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Commercial owners will get tax refunds

BY PHIL SUTIN
Of the Post-Dispatch

Some commercial property owners in St. Louis County could see tax refunds of about \$21 million thanks to a settlement reached last month between the county and an advocate for the owners of about 2,500 properties.

The same settlement could mean tax increases, mainly for other commercial property owners.

The taxing jurisdictions in the county that get money from the properties should not lose any; they can raise tax rates to offset the loss.

Property Assessment Review of St. Louis represented the property owners and reached the settlement shortly before the State Tax Commission was to hear the company's challenge of assessments.

The properties involved are all

over St. Louis County, said Steve Weber, partner of Property Assessment Review. Among them are the shopping malls of Westfield Corp., many properties in Earth City, banks, and industrial facilities.

The county will deduct the refunds from this year's tax collections. State law allows the jurisdictions to raise property tax rates to offset the loss. In St. Louis County, jurisdictions must set separate tax rates for residential, commercial, agricultural and personal property. The settlement affects commercial rates because it involves commercial property.

Exceptions to the four-rate system are jurisdictions that are in more than one county, such as the Rockwood School District, which is partly in Jefferson County. Those jurisdictions will use a single rate for all property; Rockwood

homeowners would help the district recover its loss.

County staff members plan to calculate the refunds involved after they complete this year's tax roll, Collector John Friganza said.

Tax rate increases may be a few cents for each \$100 of assessed valuation. They may partly offset rate reductions that are the result of reassessment.

At issue is the percentage of market value that determines the assessed value of commercial properties. State law sets it at 32 percent.

Property Assessment Review said sales records showed that the county underestimated the value of commercial property and assessed it at less than 32 percent of market value, Weber said.

The company said any commercial property assessed at 32 percent was overassessed, and their

owners deserve a refund.

The county agreed that the percentage should be 28.5 percent for 2002 taxes and 28.25 percent for 2003 and 2004 taxes. The change should result in refunds of about 11 percent of property taxes in 2002 and 12 percent in 2003 and 2004, Weber said.

Eugene Leung, the county's revenue director, said the county relied on a state equalization study that indicated 32 percent was correct. But Property Assessment Review proved that it was not right, he said.

The settlement applies only to Weber's clients.

The Cooperating School Districts of Greater St. Louis will host a meeting of school officials Thursday to discuss the situation.

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