

# REASSESSMENT OF REAL PROPERTY

What is it?

Why is it done

Who does it?

How is it done?



## WHAT IS IT?

- Reassessment is the process of updating values of real property for the purposes of taxation



## WHY DO WE DO IT?

- The statewide reassessment program was completed and implemented in 1985. In 1987, a two-year assessment cycle commenced with property assessments being updated every odd-numbered year

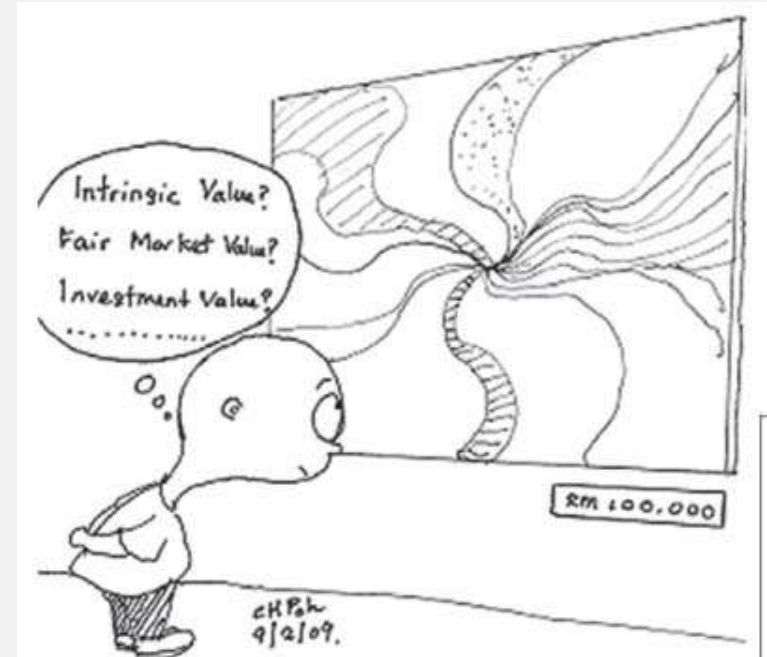


## WHO REGULATES IT?

- The Missouri State Tax Commission is the regulatory agency for assessors offices
- They audit the valuation of properties set by the assessor to guarantee that properties are valued within a set tolerance of what is considered “fair market value”

## WHAT IS FAIR MARKET VALUE?

- Fair market value is an estimate of the market value of a property, based on what a knowledgeable, willing, and unpressured buyer would probably pay to a knowledgeable, willing, and unpressured seller in the market.



## WHO DOES IT?

- The Assessor's Office employs several different people in different classifications to work toward the proper appraised valuation of properties
- These include: both residential and commercial appraisers, sales analyst, data collectors as well as other support staff



## WHAT IS THE PROCESS?



Savage Chickens

by Doug Savage



www.savagechickens.com

- The process of assigning values begins in most cases using the cost approach. This information is primarily obtained from Marshall & Swift Valuation Services which includes cost to construct as well as depreciation factors\*
- This information along with sales information obtained by letters returned from purchasers\* is used to calculate values
- Additional comparable sales data may be obtained from appraisals or cma's submitted by property owners when they file an appeal
- \*Missouri is a non disclosure state, meaning sales data is not public information in most jurisdictions. We do send out requests from purchasers regarding the price and conditions of sales



## AND THEN

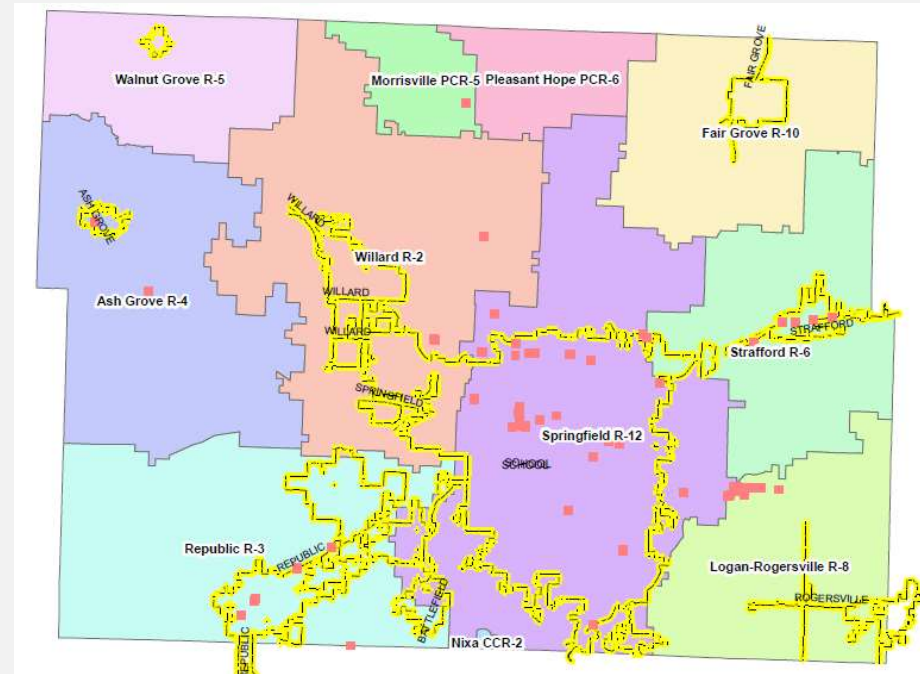
- The sales information is entered in the parcel file by support staff and then reviewed by the sales analyst to determine the validity of the information
- The file is then passed along to the appropriate appraiser for further review
- Data collectors as well as appraisers are often involved in field checking information regarding the quality and condition of any improvements on the parcel





# NARROWING IT DOWN

- GREENE COUNTY Has a total of 119,682 parcels
- These are broken into “neighborhoods” by a variety of factors including use of the property, school district, quality of construction and other outside influences
- Information regarding price per unit is entered into our CAMA system which then calculates the estimated value of the property



# WHAT ARE THE UNITS?

## Units of Measurement

Help Franky decide what is the best unit of measurement to build areas of his house!

1. Length of the bedroom

- a. Inches      b. Miles
- c. Millimeters   d. Feet



2. Height of ceiling

- a. Feet      b. Kilometers
- c. Miles      d. Centimeters

3. Width of fence boards

- a. Miles      b. Yards
- c. Inches      d. Feet

4. Water for pool

- a. Cups      b. Gallons
- c. Tablespoons   d. Liters

5. Length of lawn

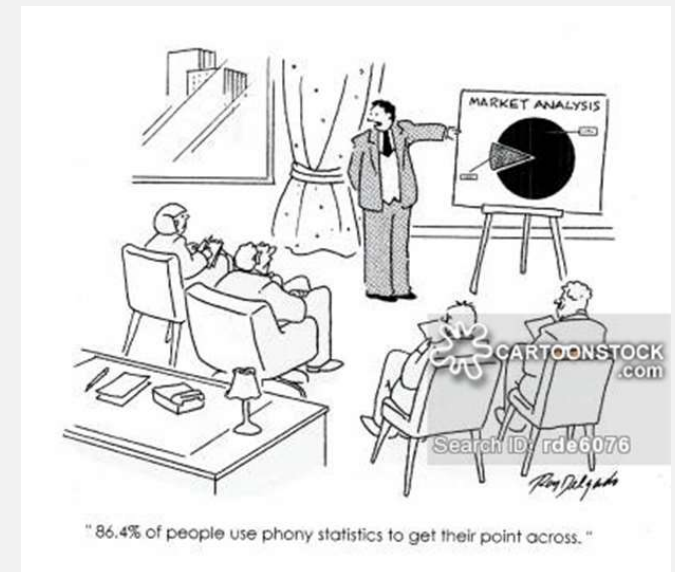
- a. Centimeters   b. Kilometers
- c. Yards      d. Inches



- Depending on what is being looked at the “units” might be:
- Square feet or acre for land
- Square feet or living units if it is multi-family
- Square feet of a residence that might include differing values depending on number of stories, basement areas, amount and quality of finish as well as other factors

## PLUS OR MINUS?

- With an average of about 18,500 parcels per residential appraiser and 3,000 per commercial appraiser there is no way to look at each individual parcel every 2 years therefore a mass appraisal system is used for assessment purposes
- Adjustments are made to the various “neighborhoods” in groups to adjust for cost to replace, depreciation and market values



## FINALLY AN APPRAISED VALUE?



- An **appraisal** is an unbiased professional opinion of a home's value
  - Do we always agree?
  - Does the property owner always agree?