

**RUGBY CITY COUNCIL
TAX EQUALIZATION MEETING
TUESDAY, APRIL 10, 2012 - 7:30 P.M.
COUNCIL CHAMBERS**

Council Members present: Rheault, Lotvedt, Jacobson, Bednarz, Hoffert, and Geiszler. Also present were City Auditor Hauck and Tax Assessor Stevenson. Absent were Mayor Cichos, Council Members Wentz and Harmel.

Council President Jacobson called the meeting to order at 7:30pm. Council members recited the Pledge of Allegiance. Roll call of council members by President Jacobson.

Tax Assessor Stevenson reviewed information regarding the duties of the council, acting as the Tax Equalization Board. He also presented information to the Council concerning the 2012 tax assessment roll.

Stevenson reported that the amount of the total taxable valuation for all categories of property within the City of Rugby was increased from \$90,506,999 to \$ 105,078,514.

The breakdown for each category is as follows: agricultural land increased from \$101,960 to \$131,897, which is an increase of 29.4%; residential property increased from \$65,989,936 to \$80,166,996, which is an increase of 21.5%; commercial property increased from \$24,415,103 to \$24,779,621, which is an increase of 1.5%. The total difference in the taxable valuation from 2011 to 2012 was increased \$14,571,515, or 16.1%.

Assessor Stevenson provided information on the number of building permits issued during calendar year 2011, which totaled 22.

The residential sales ratio showed 45 usable sales during 2011. The sales ratio study showed that 84% of homes sold were under 95% of the appraised valuation, 7% of homes sold were within 95% to 100% of the appraised valuation and 9% of homes sold were valued at over 100%. The median ratio for 2011 equaled 78.99%. As this ratio is not within state guidelines, valuations will need to be increased. The assessed value for all residential homes will be increased 20%. If a home was sold in the last year, the assessed value was changed to 3% less than the sale price.

Assessor Stevenson also informed the council that he sent out notices to 40 properties with an increased valuation of 10% or more. This was due to the purchase price and new construction completed on those properties.

Vicki Faulkner was present and asked why the assessed value on her commercial property was changed so significantly. Since the property was sold recently the assessed value was changed to the sale price.

Raymond Erickson was present and asked why the assessed value on his home quadrupled after he bought it. The council requested that he obtain an appraisal of his home if he felt the assessed value was not accurate.

The council discussed how it is difficult to know what the true assessed value of every piece of property should be each year unless a professional appraisal is done with all homes in the city or if a city assessor is hired full time. The only things that trigger an increase in assessed value, other than the annual increase, are building permits or sale of the property. Without this information it would be difficult to obtain a true assessed value unless an appraisal is done.

Motion by Hoffert to approve the tax assessment roll. Second by Geiszler, roll call vote: all voting yes, motion carried.

There being no further business to transact or to come before the Council at this time, President Jacobson adjourned the meeting at 8:18pm.

Dawn Hauck, City Auditor

Date Submitted

Gerry Jacobson, Council President

Date Approved