



2017 REAPPRAISAL

Our Commitment to You

Reappraisal is always a challenge, because the goal is to appraise 50,000 properties all at one time, and in a way that is fair and equitable to all property owners. We strive to follow established industry standards for mass appraisal; however, we recognize that there will be situations where the mass appraisal approach may produce an estimate of value that seems somewhat high or low for an individual property. We are committed to working with all property owners to ensure that every property is appraised at a reasonable estimate of its January 1, 2017 market value.

About the 2017 Reappraisal

Reappraisal is the process of taking a market value “snapshot” of all real property in the county, as of January 1 of the reappraisal year. Real property includes all vacant and improved land, whether residential, commercial, agricultural, or industrial.

For each property, that market value becomes the tax value for every year until the next reappraisal occurs, with a few important exceptions (such as new construction or a change in zoning). When one of the exceptions occurs to an individual property, its market value will be adjusted using the rates developed for the most recent reappraisal. For example, if a house is built in 2018 on a lot that was vacant in 2017, the new house and lot will be appraised using 2017 market values.

Why we do it

North Carolina law requires all counties to reappraise real property at least every eight years.

Haywood County’s last reappraisal took effect on January 1, 2011; our next reappraisal will become effective January 1, 2017.

Over time, property values in the county change at different rates. For example, there might be a lot of growth in one area of the county that causes market values to increase

faster there than in other areas of the county. Since property taxes are based on property values, unequal changes in values means some property owners pay more than their share, while others pay less. The purpose of the reappraisal is to reset all property values back to market value, so that the property tax burden is spread fairly across all taxpayers.

How Reappraisal works

To prepare for the reappraisal, we examine every recorded sale of property in the county, in addition to reviewing building cost data and income/expense information from income-producing properties. These approaches help us to develop estimates of market value, using uniform standards, for over 50,000 individual properties, even though they may be of different types and locations. These are known as “mass appraisal” methods and processes. They are similar to the techniques used by single-property appraisers, but they follow a different set of appraisal industry standards, since they are designed to predict market values for thousands of properties, rather than one property. All Haywood County appraisal staff have been certified by the North Carolina Department of Revenue to perform property tax appraisals, through a series of educational coursework, comprehensive examination, and continuing education requirements.

In preparation for the 2017 general reappraisal, every improved property in Haywood County has been reviewed, through a combination of computer-based reviews and field reviews, to ensure that the characteristics of that property are reflected accurately in the county tax records.

How your tax value is determined

Market value is not determined by the tax office; rather, it is determined by the actual activity in the local market. The tax office simply examines and analyzes market activity to develop formulas for establishing the values of individual properties. For example, even though not all properties will sell, or rent, or be built at the same time, information from those that have sold can be used to establish typical market rates for each of these market activities. Those rates can then be applied to all properties to ensure that reasonable values can be developed in a uniform way.

What “Market Value” means

In North Carolina, market value for tax appraisal purposes is defined by law. General Statute 105-283 states that market value is “the price estimated in terms of money at

which the property would change hands between a willing and financially able buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of all the uses to which the property is adapted and for which it is capable of being used.” This definition is similar to the concept of market value used in other types of appraisals. Another way to say it is that market transactions are those that happen at “arm’s length,” or situations where buyers and sellers are reasonably informed, acting in their own best interests, and under no pressure to buy or sell.

What Market Value is Not

There are many types of transactions that do not generally meet the market value standard. Sales that occur as the result of a foreclosure or pre-foreclosure process, auction sales, estate sales, sales between related parties, and sales involving non-profit institutions are all examples of transactions that must be carefully analyzed to determine whether they can be considered market transactions. Similarly, there are other meanings of the term “value” that are usually not the same as market value—for example, insured value, salvage value, present use value, book value, or actual construction cost. Again, other meanings of value must be compared to the market value definition to determine whether they are useful indications of market value.

Is Market Value the same as sale price?

Individual transactions, even if they are “arm’s length,” do not necessarily occur exactly at the expected market rate. Since every combination of buyer, seller, and property is unique, there will normally be factors that cause the price for a particular transaction to be higher or lower than the market would predict. Put another way, some deals are better or worse than others, but we can only decide that by examining the market as a whole, and comparing the individual transaction to other, similar transactions. Regardless of the terms of a single sale or lease or building cost, every property must be evaluated in terms of what is reasonable and typical in the market for the property type and location.

What type of property is involved?

The reappraisal will include all land and all residential, commercial, and industrial structures in Haywood County. The reappraisal does not include personal property such as motor vehicles, boats, airplanes, machinery and equipment, etc.

How will the revaluation affect my tax bill?

$(\text{ASSESSED VALUE}) \times (\text{TAX RATE}) = \text{TAX AMOUNT}$

The reappraisal determines only one of two components (assessed value) of your tax bill. The other component (tax rate) is set by elected bodies such as City / Town Council, County Commission. It is unknown at this time what the tax rate will be for each jurisdiction. Local boards will set their respective tax rates in June 2017. Tax rates are subject to change from year to year. However, except in the case of certain changes to the property, the assessed value established for 2017 will remain in effect until the next reappraisal.

Will everyone's value change by the same amount or percentage?

No. The change in assessed value may vary widely between properties, depending on a variety of market factors as well as the accuracy of the last assessed value. These factors may indicate a significant change in value for some properties, while others may experience little or no change.

What if my land is enrolled in Present Use Value (farm use)?

Reappraisal has no bearing on eligibility for the program. Present Use Value rates for Agriculture, Horticulture, and Forestry are revised but continue to be significantly less than market value.

What if I currently receive the Homestead Exclusion (for elderly or disabled) or the Disabled Veteran Exclusion?

Reappraisal will not affect eligibility. As in non-revaluation years, you do not need to submit a new application unless there is a change in your eligibility. First time applicants can call (828) 452-6640 for information on benefits and how to apply.

How do I appeal the new assessed value?

In January of 2017, a new value notice will be mailed to you. After you review the information and you believe the assessed value to be significantly greater than market value and have information to support that position, you may request a review.

To request a review of your value, complete and return the tear-away portion of the notice of value within 30 days from the date of mailing. Include any information you wish to be considered. An appraiser will review all the information you provide and respond to you in writing.

Questions

If you have questions concerning the 2017 Reappraisal, please contact the Haywood County Real Property office at 828.452.6654

Calendar for Adoption of Schedule of Values

Reference: NC Gereneral Statute 105-317c

Date	Description
September 6, 2016 Tuesday	Present Schedule of Values to the Haywood County Board of County Commissioners
September 7, 2016 Wednesday	Advertise in newspaper that the Schedule of Values are available in The Assessor's Office Waynesville NC and advertise the date of Public Hearing The Assessor's Office at 215 N. Main St Waynesville NC and advertise the date of Public Hearing
September 19, 2016	Public Hearing for the Schedule of Values

