

PROPERTY TAXES AND THE REAL ESTATE MARKET

Due to the continued downturn in the real estate market, more property owners are quantifying their current losses in the market. Maintaining a property tax system that incorporates three previous years of sales to develop a current assessment makes the assessment system appear to be erroneous relative to current market values.

By statute, we cannot assess properties based on market values that exist on January 1st, 2011. Our office is responsible for assessing all properties at one-third of fair market value by incorporating sales over a three-year period. Establishing the 2011 assessment requires us to look back at sales that occurred during 2008, 2009 and 2010. For 2011 we are also precluded from incorporating certain sales such as short sales or foreclosures in developing our assessments.

For the year 2012 the legislature related certain requirements for acceptable sales. As a result of these modifications, property owners should realize an additional reduction in their 2012 assessed values.

Our office is acutely aware of the challenges that are occurring in our current fragmented market. It is our mission to continue to assess within the guidelines of the state statutes in a fair and equitable manner.

We hope this helps explain the assessment process and how it relates to current housing market conditions. If you have any additional questions, please contact our office at (630)-968-1183.

