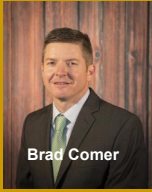


GREATER IOWA CITY AREA APARTMENT ASSOCIATION

February 2019
Newsletter

Better Landlording through Education

JOIN US FOR OUR FEBRUARY 26TH, 2018 MEMBER LUNCHEON FEATURING:



Brad Comer

Brad Comer
Iowa City Assessor
Tom Van Buer
Johnson County Assessor



Tom Van Buer

Speakers for this month's meeting are Brad Comer, Iowa City Assessor and Tom Van Buer, Johnson County Assessor. The Assessors will discuss a variety of topics, including the appeal process – formal vs. informal, commercial assessments – sales vs. income approach, differences between residential apartments, residential cooperatives and residential condos, and areas where assessors and landlords can work together.

SERVICEMEMBERS CIVIL RELIEF ACT (SCRA) INFORMATION FOR LANDLORDS

The Servicemembers Civil Relief Act (SCRA) provides certain accommodations for servicemembers living in rental properties who are called to duty. The current law section dealing with Residential Lease Terminations is 50 USC Section 3955 which can be found here:

[http://uscode.house.gov/view.xhtml?path=/prelim@title50/
chapter50&edition=prelim](http://uscode.house.gov/view.xhtml?path=/prelim@title50/chapter50&edition=prelim)

Section 3955 of the SCRA, 50 U.S.C. § 3955, addresses the topic of lease terminations. With respect to residential apartment leases, the SCRA requires that the premises be occupied (or are intended to be occupied) by a servicemember or a servicemember's dependent(s). 50 U.S.C. § 3955(b) (1). Additionally, the lease must either be executed by a person who later enters military service, or is in military service and later receives permanent change of station ("PCS") orders or deployment orders for a period of at least 90 days. Id. at § 3955(a)(1). To terminate a residential lease, the servicemember must submit a written notice and a copy of his or her military orders – or a letter from a commanding officer – by certain methods to the landlord or landlord's agent. Id. at § 3955(c) & (i)(1). If a servicemember pays rent on a monthly basis, once he or she gives proper notice and a copy of his or her military orders, then the lease will terminate 30 days after the next rent payment is due. 50 U.S.C. § 3955(d)(1).

A lease termination hypothetical under Section 3955 of the SCRA, 50 U.S.C. § 3955: Jane Servicemember receives PCS orders to transfer from Iowa to Texas. She gives her landlord written notice of her intent to terminate her apartment lease and a copy of her PCS orders on September 18th. Her next rent payment is due on October 1st. The effective date of the lease termination will be Halloween – October 31st. See, generally, 50 U.S.C. § 3955.

More information about the SCRA can be found on the following websites:

<https://www.nclamp.gov/media/490271/scra-for-property-managers.pdf>
<https://www.military.com/paycheck-chronicles/2016/03/09/breaking-leases-using-scr-a-protections>
<https://www.landlordology.com/renters-rights-scr-a-lease-termination/>

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Membership Meeting at Flannigan's in the IOWA RIVER POWER COMPANY

Our next General Membership meeting will be held Tuesday February 26th, at 11:30 am at Flannigan's in the Iowa River Power Company, 501 – 1st Ave, Coralville.

Any interested member of the Association is welcome to attend starting at 12 noon. If you wish to have lunch, please arrive at 11:30. The buffet lunch will include BBQ Pork, coleslaw, fruit, dessert & drink.

Please RSVP by email (apartmentassoc@gmail.com) or phone to **Michelle Lamkins at (319)338-7058** with the number of individuals from your office or home who will be attending. **Cost is \$12.00 per person.** It is important to let us know if you will be attending and having lunch. If you do not RSVP and intend to have lunch, you will be asked to wait to serve yourself until we are sure that we can provide food for those who have RSVP'd.

The speaker will have the floor from noon to 1pm.

LUNCH IS \$12.00 AT THE DOOR.

JANUARY MEETING CANCELLED RESCHEDULED SPEAKERS TBA

Due to yet another Iowa City snowstorm, the January 22 GICAA lunch meeting was cancelled. We are working on rescheduling speaker Salina McCarty of Houses Into Homes for a later date.

IOWA CITY WINTER WEATHER REMINDERS

A reminder, sidewalks must be cleared within 24-hours of a one-inch or greater snowfall, or after any accumulation of ice has ended for sidewalks to be used safely by pedestrians. In concern for the safety of pedestrians, the City encourages residents to clear walks as quickly as possible. Those who do not remove snow and ice may be fined.

Calendar

February 26, 2019: GICAA Lunch meeting, 11:30 am – Flannigan's
March 18-22, 2019: U of I and Iowa City Schools Spring Break

March 26, 2019: GICAA Lunch meeting, 11:30 am – Flannigan's
April 23, 2019: GICAA Lunch meeting, 11:30 am – Flannigan's



WHAT ARE THE ASSESSOR'S DUTIES & ROLE IN IOWA CITY & JOHNSON COUNTY?

The Assessor is charged with several administrative and statutory duties; however, the primary duty and responsibility is to cause to be assessed all real property within his/her jurisdiction except that which is otherwise provided by law. This would include residential, multi-residential, commercial, industrial and agricultural classes of property. Real property is revalued every two years. The effective date of the assessment is January 1st of the current year. The assessor determines a full or partial value of new construction, or improvements depending upon the state of completion as of January 1st.

The Assessor does not:

- collect taxes
- calculate taxes
- determine tax rate
- set policy for the Board of Review

The Assessor is concerned with value, not taxes. Taxing jurisdictions such as schools, cities, and townships adopt budgets after public hearings. This determines the tax levy, which is the rate of taxation required to raise the money budgeted. The taxes you pay are proportionate to the value of your property compared to the total value of the taxing district in which your property is located.

Assessors are appointed to their position by a Conference Board consisting of the members of the Board of Supervisors, the Mayors of all incorporated cities and a member from each school district within the jurisdiction. A city with a population of ten thousand or more may elect to have their own assessor. Assessors are required, by statute, 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. The Deputy Assessor also must pass a state examination as well as successfully complete 90 hours of classroom instruction of which at least 60 hours are tested. The Conference Board approves the assessor's budget and after a public hearing acts on adoption of same. The assessor is limited, by statute, depending upon the value of the jurisdiction, to a levy limitation for his/her budget.

WHAT IS MARKET VALUE?

Market value of a property is an estimate of the price that it would sell for on the open market on January 1st of the year of assessment. This is sometimes referred to as the "arm's length transaction" or "willing buyer/willing seller" concept.

HOW DOES THE ASSESSOR ESTIMATE MARKET VALUE?

To estimate the market value of your property, the Assessor generally uses three approaches. The first approach is to find properties that are comparable to yours which have sold recently. Local conditions peculiar to your property are taken into consideration. The assessor also uses sales ratio studies to determine the general level of assessment in a community, in order to adjust for local conditions. This method generally referred to as the MARKET APPROACH and usually considered the most important in determining the value of residential property. The second approach is the COST APPROACH and is an estimate of how many dollars at current labor and material prices it would take to replace your property with one similar to it. In the event improvement is not new, appropriate amounts for depreciation and obsolescence would be deducted from replacement value. Value of the land then would be added to arrive to the total estimate of value. The INCOME APPROACH is the third method used if your property produces income such as an apartment or office building. In that case, your property could be valued according to its ability to produce income under prudent management; in other words, what another investor would give for a property in order to gain its income. The income approach is the most complex of the three approaches because of the research, information and analysis necessary for an accurate estimate of value. This method requires thorough knowledge of local and national financial conditions, as well as any developmental trends in the area of the subject property being appraised since errors or inaccurate information can seriously affect the final estimate of value.

WHY VALUES CHANGE

State law requires that all real property be reassessed every two years. The current law requires the reassessment to occur in odd numbered years. Changes in market value as indicated by research, sales ratio studies and analysis of local conditions as well as economic trends both in and outside the construction industry are used in determining your assessment.

If you disagree with the assessors estimate of value, please consider these two questions before proceeding, as outlined below:

- What is the actual market value of my property?
- How does the value compare to similar properties in the neighborhood?
- If you have any questions about the assessment of your property, feel free to come in and discuss it with the assessor.
- You may file a written protest with the Board of Review, which is composed of three or five members from various areas of the assessing jurisdiction. The Board operates independently of the assessor's office, and has the power to confirm or to adjust either upward or downward any assessment.

IF NOT SATISFIED WITH THE BOARD'S DECISION, APPEALS MAY BE FILED WITH THE PROPERTY ASSESSMENT APPEAL BOARD OR TO DISTRICT COURT WITHIN 20 DAYS AFTER ADJOURNMENT OR MAY 31ST, WHICHEVER DATE IS LATER.

THINGS TO REMEMBER

- Assessed value and taxable value are not synonymous terms.
- Property is assessed as of January 1st.
- Property is reassessed every two years.
- Taxes are levied on a value determined by the auditor by applying a "roll back" percentage to the assessed value and deducting any applicable exemptions or credits. The "roll back" percentages vary each year.

On values determined as of January 1st, one does not start to pay taxes until eighteen months later. The "roll back" is the percentage of actual value that is determined by the Director of Revenue each year on the several classes of property where the total value increase **STATEWIDE**, exceeds three percent for each class of property. The percentage so determined by the Director of Revenue is certified to and applied by the local county auditor to all property in each class affected throughout the State. Percentages determined by the Director of Revenue are the same for all the assessing jurisdictions in the State.

Increases in assessed value of individual parcels of property as determined by the assessor, may exceed three percent within a jurisdiction. Agricultural property, except agricultural dwellings, are assessed on the basis of productivity and net earning capacity using a five-year crop average and capitalized at the rate set by the Legislature. The rate is currently seven percent. Tentative and final equalization orders are issued by the Director of Revenue in odd numbered years on or about August 15th, and October 1st respectively. The orders are sent to the various county auditors who apply them to the classes of property affected, if any.

Assessor's Dates to Remember

January 1 - Effective date of current assessment.

April 2 through April 25 - Property owner may request an informal review of their assessment.

April 2 through April 30 - Protest of assessment period for filing with the local Board of Review.

May 1 through adjournment - Board of Review meets each year.

October 9 through October 31 - Protest period for filing with Board of Review on those properties affected by changes in value as a result of the Director of Revenue Equalization Orders (odd numbered years).

January 1 through December 31 - Period for filing for Homestead Credit, Military Exemption and Business Property Tax Credit. One time filing is provided, by statute, unless the property owner is (1) filing for Homestead Credit, Military Exemption or Business Property Tax Credit for the first time; (2) has purchased a new or used home and is occupying the property as a homestead as of July 1st; or (3) owner was using as a homestead but did not previously file and (4) some change occurs that affects the requirements of the Business Property Tax Credit, then reapplication is required.

If the home qualifies and the property owner files on or before July 1, the credit or exemption will go into effect for the current assessment year. If the property owner files after July 1, the credit or exemption will go into effect the year following the sign up.