

**CITY ASSESSOR'S ANNUAL REPORT TO THE  
MASON CITY CONFERENCE BOARD  
YEAR ENDING 12-31-2022**



**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 • Lori Meacham Ginapp • Chris Watts

**MASON CITY BOARD OF EDUCATION:**

Carol Dettmer • Cindy Garza • Katie Koehler • Peterson Jean-Pierre  
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# 2022 REPORT TO THE MASON CITY CONFERENCE BOARD

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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

**Vanessa Doden**

Administrative Assistant

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. To be reappointed 150 hours of state-approved continuing education are required during the six-year term. At least 90 hours must come from tested courses.

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. Even-numbered year changes are typically new construction or renovation of existing structures. Whenever there is a change to a property's value, classification, or exempt status, the office is required to notify the property owner by mail.

Extensive property-related information is acquired as a part of the assessment process. Public information laws require, and common-sense dictates, that most of this information be readily available for review. The office maintains a website and online database of all property records and responds to data requests as received.

In addition, the Assessor administers multiple credit and exemption programs. The most common are the homestead credit and military service exemption. Other programs include exemption claims for religious and charitable organizations and the maintenance of property units that qualify for the Business Two-Tier Assessment Limitation.

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 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.

It is also important for the Conference Board members to fully understand what the Assessor does not do. The Assessor's Office does not:

- calculate or collect taxes.
- set the level of value – the Assessor measures the level of value, as indicated by sales of real property in Mason City.
- make the laws and rules for assessments.

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, 2022**

Taxable Real Property (7-1-2021)		\$1,984,212,599
New Construction (added 1-1-2022)		\$18,626,276
Revaluation		\$62,188,921
Property Returned to Local Taxation		<u>\$472,210</u>
 Total Taxable Real Property		 \$2,065,500,006
 Less:		
Demolition (removed 1-1-2022)	\$1,556,720	
Revaluation	\$12,996,051	
New Claims for Tax Exempt and Non-Taxable	\$351,800	
District Court and PAAB Decrees	\$3,332,990	
		<u>-\$18,237,561</u>
 Net Taxable Real Property		 \$2,047,262,445
 Utility Property		 <u>\$171,961,059</u>
(Assessed by the Department of Revenue)		
 Full Value of Taxable Real Property		 \$2,219,223,504
 Less Partial Exemptions:		
Urban Revitalization	\$27,086,130	
Pollution Control/Recycling	\$2,292,680	
Land Conservation	\$54,870	
Geothermal	\$19,700	
		<u>-\$29,453,380</u>
 <b>ADJUSTED VALUE OF NET TAXABLE REAL PROPERTY</b>		 <b>\$2,189,770,124</b>

**STATEMENT OF PROPERTY CLASSIFICATIONS OF MASON CITY  
AS OF JULY 1, 2022**

**Agricultural**

Number of Parcels	362
Total Value	\$9,837,110
Total Gross Acres	7700.75
Total Net Acres	7541.48

**Residential**

Number of Parcels	11,343
Total Value	\$1,361,562,080
Number of Dwellings	10,838

**Residential 3+**

Number of Parcels	261
Total Value	\$69,839,340
Number of Units	178

**Commercial**

Number of Parcels	1334
Total Value	\$483,684,155
Number of Units	789

**Industrial**

Number of Parcels	80
Total Value	\$116,576,320
Number of Units	31

**Total Taxable Parcels in Mason City** **13,380**

**Exempt** (government owned, schools, churches, etc.)

Number of Parcels 893

**Total Parcels in Mason City** **14,273**

## 2022 TAX EXEMPT PROPERTY SUMMARY REPORT

RELIGIOUS INSTITUTIONS (427.1(8))	
1. Churches	<u>\$37,045,902</u>
2. Recreational	<u>\$0</u>
3. Schools	<u>\$10,613,260</u>
4. Residential	<u>\$2,636,908</u>
5. Others	<u>\$1,488,310</u>
TOTAL ALL RELIGIOUS INSTITUTIONS	<u>\$51,784,380</u>
TOTAL ALL LITERARY SOC. & EDUCATIONAL INST. (427.1(8))	<u>\$645,280</u>
TOTAL ALL LOW RENT HOUSING (427.1(21))	<u>\$1,246,580</u>
TOTAL ALL ASSOCIATIONS OF WAR VETERANS (427.1(5))	<u>\$237,630</u>
CHARITABLE AND BENEVOLENT SOCIETIES (427.1(8))	
1. Hospitals	<u>\$103,312,517</u>
2. Fraternal Organizations	<u>\$2,330,330</u>
3. Agricultural Societies	<u>\$408,205</u>
4. Retirement Homes	<u>\$19,771,721</u>
5. Nursing Homes	<u>\$22,539,750</u>
6. Others	<u>\$52,721,288</u>
TOTAL ALL CHARITABLE & BENEVOLENT SOCIETIES	<u>\$201,083,811</u>
GOVERNMENT PROPERTY	
1. State	<u>\$8,767,930</u>
2. Federal	<u>\$2,155,500</u>
3. County	<u>\$9,173,490</u>
4. Municipal	<u>\$29,056,770</u>
TOTAL GOVERNMENT OWNED PROPERTY	<u>\$49,153,690</u>
PUBLIC SCHOOLS	
1. 0 - 12	<u>\$103,020</u>
2. Colleges	<u>\$42,150,990</u>
3. Regent	<u>\$0</u>
TOTAL PUBLIC SCHOOLS	<u>\$42,254,010</u>
TOTAL ALL EXEMPT PROPERTY	<u>\$346,405,381</u>

# INFORMAL ASSESSMENT APPEALS REPORT

Assessment staff considered 18 informal appeals.  
Appeals were considered April 1, 2022 – April 25, 2022.

TOTAL value of real estate considered for protests: \$11,193,620

Total number of protests by class of property:

Agricultural	0
Residential	11
Residential 3+	2
Commercial	4
Industrial	1
TOTAL	<u>18</u>

Number of protests denied: 8

Number of protests upheld: 10

Reduction in value: -\$1,015,500

Increase in value: \$0

TOTAL value of real estate considered AFTER hearings: \$10,178,120

Reduction in total value of real estate considered: -9.07%

Percentage of M.C. total taxable parcels appealed to Assessor: 0.14%



# BOARD OF REVIEW REPORT

The 2022 Board of Review considered 26 assessment appeals.  
The Board of Review was in session for a total of 4 days.

TOTAL value of real estate considered for protests: \$47,541,960

Total number of protests by class of property:

Agricultural	0
Residential	8
Residential 3+	0
Commercial	15
Industrial	3
TOTAL	<u>26</u>

Number of protests denied: 17

Number of protests upheld: 9

Reduction in value: -\$1,201,560

Increase in value: \$0

TOTAL value of real estate considered AFTER BOR action: \$46,340,400

Reduction in total value of real estate considered: -2.53%

Percentage of M.C. total taxable parcels appealed to BOR: 0.19%

## DISTRICT COURT & PROPERTY ASSESSMENT APPEAL BOARD (PAAB)

District Court appeals filed after 2022 BOR Session: 1

PAAB appeals filed after 2022 BOR Session: 3

PAAB appeals by class of property:

Agricultural	0
Residential	0
Residential 3+	0
Commercial	0
Industrial	3
TOTAL	<u>3</u>

Number of appeals upheld: 0

Number of appeals denied: 2

Number of appeals settled: 2

Number of appeals withdrawn: 0

TOTAL reduction in assessed value from decisions: \$7,192,090

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District Court & PAAB appeals from prior years decided in 2022: 4

Number of appeals upheld: 0

Number of appeals denied: 0

Number of appeals settled: 3

Number of appeals withdrawn: 1

TOTAL reduction in assessed value from decisions: \$7,311,680

## CREDITS, EXEMPTIONS & MISC. PROCESSES

### Urban Revitalization Exemptions:

New applications	25
Total ongoing exemptions	173

### Homestead Credits:

New applications	693
Disallowed applications	700
Total ongoing credits	6,816

### Disabled Veterans Homestead Credit Applications:

New applications	13
Disallowed applications	10
Total ongoing credits	89

### Military Credit:

New applications	88
Disallowed applications	139
Total ongoing credits	1,229

### Other Credits/Exemptions:

Forest & Fruit Tree Exemptions	14
Slough Bill Exemptions	11
Family Farm Tax Credits	34

### Miscellaneous:

Assessment Notices	12,107
Building Permits	700
Demolition Permits	25
Deeds & Contracts	1,113
Declaration of Value Statements	701
Apportionments, Combinations & Plats	30
Grain Tax Returns	5
Section 42 Housing Statements	5
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. The Department compares the assessor's abstract to a Sales Assessment Ratio Study it has completed independently from the assessor. If the assessment (by property class) is 5% or more above or below the median determined in 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.

## 2022 ASSESSED VALUATIONS

In even-numbered years, it is not necessary to complete a revaluation of assessments and other than changes that result from new construction/demolition, assessments typically aren't revalued. However, in 2020 the Iowa Department of Revenue published an updated version of the Iowa Real Property Appraisal manual. Assessors are required to use the most current version of this manual in determining assessments. The 2020 Iowa Real Property Appraisal Manual was implemented for all property classes for Assessment Year 2022. On average, assessed values increased roughly 3% for residential and commercial properties.

House File 418 was passed in 2021, eliminated the Multi-Residential property classification beginning with assessment year 2022. Those parcels previously classed Multi-Residential have been reclassified as Residential, however they will still be analyzed separately for reappraisal purposes. 157 properties in Mason City were changed from Multi-Residential to Residential 3+.

House File 2552 was passed in 2022, repealing the Business Property Tax Credit. In lieu of the BPTC, beginning with assessment year 2022 all commercial, industrial, and railroad properties will be subject to the new Business Two-Tier Assessment Limitation. As a requirement for this new assessment limitation, property units were determined for all qualifying properties within Mason City.

## 2023 PROJECTIONS

The last revaluation occurred 1/1/2021 and the next revaluation will be 1/1/2023 with assessment notices mailed 4/1/2023. Iowa law mandates properties be assessed at market value (apart from agricultural property) and assessments subject to equalization must fall between 95% - 105% of the sales median of each property class.

- Between 1/1/2022 and 12/31/2022 541 arms-length residential sale transactions have been recorded for use in the residential sales ratio study. This represents 4.79% of all residential properties within Mason City. The median sales ratio based on these sales is 83.09%, indicating assessments will need to be increased for AY2023 to reach 100% market value.
- Between 1/1/2021 and 12/31/2022 70 arms-length commercial sale transactions have been recorded for use in the commercial sales ratio study. This represents 5.54% of all commercial properties within Mason City. The median sales ratio based on these sales is 88.03%, indicating assessments will need to be increased for AY2023 to reach 100% market value.