



Polk County Assessor Update

ICREA

March 6th, 2025

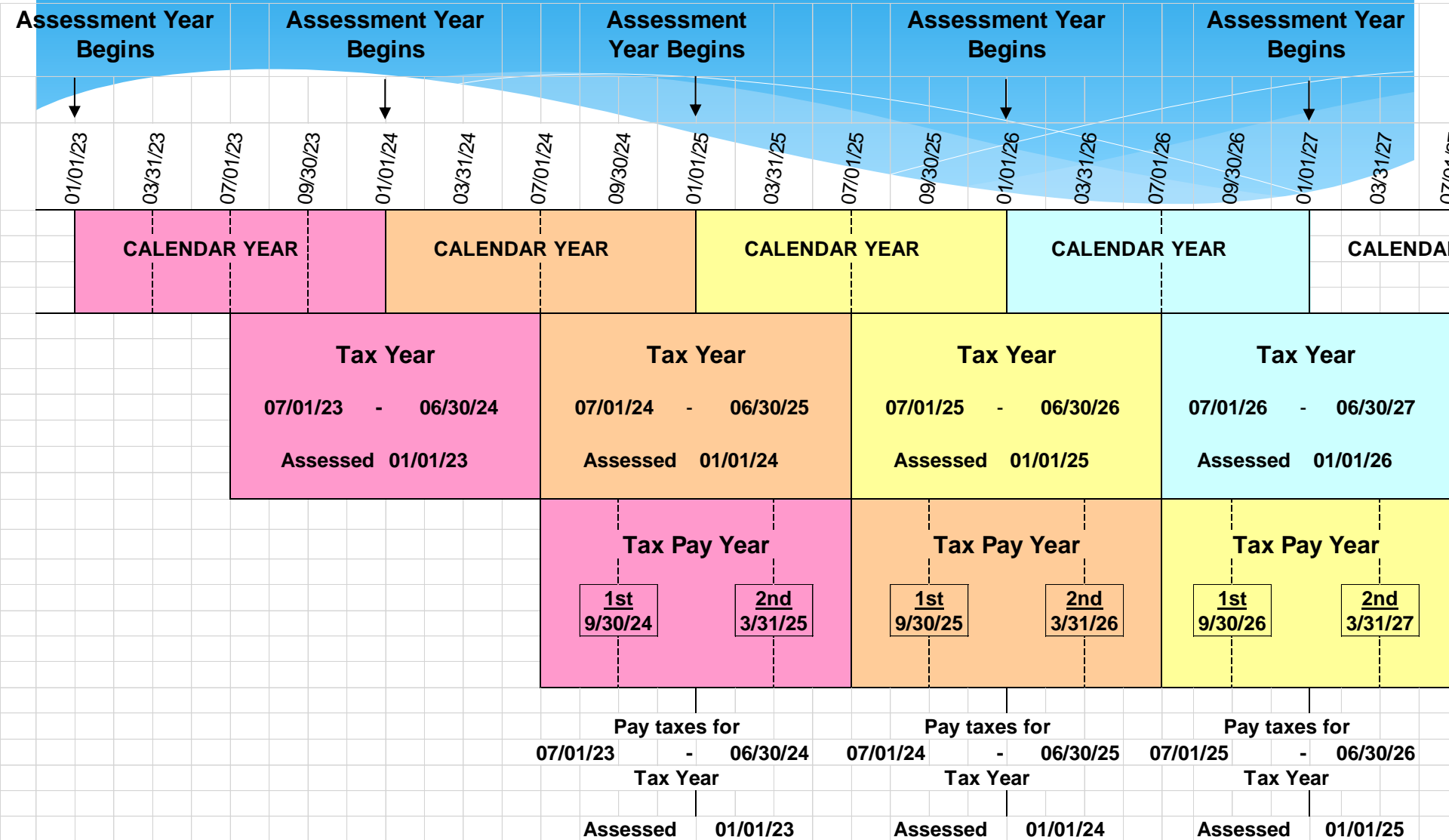
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ICREA

- * Property Tax Cycle Timeline
- * Basics of Assessed Values
- * Equalization
- * 2025 Revaluation Trends
- * Residential Rollback
- * Assessment Appeal Process

Iowa Property Tax Cycle



Basics of Assessed Values

* **Chapter 428.4** – “The assessment of real estate shall be the value of the real estate as of January 1 of the year of the assessment. The year 1981 and each odd-numbered year thereafter shall be a reassessment year.”

Basics of Assessed Values

- * Reassessment means we revalue all real property within our jurisdiction
- * Impact of the biennial reassessment cycle
 - assessment remains ‘frozen’ while market fluctuates within reassessment cycles

Basics of Assessed Values

* Market Value Standard

* **Code of Iowa Chapter 441.21:** All property... shall be assessed at one hundred percent of its actual value...

* ...The actual value of all property subject to assessment and taxation shall be the fair and reasonable market value of such property ...

Basics of Assessed Values

- * Market Value Standard

- * ***Market value***....the fair and reasonable exchange in the year in which the property is listed and valued between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and each being familiar with all the facts relating to the particular property...

Basics of Assessed Values

- * Market Value Standard
 - * Sale prices of the property or comparable property in normal transactions reflecting market value... shall be taken into consideration in arriving at its market value.

Basics of Assessed Values

- * Market Value Standard
 - * ... sale prices of property in *abnormal transactions* not reflecting market value shall not be taken into account... including but not limited to... foreclosure or other forced sales...

Equalization

Chapter 441.47 – “The director of revenue ... 1977, and every two years thereafter shall order the equalization of the levels of assessment of each class of property in the several assessing jurisdictions....”

Equalization

Chapter 441.47 – “The director shall adjust to actual value the valuation of any class of property as set out in the abstract of assessment when the valuation is at least five percent above or below actual value as determined by the director.”

Equalization

- Iowa law mandates the assessment level of 100% market value
- Allowance of +/-5%, thus the overall assessment level must fall between 95%-105% to be in compliance
- Outside this range – Director will adjust the assessments to the 100% level through an equalization order

2025 Residential Revaluation Trends

- * Polk County Residential Class 2024 Median Sales Ratio = 91.1%
- * Average Res. Class assessment change in 2025 = 10%
- * This will vary by neighborhood

2025 Commercial Revaluation Trends

- * Polk County Commercial Class 2024 Median Sales Ratio = 87.7%
- * Typical Comm. Class assessment change in 2025 = 14%
- * There are some exceptions, including office building over 20,000 s.f. receiving no change

2025 Commercial Revaluation Trends

- * Polk County Res 3+ Class 2024 Median Sales Ratio = 92.5%
- * Typical Res 3+ Class assessment change in 2025 = 8%

Residential Rollback

- Chapter 441.21 provides for the reduction of property tax valuations by applying assessment limitations to cushion the impact of inflation

Residential Rollback

- Annually, the Department of Revenue computes the assessment limitation percentages and county auditors multiply the assessed valuations by them to determine taxable valuations

Residential Rollback

- Iowa law limits statewide growth in taxable value due to revaluation of existing property to no more than 3% per year for residential and agricultural property

Residential Rollback

- The rollback calculation determines the percentage of a property's actual value that will be taxable that year

Residential Rollback

Assessed Value

X

Rollback %

=

Taxable Value

Residential Rollback

2023 statewide average residential increase was
21.46%

| Assessment | Rollback | Taxable Value |
|------------|----------|---------------|
| 2022 | | |
| \$100,000 | 0.546501 | \$54,650 |
| 2023 | | |
| \$121,460 | 0.463428 | \$56,290 |
| +21.46% | | +3% |

Commercial/Industrial Rollback

- The Commercial and Industrial class assessment limitation (rollback) is in two tiers
- The first tier – the first \$150,000 of assessed value shall receive the residential rollback
- For the second tier, any assessed value in excess of \$150,000 shall receive a 90 percent rollback

Comm/Ind Taxable Value

(1st \$150,000 AV * Res Rollback %)

+

(AV in excess of \$150,000 * 90%)

=

Taxable Value

Comm/Ind Taxable Value

| Total Assessed Value | Taxable Value | Eff Rollback |
|----------------------|---------------|--------------|
| 100,000 | 46,342 | 46.3428% |
| 150,000 | 69,514 | 46.3428% |
| 200,000 | 114,514 | 57.2571% |
| 250,000 | 159,514 | 63.8057% |
| 300,000 | 204,514 | 68.1714% |
| 350,000 | 249,514 | 71.2898% |
| 400,000 | 294,514 | 73.6286% |
| 450,000 | 339,514 | 75.4476% |
| 500,000 | 384,514 | 76.9028% |
| 750,000 | 609,514 | 81.2686% |
| 1,000,000 | 834,514 | 83.4514% |
| 1,250,000 | 1,059,514 | 84.7611% |
| 1,500,000 | 1,284,514 | 85.6343% |
| 1,750,000 | 1,509,514 | 86.2580% |
| 2,000,000 | 1,734,514 | 86.7257% |

2025 Revaluation

- Odd-numbered year –county-wide reassessment of all properties
- Approximately 190,000 assessment notices will be mailed on or before April 1st

Assessment Appeal Process

- Informal review requests – April 2nd – 25th
- Assessor and property owner agree on valuation or adjustment in writing
- Both parties must sign the agreement
- Change based on one or more of the five grounds for protest

Assessment Appeal Process

- Formal appeals – April 2nd through April 30th to the Board of Review
- Must be in writing, signed, and timely filed with the Assessor's office
- Can appeal on one or more of the five grounds

Grounds for Protest

1. Assessment is not equitable with other similar properties

Compare to like properties

List similar properties on petition

2. Assessed value more than value authorized by law

State actual value & fair assessment

Grounds for Protest

3. Not assessable – request exemption or misclassified

4. Error in the assessment

Math errors & listing errors

Grounds for Protest

5. Fraud in assessment

Board determines the validity of allegation

If supported, correct assessment and report to Director of Revenue

Assessment Appeal Process

- Board of Review meets in person during the month of May to hear the protests
- Can request an extension for the Director of Revenue to July 15
- Board decision provided to property owner in writing
- Property owner can appeal to PAAB or District Court

Questions?

