

LAKE OF THE OZARKS BUSINESS JOURNAL



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Property owners may get break on reassessments

Camden County Assessor Eddie Whitworth, president of the Missouri Assessor's Association, has formed an ad hoc committee to study the effects of the decline in the housing market on assessed valuations.

The group, formed in late 2008, will be looking at the effect of the economy on the housing industry statewide in order to determine if assessors should put a stay on assessments at the 2007 rate to give the market time to settle.

"From what we can tell, the market appears to be flat. Property values aren't going down, but they're sure not going up either," Whitworth said. "And if they should start dropping because of the economy, I don't think it's wise to raise assessments."

Reassessments are done every other year on odd-numbered years. In 2007, assessed values rose about 15 percent. Whitworth said until a decision was made, his office would continue with the reassessment process, scheduled to begin in February.

He said the ad hoc group also will be looking into ways to more fairly assess real estate values in the future including seeking support from the legislature to introduce a bill requiring certificates of real estate value to be filed with deeds when property sells.

"That would help assessors better establish values. Missouri is actually one of only a handful of states that don't require them. For some reason, it's considered a privacy issue. Keeping your home's value a secret from the assessor may be a good thing when values are rising, but it can also be harmful if they're going down," Whitworth said, adding

that the move would "equalize the burden" for all taxpayers and allow the counties to establish fair and equitable values for property.

Currently, mortgage amounts are listed when deeds are filed. However, that amount does not include the downpayment or any other considerations.

According to the Missouri State Tax Commission, which oversees assessors and hears appeals from property owners, 36 states require sales disclosure with any deed or contract for deed in the purchase, exchange, transfer or assignment of interest in real property. Disclosures are not required when conveying highway right-of-way or during divorces. Only six states, including Missouri, do not require anything to be filed. However, the political subdivisions of St. Louis City, St. Louis County, Jackson County and St. Charles County have passed, through local ordinances, certificates of value requirements.

"Believe it or not, the average home buyer has more access to real estate values than my office," he said. "I'm not even allowed on the MLS listing site."

Whitworth said values currently are set by studying the growth in the area.

"For instance, a new highway being built nearby will greatly increase your value. But otherwise, it's educated guesswork, which may or may not be fair for all property owners," he said. "I'm supposed to assess property within 90 percent of its value. That task would be much easier if I actually knew the exact value."

The Tax Commission also supports the move, stating in its an-

nual report, "The State Tax Commission cannot over-emphasize the need for sales disclosure in this State. We renew our appeal to the General Assembly to develop statutory language mandating the use of statewide certificates of value. Unequivocally, the most important tool for the assessor is the ability to secure critical market data accurately reflecting market behavior. Sales information is the cornerstone of an assessment program designed to provide uniform and equitable assessments."

However, Mary Albers, president of the Bagnell Dam Association of Realtors, said legislation similar to what is being proposed has been introduced in the General Assembly virtually every session for 40 years.

"It has never gotten past committee indicating that a majority of legislators over time have recognized it would be a bad law," she said. "The position of realtors statewide and around the lake is that keeping a sales price non-disclosed is a matter of both protecting personal information rights and property rights of an individual buyer or seller. An individual has the right to disclose what they paid for their property, if they wish to, by filing out the form that they get in the mail from the assessor. Some people choose to disclose the price they paid and that data gives the assessor a decent basis for assessed values."

Albers also said in areas that have sales price disclosure, the assessed values and taxes seem to rise more quickly and are adjusted more sharply than areas of non-disclosure.

Good news for property owners

Camden County Assessor Eddie Whitworth said foreclosures can negatively affect property values.

However, according to the Bagnell Dam Association of Realtors, high foreclosure rates have not impacted the Lake of the Ozarks like they have other parts of the country. At the end of October, 2,387 residential properties were listed in the Multiple Listing Service while only 41 had been declared foreclosures.

"We have not been hit like other markets have with foreclo-

tures, which is a huge deal," said Association Vice President Karie Jacobs. "The low foreclosure rate of less than 2 percent illustrates a security real estate offers that other financial opportunities cannot match."

Association Treasurer Gary Markus said it was a good time to buy because interest rates are very good, the prospect of appreciation is good, and there is plenty of inventory to pick from.

According to the realtors, the Lake of the Ozarks real estate market offered better returns than stock market or S&P 500 buys over the past five years. From October, 2003 to October, 2008, the Dow Jones industrial average

fell 9.92 percent. S&P 500 investments are down 21 percent on the average.

The realtors said a side benefit of buying real estate is that the owner can take steps to protect property and also enjoy it.

"You own something concrete that you can see and touch and feel--unlike stock which is just out there," Jacobs said.

"You can have fun with your property. When was the last time you had fun with stock?" board member Conda Davidson quipped.

Markus said while the number of sales was down in 2008 compared to other years, the sale prices remained constant.

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