

# FISCAL COMMITTEE MEETING

October 21, 2003

## PROPERTY TAX OVERVIEW

- A) PT Implementation Committee
- B) 2003 Equalization

## Property Tax Implementation Committee

The initial meeting of the Property Tax Implementation Committee was held on September 3, 2003 at the Iowa State Historical Building. The committee reviewed House File 692 as it pertains to the formation and charge of the property tax implementation committee.

Senator Bryan Sievers, Representative Jim Kurtenbach, and Dick Stradley, Department of Revenue Property Tax Administrator, will complete the October 31, 2003 report to the legislature. The report will likely contain a review of this meeting and any subcommittee meetings held prior to the end of October. There is one subcommittee meeting (Counties/Cities) scheduled for October 16<sup>th</sup>.

The four counties that volunteered to participate in the pilot project were Cerro Gordo, Woodbury, Warren, and Dickinson. Although no funds have been allocated for the counties as of yet, they will need to arrive at an estimated budget.

Four subcommittees were created to more efficiently manage the identified issues.

1. **Counties / Cities** (Dick Stradley, Tim McGee, Jim Kurtenbach, Don Shoultz, Tom Jarrett, *not last week*  
Larry Countryman and Jerry Shepler)

Land and SF tax, Base-year Conversion, Equalization I and Assessment Limitations I

2. **Broad Implementation Issues** (Larry Sigel, Mary Maloney, Randy Bauer, Herman Quirmbach, Ted Tedesco, Jim Kurtenbach, Curtis Rouse)

Equalization II and Assessment Limitations II, Credits and Exemptions, Payments in Lieu of Taxes (Gov't and NFP treatment), TIF and Urban Renewal Issues and Bonding, School Finance

3. **Property Tax Structure** (Bryan Sievers, Grant Veeder, Jerry Shepler, Larry Countryman, Cynthia Eisenhower)

Performance Measures

4. **Definitions of Categories and Classes** (Bryan Sievers, Mike Ralston, Kim Dreher, Gary Bilyeu, Mark Schuling)

Agriculture, Apartments and Mobile Home Parks, Appeal Times, Recreation/Green Space and other categories

The Department of Revenue will be responsible for the day-to-day operations and answering questions from the test counties. The committee will receive a list of the questions submitted to the Department along with the Department's responses in order to keep informed. Senator Sievers or Representative Kurtenbach will schedule subcommittee meetings. The entire committee should meet at least three or four times per year, or as necessary. The entire committee will meet again after all subcommittees have met. The Department of Revenue will serve as the communications liaison for all committee information including minutes, agenda-posting, and making sure items are also posted to the committee web site hosted by the Department of Revenue at [www.state.ia.us/tax](http://www.state.ia.us/tax).

01-25-04

# SubCommittees

## 1. Counties / Cities

- Land and SF tax
- base year conversion
- Equalization I and Assessment Limitations I

## 2. Broad Implementation Issues

- Equalization II and Assessment Limitations II
- Credits and Exemptions
- PILOT (Gov't and NFP treatment)
- TIF and Urban Renewal Issues and Bonding
- School finance

# SubCommittees (Con't)

3. Current items in PT and what should PT pay for and PT limitations

- Performance measures

4. Definitions of categories and classes

- Agriculture
- Apartments, Mobile Home Parks,
- Appeal time frames
- Recreation / Green Space and other categories

**SUMMARY OF 2003  
TENTATIVE EQUALIZATION ADJUSTMENTS**

**AGRICULTURAL**

**49 Decreases**

**1 Increases**

**57 No Adjustments**

**RESIDENTIAL**

**2 Decreases**

**30 Increases**

**75 No Adjustments**

**COMMERCIAL**

**3 Decreases**

**32 Increases**

**72 No Adjustments**

**TOTALS**

**54 Decreases**

**63 Increases**

**204 No Adjustments**

**321 Total Classifications**

**2003 ASSESSOR REVALUATION ACTIONS  
AND  
EQUALIZATION ACTIONS**

|                            | <b><u>2003<br/>Assessor<br/>Revaluation</u></b> | <b><u>2003<br/>Equalization</u></b> | <b><u>Total<br/>Impact</u></b> |
|----------------------------|---|-------------------------------------|--------------------------------|
| <b><i>Agricultural</i></b> | <b>-9.4</b>                                     | <b>-10.0</b>                        | <b>-19.4</b>                   |
| <b><i>*Residential</i></b> | <b>4.2</b>                                      | <b>1.7</b>                          | <b>5.9</b>                     |
| <b><i>Commercial</i></b>   | <b>2.1</b>                                      | <b>2.9</b>                          | <b>5.0</b>                     |

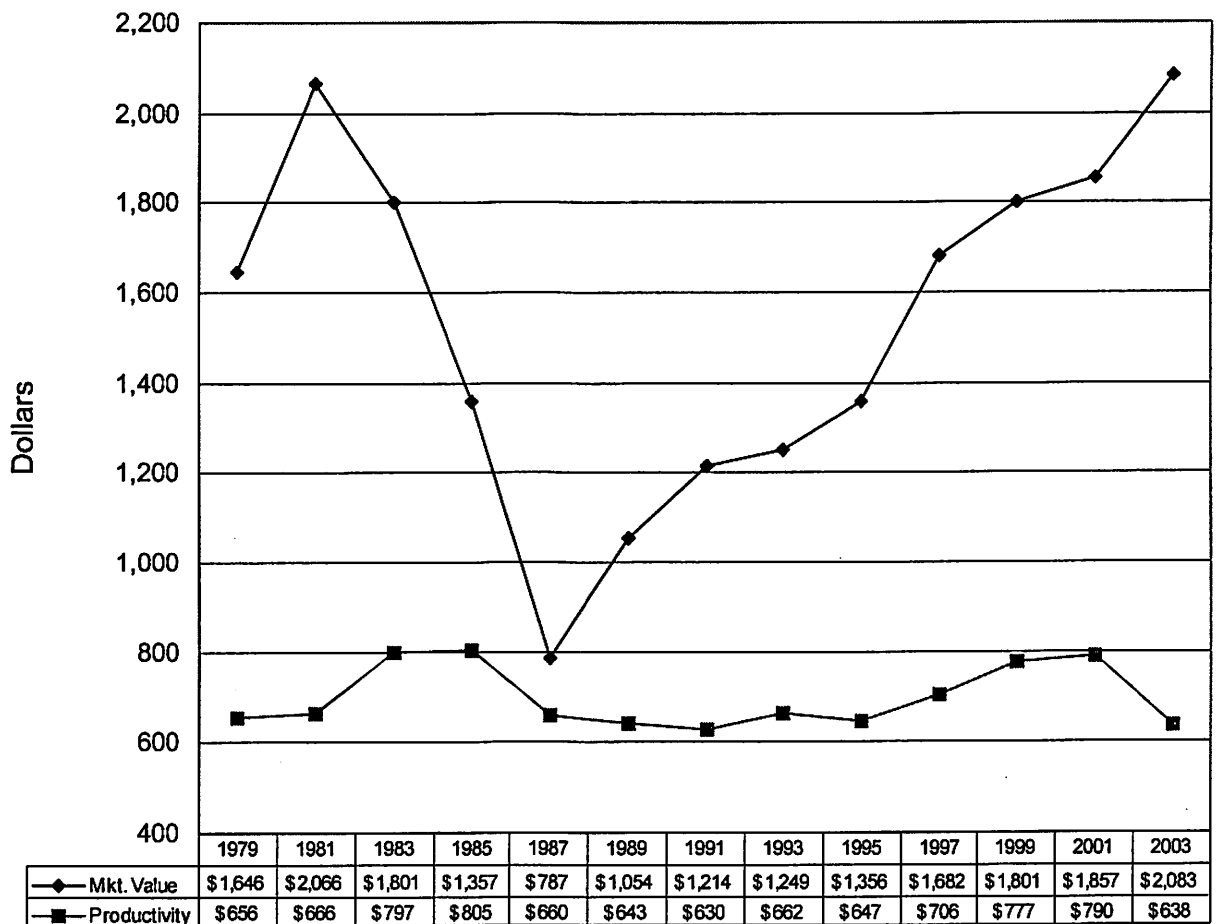
***\*Includes urban and rural residential and agricultural dwellings***

# **AGRICULTURAL REALTY COMPARATIVE ASSESSMENT STANDARDS**

| <b>EQUALIZATION</b> | <b>MARKET</b> | <b>PRODUCTIVITY</b> | <b>PRODUCTIVITY AS %</b> |
|---------------------|---------------|---------------------|--------------------------|
| <b>YEAR</b>         | <b>VALUE</b>  | <b>VALUE</b>        | <b>OF MARKET VALUE</b>   |
| 1979                | \$1,646       | \$656               | 40%                      |
| 1981                | \$2,066       | \$666               | 32%                      |
| 1983                | \$1,801       | \$797               | 44%                      |
| 1985                | \$1,357       | \$805               | 59%                      |
| 1987                | \$787         | \$660               | 84%                      |
| 1989                | \$1,054       | \$643               | 61%                      |
| 1991                | \$1,214       | \$630               | 52%                      |
| 1993                | \$1,249       | \$662               | 53%                      |
| 1995                | \$1,356       | \$647               | 48%                      |
| 1997                | \$1,682       | \$706               | 42%                      |
| 1999                | \$1,801       | \$777               | 43%                      |
| 2001                | \$1,857       | \$790               | 43%                      |
| 2003                | \$2,083       | \$638               | 31%                      |

**CHART 3**

## AGRICULTURAL REALTY Comparative Assessment Standards



**CHART 4**