



## 2011 Final Equalization Notice for Boone County

To the Auditor of Boone County, Iowa

Pursuant to Iowa Code Section 441.49, the undersigned Director of Revenue of the State of Iowa hereby notifies you of the final percentage adjustments to the 2011 valuations of real property in Boone County:

<b>Class of Property</b>	<b>Percentage Adjustment to Reported 2011 Actual Values</b>
Agricultural Land and Structures, Excluding Residential Dwellings on Agricultural Realty, Outside and Within Incorporated Cities	No Adjustment
Residential Realty, Including Residential Dwellings on Agricultural Realty, Outside and Within Incorporated Cities	No Adjustment
Commercial Realty, Excluding Machinery and Equipment Referred to in Chapter 427A, Outside and Within Incorporated Cities	Increase 23% See Alternative Method Below

Under the authority of Iowa Code sections 421.17(1), 421.17(2) and 421.17(10), and so as to ensure that the assessment and equalization process in Boone County is relatively just and uniform in compliance with Iowa law, the Assessor of Boone County (Assessor) is required to implement the above Order regarding the equalization of commercial property, as follows:

1. To revalue and reassess all parcels of commercial and industrial property back to the value as set forth in each parcel's 2010 assessment, with due consideration being given for any additions due to new construction, deletions due to buildings removed or

demolitions, and changes in classification.

2. To provide individual notices of the revaluation and reassessment of Boone County commercial and industrial property to all affected taxpayers, including any right to appeal the new assessment to the Boone County Local Board of Review (Local Board). Only those commercial and industrial properties that experience an increase in value as a result of this Order over the 2011 assessment can be appealed to the Local Board. Pursuant to Iowa Code section 441.49, the Local Board can make adjustments to individual parcels to reflect fair market value, but such adjustments, if any, cannot be less than the value which existed prior to the application of this Equalization Order. See Iowa Administrative Code rule 701-71.17(2). Notices to taxpayers shall be mailed on or before October 25, 2011.

3. All taxpayers who have the right to appeal will be given 20 days from the date the new notice is sent to file written appeals to the Local Board. The Local Board will reconvene in special session pursuant to section 441.49 no later than November 4, 2011, and shall complete its review no later than November 30<sup>th</sup>, 2011. Representatives from the Department will oversee the special session of the Local Board to ensure compliance with proper procedures and with this Order.

4. All taxpayers who appealed their 2011 assessment to the Local Board will have their commercial and industrial property reassessed under this Order at the value determined by the Local Board, pending any appeals by a taxpayer of the Local Board's determination. No additional right of appeal will be extended to those taxpayers resulting

from this Order.

5. All assessments issued by the Assessor after the April 15 deadline for mailing notices of assessment as set forth in Iowa Code section 441.28 shall be null and void, as well as any subsequent adjustments made by the Assessor to the post-April 15 assessments. The value of any parcel receiving a post-April 15 assessment notice shall be reset to that parcel's original 2011 assessment before any readjustment back to 2010 per paragraph one of this Order.

6. The Assessor is ordered to complete a full reappraisal of all commercial and industrial property in Boone County effective for the 2013 assessment year. Such reappraisal must be primarily conducted by a third party vendor and not by the Assessor, with costs for such reappraisal to be born exclusively by the Office of the Boone County Assessor. The Director shall be apprised of the status of such reappraisal by the Assessor, including the start of the reappraisal and on a quarterly basis thereafter until such reappraisal is completed.

7. The Director shall maintain authority over the entire equalization and revaluation process as set forth in this Order so as to ensure that this Order is being substantially complied with and to account for any obvious errors and injustices resulting from the application of this Order.

8. The basis for this Order lies in the large number of errors and inconsistencies involving the assessment process and the abstract of assessment submitted to the Director as required by Iowa Code section 441.45. These include, but are not necessarily limited, to

---

the following:

A. At least 82 commercial parcels appear to have been sent second assessment notices after April 15, 2011 increasing their assessment without approval, of the Local Board, in violation of Iowa Code section 441.28. It appears that these notices were sent on or about June 7, 2011. This represents approximately 7.67% of all commercial parcels in Boone County.

B. At least 110 commercial parcels appear to have had valuation changes made to them after the original notice of assessments were mailed to property owners on or about April 8, 2011 with no right of the taxpayer to appeal the change in value. This apparently represented over \$16 million in assessed value and 10.37% of commercial parcels in Boone County.

C. In total, it appears that approximately 18% of all Boone County commercial parcels with value changes in 2011 had no right to appeal, either due to a lack of notice of appeal being given or containing appeal dates that had already expired prior to the mailing of the June 7 notices.

D. The Assessor has made representations to Department staff of \$16 million in commercial values that have been or were omitted from the 2011 assessment roll. However, the abstract submitted appears to incorrectly include this referenced \$16 million.

E. The Assessor represented to Department staff on September 15, 2011 in Boone, Iowa that he had made an across-the-board reduction on commercial assessments for 2011. However, no reconciliation report has been provided verifying any across-the-

board reduction and, in fact, the information provided up to this point shows no across-the-board reduction of commercial property values in Boone County.

F. The Assessor presented a spreadsheet at the informal hearing on the preliminary equalization notice held before the Department on September 22, 2011, and represented to the Department that all June 7 assessments were accounted for and were done to correct errors in the original April 8 assessments notices that were sent to taxpayers. However, the Department is aware that other assessment notices may have been sent to taxpayers on or about June 7 that were not accounted for in this spreadsheet.

G. The Assessor has stated to Department staff that 48 apartment buildings or condos assessed at \$1 million each in Boone County were not correctly classified and were transferred from residential to commercial or vice-versa for 2011. However, no reconciliation reports have been provided showing such a transfer between classes of property or whether such structures even exist.

H. On April 4, 2011 the assessor presented to Department staff equalization information he had prepared showing that the 2011 aggregate commercial assessed values for 2011 was \$175 million, or \$25 million above the 2010 assessed value for commercial property. No explanation was provided as to how the value would increase to this degree without a commercial revaluation having been performed for the 2011 year.

I. Abstract and reconciliation reports filed with the Department on August 10, 2011, initially showed an aggregate 2011 value for commercial property to be approximately \$122 million. Subsequent spreadsheets and explanation have shown

different values, including a total aggregate value of \$106 million for commercial property in Boone County. Sufficient documentation has not been provided to date supporting these stated values and the Department is not confident that any 2011 aggregate value for commercial property as reported by the Assessor on the 2011 abstract and reconciliation report or through subsequent explanations is accurate or can be relied upon to issue a final Equalization Order without such Order being implemented in the manner set forth herein.

J. On October 10, 2011, the Assessor presented Department staff with a spreadsheet containing industrial valuations indicating \$12.8 million dollar discrepancy between the submitted abstract and the notices of valuation to taxpayers. It appears that approximately 55% of the industrial parcels have 2011 valuations that differ from their assessment notice of April 8<sup>th</sup>.

K. Further investigation into the assessment and equalization practices for Boone County are continuing and will continue until the Director is satisfied that the assessment and equalization process is deemed relatively just and uniform in compliance with Iowa law.

9. The Director will continue to assist the Office of the Boone County Assessor so as to alleviate or correct any errors or inconsistencies set forth above or discovered in the future.

10. Pending further review of the entire assessment and equalization process for Boone County, the Director reserves the right to issue amended final equalization orders for agricultural, residential and commercial classes of property in Boone County.

Furthermore, the Director reserves the right to call the Local Board back into special session for the purpose of correcting any obvious errors or injustices involving individual parcels of any class of property in Boone County.

Assessed values are equalized by the Department of Revenue every two years. Local taxing authorities determine the final tax levies and may reduce property tax rates to compensate for any increase in valuation due to equalization.

If there is an increase listed above, taxpayers may protest the final equalization order with their local board of review. Protests are accepted 20 days from the date the new notice is sent.

A handwritten signature in cursive script that reads "Courtney Kay Decker". The signature is written in black ink and is positioned above a horizontal line.

Courtney M. Kay-Decker, Director  
October 13, 2011