

August 15, 2007

10:00 A.M. Release

Contact Dale Hyman, Administrator, Property Tax Division, Iowa Department of Revenue
515/281-3362

PROPOSED PROPERTY TAX EQUALIZATION ORDERS ISSUED

Iowa Department of Revenue Director Mark Schuling notified county auditors today of assessment adjustments on agricultural, commercial and residential values. Many jurisdictions completed revaluation during the regular assessment cycle and notified taxpayers by April 15. The Director is required to "equalize" assessments in those jurisdictions every two years in October to ensure that all classes of property have been assessed at the value defined by state law and that taxation statewide is applied equitably. An equitable assessment level between counties is also necessary for a fair distribution of school aid and other state services. Equalization is accomplished by increasing or decreasing when necessary the aggregate valuations of certain classes of property within each assessing jurisdiction. The basis for equalization of commercial and residential property is market value while agricultural property's basis for equalization is productivity. Industrial property is not equalized.

Chart 1 shows the tentative adjustments issued to county auditors. Authorized officials may request a hearing to present additional information affecting the equalization adjustments in their county. Jurisdictions may request a method to implement the adjustment other than a uniform percentage increase.

Chart 2 reflects both the revaluation work by jurisdictions during the regular assessment cycle and the equalization adjustments. The overall change due to revaluation and equalization by county is also illustrated by class on the attached maps.

Final equalization orders will be issued by October 1, and counties will publish the orders in their official newspapers by October 15. Taxpayers will have an opportunity to appeal increases in their assessments to their boards of review from October 16-25.

The following table shows the overall state assessment change by class from 2006 to 2007:

Classification	Agricultural	Residential	Commercial
Revaluation	15.4%	7.5%	4.6%

The revaluation reflects the change in the market over a 2-year period for commercial and residential properties. Agricultural assessments are higher because of an increase in the 5-year productivity average. Iowa law limits revaluation growth for these classes to no more than 4 percent in a year.

The Department of Revenue will issue 2007 assessment limitation factors for each class by November 1. This will be a single factor applied to all property assessments within a classification which will limit the total revaluation growth for the residential, commercial and agricultural classes to 4 percent.