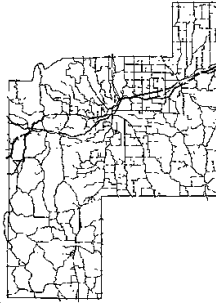


**Kevin D. Rasmussen**  
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February 20, 2007

Re: Property Reassessment for 2007

Dear Property Owner,

I am writing to you today, as the Assessor of Phelps County, to inform property owners regarding the real estate property value reassessment being conducted in Phelps County. The purpose of reassessment in Missouri is "...to equalize values among taxpayers and to adjust the values to reflect current market conditions."<sup>1</sup> The Assessor's staff has been reviewing properties for value since late summer 2006.

The constitution of Missouri requires assessors in the State of Missouri to reassess, or revalue, all property every two years on the odd-numbered years. Assessors are also required to place property values on the tax assessment rolls at the percent of its true value in money as set in subsection 5 of section 137.115 of the Missouri Revised Statutes. An assessor accomplishes this when the county's assessed values reflect fair market value. Studies conducted by the State Tax Commission (STC) have shown that the values put on the tax rolls in January 2005 did not meet the requirements of the state constitution. In fact the STC stated "These [levels of assessment] are significantly below the statutorily required levels ...of market value ...and falls outside accepted appraisal standards relied upon by the State Tax Commission."<sup>2</sup>

In order for Phelps County to bring the levels of assessment back to the statutorily required levels as of January 1, 2007, we (the assessor's office) are applying the appraisal methods used in mass appraisal which includes statistical analysis of sales and other market data. In addition, each property, or parcel, is reviewed for value in the field for condition, changes, and improvements. Recent assessment analysis indicates increases are substantial county-wide and will most likely bring the county's values back to the statutorily required levels. Due to reassessment, most properties will see a large value increase as of January 1, 2007.

At the conclusion of the parcel review the Assessor's office will send property owners, whose property value was increased, a notice of change in assessed value as required by law. These notices, which will be sent later in April 2007, will show the property value

which has been determined to accurately reflect market value for tax purposes. The mailed notice will also include instructions regarding valuation hearings as well as provide information about tax relief\* which the Missouri General Assembly has made available to qualifying senior citizens or 100% disabled people.

Since tax levies are not set until September, it is not possible at this time to know the impact of the value increase in regards to property taxes. While it is the responsibility of the assessor to place accurate values on the tax rolls for 2007, it is clearly the responsibility of the schools and other political subdivisions to roll back levies to the fullest extent allowed by law to offset the valuation increase.

It is not necessary for you to respond to this letter at this time. It is strictly for informational purposes only. We simply wanted to alert real estate property owners to the fact that 2007's reassessment is generally resulting in large increases to property values. Notices regarding the actual value increases will be sent in April. In the meantime we expect that some of the schools and other political subdivisions will be decreasing their tax levies to help minimize the impact of the value increases on 2007's property tax bills.

Sincerely,

Kevin D. Rasmussen

Assessor, Phelps County

<sup>1</sup> Source: *Property Reassessment and Taxation*, Page 7, State Tax Commission brochure, updated February 2005.

<sup>2</sup> Source: *Amended Compliance Order*, issued by State Tax Commission to Phelps County, September 19, 2006.

\* Currently Missouri offers two avenues of tax relief to qualified individuals: the *Property Tax Credit* (includes real estate taxes paid or personal property taxes paid on mobile homes, or rents paid to a landlord) and the *Homestead Preservation Credit*. For more information on these credits please visit the Department of Revenue's web page at <http://dor.mo.gov/>.