments every two years. Following is a general explanation of the purpose of equalization.

The Department compares the assessors' abstracts to a “sales assessment ratio study” it has completed independently of the assessors. If the assessment (by property class) is 5% or more above or below the sales ratio study, the Department increases or decreases the assessment. (There is no sales ratio study for agricultural and industrial property.)

Equalization occurs on an entire class of property, not on individual property. Also, equalization occurs on an assessing jurisdiction basis, not on a statewide basis.

Equalization is important because it helps maintain equitable assessments among classes of property and among assessing jurisdictions. This contributes to a fairer distribution of state aid, such as aid to schools. It also helps to equally distribute the total tax burden within the area.

RESIDENTIAL SALES RATIO ANALYSIS 1/1/2021

January 1, 2021 was a revaluation year for Residential properties according to state law. A sales ratio study was conducted to compare assessed values with actual sale prices. If properties are not reassessed by the local assessor to comply with state law, the Department of Revenue will equalize assessments to facilitate compliance.

1/1/2021 Residential Sales Ratio Study Before Revaluation

Group Tally Number of sales in group = **519** Deeds: 519; Contracts: 0; Other: 0

	Low Assd Value	Mean	High Assd Value	Total
Sale Price	14,900	133,942	608,000	69,515,997
Land Value	0	0	0	0
Improvement Value	0	0	0	0
Total Assd Value	16,860	134,257	608,000	69,679,300

Low PIN 07-15-227-012-00

High PIN 07-02-277-003-00

Statistical Measures

High Ratio	567.42
Low Ratio	70.87
Weighted Mean	100.23
Mean	105.10
Median	99.14
Coefficient of Dispersion - Median	10.73
Coefficient of Variance - Mean	31.54
Price Related Differential (PRD)	1.05
Price Related Bias (PRB)	-0.107

1/1/2021 Residential Sales Ratio Study After Revaluation

Group Tally Number of sales in group = **519** Deeds: 519; Contracts: 0; Other: 0

	Low Assd Value	Mean	High Assd Value	Total
Sale Price	14,900	133,942	608,000	69,515,997
Land Value	0	0	0	0
Improvement Value	0	0	0	0
Total Assd Value	11,620	122,548	598,500	63,602,620

Low PIN 07-15-227-012-00

High PIN 07-02-277-003-00

Statistical Measures

High Ratio	512.69
Low Ratio	24.94
Weighted Mean	91.49
Mean	97.41
Median	90.61
Coefficient of Dispersion - Median	18.26
Coefficient of Variance - Mean	34.89
Price Related Differential (PRD)	1.06
Price Related Bias (PRB)	-0.135

Residential arm's length sales between 1/1/2020 – 12/31/2020 were used in the ratio study. A total of 519 sales were analyzed.

The median sales ratio on 12/31/2019 was 97.1%. By 12/31/2020 the median sales ratio had dropped to 90.61%, indicating that assessments are not within the acceptable range of 95-105% market value and an increase is necessary.

Residential assessments increased on average by 7% with a neighborhood range of -3.75% to 14.72%, bringing the overall adjusted sales median to 99.14%.

Assessments are also more uniform among the entire residential classification as the COD was lowered from 18.26 to 10.73 and the resulting PDR decreased from 1.06 to 1.05.

COMMERCIAL SALES RATIO ANALYSIS 1/1/2021

January 1, 2021 was a revaluation year for Commercial properties according to state law. A sales ratio study was conducted to compare assessed values with actual sale prices. If properties are not reassessed by the local assessor to comply with state law, the Department of Revenue will equalize assessments to facilitate compliance.

1/1/2021 Commercial Sales Ratio Study

Group Tally Number of sales in group = **37** Deeds: 37; Contracts: 0; Other: 0

	Low Assd Value	Mean	High Assd Value	Total
Sale Price	35,000	555,707	4,550,000	20,561,173
Land Value	0	0	0	0
Improvement Value	0	0	0	0
Total Assd Value	29,310	437,411	3,498,870	16,184,210

Low PIN 07-02-327-009-00

High PIN 07-07-100-021-00

Statistical Measures

High Ratio	191.71
Low Ratio	31.84
Weighted Mean	78.71
Mean	100.46
Median	98.03

Commercial arm's length sales between 1/1/2019 – 12/31/2020 were used in the ratio study. A total of 37 sales were analyzed.

The median sales ratio on 12/31/2019 was 93.56%. By 12/31/2020 the median sales ratio had risen to 98.03%, indicating that assessments are within the acceptable range of 95-105% market value and revaluation is not necessary.

Commercial valuations were only changed if construction/demolition at the property warranted a change.