



# THE WATCHDOG

*Keeping a watchful eye on taxation*

A Publication of the Dickinson County Taxpayers Association

A 501 (C) (3) non-profit organization

November, 2013 VOLUME 11 ISSUE 2

## Mark Your Calander

### Annual Meeting

June 13, 2014

### Monthly Meetings

Second Thursdays

8 AM

April through

December

At Arnolds Park

City Hall

*Public Invited!*

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## Commercial Property Taxes Ups and Downs

In October the Iowa Department of Revenue issued an equalization order to Dickinson County. This order stated that all commercial realty was to have its assessed value increased by 15 percent. This state equalization order will be applied to the 2013 assessed values (taxes payable in September 2014 and March 2015).

*Background:* Assessed values are equalized by the Department of Revenue every two years. Equalization is important because it helps maintain equitable assessments among classes of property and among assessing jurisdictions. This contributes to a more fair distribution of state aid, such as aid to schools. It also helps to equally distribute the total tax burden within the area. Local taxing authorities determine the final tax levies and may reduce property tax rates to compensate for any increase in value due to equalization.

*All is not lost.....*

In the 2013 session of the Iowa legislature commercial property tax relief was approved and signed by Governor Branstad. A new Iowa Code chapter 426C creates a Business Property Tax Credit. This is a credit against taxes based on valuation for commercial, industrial and railroad properties.

The commercial property credit will be available for the 2013 valuations, for which taxes will be payable in September 2014 and March 2015. The application deadline for 2013 is January 15, 2014. Any application received after January 15, 2014 will be considered an application for next year. The deadline for filing for the next year will be March 15, 2015 for taxes payable in September 2015 and March 2016.

An application must be filed with the county Assessor's Office to receive this credit. Once an application has been filed and credit is allowed there is no need to re-file the claim as long as the property unit continues to qualify.

Therefore, the 15 percent state equalization order will be somewhat offset by the Business Property Tax Credit. The credit calculation is designed to spend ninety-eight percent of the amount appropriated by the Legislature. For the first year the credit was \$50 million that is estimated to make the first year maximum tax credit approximately \$523. More information is available at the Depart of Revenue website [www.iowa.gov/tax/locgov/13PTReform.html](http://www.iowa.gov/tax/locgov/13PTReform.html)

There is also a 95% rollback factor to be applied to commercial property for taxes payable September 2014 and spring 2015 when the equalization order and the Business Property Tax Credit are applied as well.

## Commercial Property Tax Reappraisal Underway

In 2011 the Dickinson County Conference Board decided there was enough variation in assessed value throughout the County that a complete reassessment of commercial property values was needed. There are only four employees plus the assessor in the office, so it is not staffed with sufficient manpower to reassess the 27,500 property parcels in the county. Something more like eleven full time employees would be needed to reassess all parcels on a periodic basis.

In order to accomplish the commercial property reassessment the Conference Board hired Vanguard Appraisals of Cedar Rapids to perform the reappraisal. Vanguard had been performing other property tax work for the County. Their quote for the reappraisal was \$424,000. The project is scheduled for completion December 31, 2014.

Data collectors from Vanguard Appraisals have begun the process to collect both interior and exterior information. They will be compiling information to be used to estimate the fair market value of each property. Information to be collected includes type of construction, type of interior finish, physical condition of the property, age of structures and exterior measurements. Complete sales analysis, local construction costs and economic conditions will also be considered.

Property owners are asked to cooperate by allowing a complete inspection of their property and providing accurate information so that a fair and equitable assessment may be determined for each property.

All law enforcement agencies as well as the Dickinson County Assessor's Office have been advised where data collectors are working. They also have a listing of all names and license plate numbers of anyone involved in the project.

Notice of final value estimates will be mailed to each property owner after January 1, 2015. The property owners will have an opportunity to meet informally to discuss their revaluation in the spring of 2015. The new assessed values will be effective for January 1, 2015 for taxes payable in September 2016 - March 2017.

## What To Do With Used Plastic, Glass & Newspapers?

For many years the Dickinson County Cities and the County have offered recycling services for paper, plastic, tin, and glass. Each community adopted their own plan. Recently it was discovered the cost to the municipalities and the County had grown to exceed \$225,000. The recycling issue gained added interest recently when the market for recycled glass declined to almost nothing making the economics even worse.

The Dickinson County Landfill Commission thought it would be a good idea to study the entire County to see if a more cost effective recycled method could be organized. The issue was discussed at the September Council of Government meeting where studying the issue gained additional momentum. DNR grant funds were pursued for the study, but it was found the DNR would fund grants to implement a solution but not for the study itself. Barker Lemar Companies Engineering Consultants of West Des Moines has performed recycling studies in the past and provided a quote of about \$16,000 for the recycling study.

County Supervisor Pam Jordan brought the issue to the Taxpayer Association in September stating that this was an opportunity for the ten cities and County to participate in a cost sharing study that could produce a solution that could provide greater efficiency and lower costs to the taxpayer. Ms Jordan was concerned the cities and County could not raise enough money to fund the study. Since this was an opportunity to cost share the costs and promote the sharing of services the Taxpayer Association offered a \$2,000 contribution to encourage all of the cities to participate. By October it was found that all ten cities agreed to chip in one dollar per population to help fund the study, with the Landfill Commission contributing the difference needed. We are looking forward to the results of this study that should be available in about six months.



**THE WATCHDOG**  
 DICKINSON COUNTY  
 TAXPAYERS ASSOCIATION

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## Who is the Dickinson County Assessor?

Stephanie Sohn was appointed Dickinson County Assessor January 1, 2011. She replaced Pat Dodds. Stephanie has worked in the Assessor's office for fifteen years. She was an appraiser and deputy in the Assessor's office prior to her appointment. Stephanie graduated from South Dakota State University with a Bachelor of Science degree in Chemistry.

The Conference Board is the governing body for the assessor's office. The conference board is responsible for appointing the assessor, authorizing the appointment of deputies, and adopting the assessor's budget. The Conference Board has representatives from the county Board of Supervisors, mayors of the ten cities, and a representative from each of the five school districts in the county.

Background: Assessors are required by law to pass a state examination and complete a continuing education program consisting of 150 hours of formal classroom instruction with 90 hours tested and a passing grade of 70% attained. The latter requirement must be met in order for the Assessor to be reappointed to the position every six years.

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 The Dickinson  
 County Taxpayers  
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 (DCTA) is a  
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 non partisan  
 coalition of  
 taxing  
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