



Assessed values, Market values, and taxes

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Dave Kubik , Dubuque County Assessor
and
Troy Patzner, Dubuque City Assessor

Tax Cycle Timing

- 1/1/2019 Assessed value established
 - (Construction and changes made during 2018 calendar year)
- 9/23/2019 – Final equalization orders are issued
 - (Multi-Residential parcels outside DBQ +17%)
- 10/21/2019 – Rollback established for each classification
 - Rollback is applied and **Taxable Values** are now known
- 7/1/2019 through 6/30/2020 – Ownership and accrual period
- Jan-Feb-March of 2020– Budget hearings determine revenue needs
 - Revenue needs will determine the levy rate
- July - August 2020 – tax bills are calculated and mailed to owners
- Tax bills are due in Sept 2020 and March 2021

Why do taxes increase on a property?

- Primary reasons:
 - Increase in governmental spending
 - Individual value change with a parcel(s)
 - Tax burden “shift” between different classes of property (Agricultural, Residential, Multi-Residential, Commercial, Industrial, Utilities and Railroads)
 - It will happen this year due to revaluation, equalization orders and rollback changes

Revaluation notes on Residential and ag dwellings

- 2019 was a reassessment year, and there were major assessed value changes made in both the city and county.
 - Outside DBQ, the average increase in assessment was 5.4%. Inside DBQ the increase will average 4.6%.
 - These are only averages. Some individual changes will be much larger depending on the sales in each area of the city or county.
- The rollback will still play a roll in tax calculations. This year, Residential parcels will receive a 55.07% rollback factor. Last year the rollback was 56.92%.
 - Let's look at how this will affect taxable values....

Residential parcels (and agricultural dwellings)

- Taxable value calculation example

	Assessed value	Rollback	Taxable value
Last year	100,000	0.56918	56,918
This year	105,000	0.550743	57,828
% of change	+5.0%	-3.2%	+1.6%

Revaluation notes on Agricultural parcels

(Based upon a productivity value – 2013 through 2017 crop years)

- Most counties in Iowa saw a reduction in agricultural assessed value. (The state-wide average was a 29% decrease.)
 - Assessed values throughout the city and county went down an average of 30.4%.
- Due to this statewide decrease in assessed values, and the requirement that the rollback factor must allow a 3% statewide growth, the Ag rollback will go to 81.48% (from 56.13%).
 - Let's look at how this will affect taxable values....

Agricultural parcels - (Based upon a productivity value – 2013 through 2017 crop years)

- Taxable value calculation example

	Assessed value	Rollback	Taxable value
Last year	100,000	.561324	56,132
This year	69,640	.814832	56,744
% of change	-30.4%	+45.2%	+1.1%

Revaluation notes on Multi-Residential

Consists of apartment buildings, manufactured home parks, and nursing homes properties. It also includes areas in commercial buildings used for apartments (typically the second floor of a downtown retail building.)

- Inside DBQ assessed value increases averaged 18.9%.
- Outside DBQ assessed value was increased by 17%
- This year, Multi-Residential parcels will receive a 71.25% rollback factor. Last year the rollback was 75% which represents a 5% decrease in the taxable value for parcels with this classification.
- Unlike the Residential and Agricultural rollbacks which are based on limiting real world taxable value growth to 3%, the Multi-Res rollback is set by statute and will continue to go down 3.75 percentage points each year.
- This reduction in taxable value is unreimbursed by the state.

Multi-Residential parcels

- Taxable value calculation example

	Assessed value	Rollback	Taxable value
Last year	100,000	.75	75,000
This year	118,000	.7125	84,075
% of change	+18%	- 5%	+12.1%

Revaluation notes on Industrial parcels

- On industrial parcels, there were no widespread assessed value changes, only parcel specific changes.
- The rollback factor on this classification remains at 90%, with the state reimbursing **most** of the difference between the 90% and the historical 100% factor.
 - The statewide funding for the 10% backfill is frozen at the level from 2015 (4 years ago). Due to statewide growth in value, the current reimbursement is only funded at 87.25% of the total amount requested. **Legislation this year should be monitored for phase out on this reimbursement to local government.**
 - **Last year the county received \$ 832,015 in reimbursement from all classes.**

Revaluation notes on Commercial parcels

- Inside DBQ assessed values were increased an average of 2.5%.
- Outside DBQ, parcels in this class had an overall 5.1% increase in the assessed value due to revaluation.
 - Most land values saw increases of 30%. Building value changes varied widely.
- Like last year, the rollback factor remains at 90%, with the state reimbursing most of the difference between the 90% and the historical 100% factor.
- The reimbursement discussion/concerns for this classification is the same as Industrial.
- Dual classification: Around 330 parcels have some value assessed as Multi-Residential and some value assessed as Commercial. Tax changes on these parcels will be determined by the value in each classification.

2019 Overall Assessed Value Changes...

- Agricultural – County & City: -30.4%
- Residential & Ag Dwellings - Dubuque City: +4.6%
- Residential & Ag Dwellings – Rest of the County: +7.1%
- Multi-Residential – Dubuque City: +18.9%
- Multi-Residential – Rest of the County: +24.6%
- Commercial - Dubuque City: +2.5%
- Commercial – Rest of the County: +6.1%
- Industrial – Dubuque City: no change
- Industrial – Rest of the County: no change

Assessed Value added for 2019 due to **new construction**

(Partially Exempt and properties in TIF Districts are included)

	Dubuque City	Other Cities	Rural
Agricultural	0	21,080	1,393,320
Ag Dwellings	0	0	3,614,210
Residential	22,052,960	23,682,810	19,628,218
Multi-Res	61,221	5,550,870	19,997
Commercial	11,805,007	2,772,563	2,402,699
Industrial	15,972,390	1,729,460	397,900

2012 Net Change = 100,631,814

2013 Net Change = 123,180,299

2014 Net Change = 90,594,497

2015 Net change = 98,427,173

2016 Net change = 96,573,740

2017 Net Change = 113,995,853

2018 Net Change = 119,149,415

2019 net change = 111,104,705

7 Year review of taxable value changes

● 2012:	4.352 billion	
● 2013:	4.564 billion	+4.9%
● 2014:	4.619 billion	+1.2%
● 2015:	4.875 billion	+5.5%
● 2016:	4.998 billion	+2.5%
● 2017:	5.253 billion	+5.1%
● 2018:	5.405 billion	+2.9%
● 2019:	5.580 billion	+3.2%

How much is re-directed to TIF?

● 2012:	428 million	
● 2013:	496 million	+15.9%
● 2014:	475 million	-4.2%
● 2015:	519 million	+9.3%
● 2016:	527 million	+1.5%
● 2017:	443 million	- 15.9%
● 2018:	488 million	+10.2%
● 2019:	538 million	+10.2%

New Legislation – Senate File 634

- What it does:
 - Moves budget certification deadline from March 15 to 31
 - Prior to submission of the budget to the auditor, the board shall adopt a resolution establishing the total maximum property tax dollars (for both general and rural funds)
 - If new budget requests more tax dollars than previous year, add a statement telling the major reasons why an increase is being requested.
 - If the new budget requests more than 102% of the previous year tax dollars, a 2/3rd majority vote is required.
 - In addition to publishing in the newspaper, the proposed budget MUST also be posted to the county website.

Looking forward..

What to expect for real estate changes...

- Agricultural land and outbuildings are assessed on a productivity approach and are not directly tied to market value changes (increases or decreases).
- The 2020 assessments will keep the existing 2013 through 2017 crop year productivity. Our best estimate is that the rollback will go higher, and the taxable value will increase by 3% next year.

Looking forward..

What to expect for real estate changes...

- Residential:
 - During 2019, our studies show market values have continued to increase. Our information shows that inside Dubuque selling prices have risen an average of 4.8%, and outside Dubuque by 3.4 %. Our current assessments are running too low by 8.1% and 6.4% (respectively).
 - Between 2018 & 2019, the number of homes sold was down 9%
 - The East Central Iowa Association of REALTORS® reported similar findings last week. In that press release, they reported that while the number of homes sold was down, actual selling prices were up 4.25% between 2018 and 2019.
 - These market changes will be monitored during the 2020 calendar year and 1/1/2021 assessed values will be increased if the current trend continues.

Looking forward..

What to expect for real estate changes...

- Commercial
 - The next reassessment will happen for 1/1/21 and no widespread changes will be made for the 2020 assessments.
 - During 2019 there were 30 sales inside Dubuque that showed a 94% assessment level. Outside Dubuque, 9 sales shows a 93% assessment level.
 - The number of sales show a reasonably active market and current trends indicate a need for assessment levels to be increased slightly to align with current sale prices.
 - The Iowa Department of Revenue has started a new method of measuring assessment levels using “confidence interval” calculations. We will be using the results of this new study in conjunction with recent sales from 2020 to be more surgical in our assessment changes for 2021.

Looking forward..

What to expect for real estate changes...

- **Multi-Residential:**

- Sales have continued to increase in the classification too. Even with the large assessment increases last year assessment levels are still too low and most will likely need to be increased for 2021.
- Over the past year inside Dubuque there were 25 sales and the assessment level was 94%. Outside of Dubuque, there were 11 sales showing an assessment level of 82%.

- **Industrial:**

- Our market prediction for industrial parcels is unchanged from last year and we feel the market value for these properties remains stable. Properties that are vacant do sell, but at discounted prices. Buildings over 200,000 sq. ft. have a longer marketing time as there isn't a steady demand for that size of structure.



Questions??