

2023 Assessment Notices Reflect Market Value Changes

Statistics show that residential properties across Iowa sold for more in the past 2 years than in the years preceding. Economic factors such as lower interest rates, higher construction costs, individuals moving to the Midwest from higher market areas, and fewer homes listed for sale, all contributed to this trend. In the past 2 years, Emmet County had 295 residential sales deemed “normal transactions” (sale prices of abnormal transactions including but not limited to family sales, auctions or contract sales which may not reflect true market value are to be disregarded or adjusted to eliminate such characteristics per Iowa Code). Of the normal sales, the median assessment level was 82.28% meaning the majority of homes sold for more than the January 1, 2021 assessed value. This has occurred throughout the State of Iowa and nationally.

The Emmet County Assessor’s office is preparing to send out the 2023 Assessment notices. Valuations for most properties and classifications will see increases for 2023 assessments. Sales ratio studies (commercial and residential) and productivity factors (agricultural) are analyzed by the Emmet County Assessor’s Office and the Iowa Department of Revenue (IDR). If assessors would do nothing to valuations, property by class would be adjusted to 100% market or productivity value for all properties (increase or decrease) within a classification by the IDR through the equalization process for a county.

According to Iowa law, commercial and residential assessments are based on the market value of property, or an estimate of what a property would sell for on the open market as of January 1st of the assessment year. The valuation process starts with estimating the current replacement cost of each structure and then removes depreciation amounts based upon the age and condition. The depreciated structure value is then added to the estimated land value to arrive at a preliminary assessed value. This preliminary value is then compared and aligned with sales in each market area to arrive at the total assessment for each property. For the January 1, 2023 assessment, the most recent Iowa Cost Manual provided by the IDR was utilized to estimate valuations. The Iowa Cost Manual has not been updated since 2008 and replacement costs have increased around 30% for most types of construction.

Although the recent value changes varied by location, residential property assessments have increased countywide. This assessed value increase will most likely not result in the same percentage increase in your tax bill. Since most residential assessed values across Iowa are going up, the residential Assessment Limitation (Rollback) that is determined by the IDR is expected to offset a large amount of this increase. Finally, local budgets and levy rates set by local taxing bodies (includes but not limited to: schools, cities, county, assessor, college) will also play a large role in final tax bills.

Therefore, it is unknown exactly how individual property taxes will be impacted with 2023 valuation changes at this time, since rollbacks for each class won’t be determined until fall of 2023 and budget levies will not be determined until early 2024 with tax statements being mailed fall of 2024.

To review your assessment information, you may find it helpful to first visit the Emmet County Beacon website for property information at www.emmet.org. In examining the assessor’s estimate of the market value, residential, commercial and multi-residential property owners should ask themselves, "Could I sell this property for that amount today?" If the answer is yes, then the value is probably accurate. All sales information can also be found on the website.

If you have any questions or concerns about your assessment after reviewing the information on the website, we encourage you to contact the Emmet County Assessor’s Office. We’ve studied the sales from the last 2 years to estimate the value of all real property using mass appraisal processes, but we always welcome owners to discuss with us their individual property characteristics. This allows us to answer specific questions, provides us with information we may not have been aware of, and gives owners the opportunity to explain other reasons for potential valuation adjustments. Emmet County Assessor’s office hours are 8 am to 4:30 pm Monday through Friday.

When you speak with a staff member, some of the questions they may ask are:

1. What do you feel your property is worth and why?
2. What information do you have to support that adjustments should be made to your assessment? (repair estimates, recent appraisals within the last 18 months, comparable sales or properties, insurance replacement costs, mortgages)
3. What are properties being listed for in the area?
4. What is your property insured for (what is the replacement cost on the policy)?

Barb Bohm, Emmet County Assessor