



HAYWOOD COUNTY BOARD OF COMMISSIONERS

AGENDA REQUEST

***Must be presented to the County Manager's Office
NO LATER THAN 5 P.M. FRIDAY THE WEEK BEFORE THE MEETING***

DATE OF REQUEST: August 26, 2016

FROM: DBF

MEETING DATE REQUESTED: September 6, 2016

*Regular meetings: First (1st) Monday of the month at 9:00 am
Third (3rd) Monday of the month at 5:30 pm*

SUBJECT: Call for Public Hearing for the 2017 Schedule of Values

REQUEST: Haywood County Tax Administration is requesting a Public Hearing to be held on September 19, 2016 at 5:30 in the Historic Courtroom of the Haywood County Courthouse located at 215 N. Main Street, Waynesville, NC 28786. The purpose of the hearing is to allow the public to discuss the proposed Schedules, Standards and Rules (Schedule of Values) to be used in appraising real property in Haywood County for the revaluation of real property effective January 1, 2017.

BACKGROUND: NCGS 105-317(c) requires the Schedule of Values to be submitted to the BOCC for review and a call for a public hearing and that the Schedule of Values be available for public inspection in the Assessor's office and the County Manager's office.

IMPLEMENTATION PLAN: Copies of the Schedule of Values are available for review.

FINANCIAL IMPACT STATEMENT:

SUPPORTING ATTACHMENTS: YES NO HOW MANY
LIST:

PowerPoint Presentation: YES

PERSON MAKING PRESENTATION AT MEETING: DBF, Greg West Judy Hickman and Ron McCarthy, RSM Consulting

TITLE: Tax Administrator

PHONE NUMBER: 828.356.2602

E-MAIL: dbfrancis@haywoodnc.net

2017 Reappraisal

- **Reappraisal is required at least every 8 years per N.C.G.S. §105-286.**
- **Last reappraisal was conducted for 2011.**
- **Reappraisal includes both land and improvements: Residential, Commercial, Agriculture and Industrial.**
- **This process will reset all real property to current market value as of January 1, 2017.**

2017 Reappraisal

§ 105-283. Uniform appraisal standards.

- All property, real and personal, shall as far as practicable be appraised or valued at its true value in money. When used in this Subchapter, the words "true value" shall be interpreted as meaning market value, that 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.

2017 Reappraisal

- **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 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 IT IS NOT: Foreclosures, short sales, lending agency sales from foreclosures, relocation agencies, auctions, family sales and other such options are NOT true market sales. Only true market sales prior to January 1, 2017 will be analyzed, as required by state statute.**

2017 Reappraisal

- **The County Assessor's Office or the Commissioners do not "create" the value of your property. People define values by their transactions in the marketplace. The Assessor's Office simply has the legal responsibility to study those transactions and appraise your property accordingly.**
- **Market Value is not always the price for which a realtor may list the property, nor is it the price for which family may sell to another family member.**

2017 Schedule of Values

- **The Schedule of Values (SOV) describes the methodology and procedures for appraising all Haywood County real estate at market value (and present use value, as appropriate) at the time of the county's 2017 Reappraisal. The Schedule of Values establishes the base rates and ranges which will be in effect until the next reappraisal. It also includes the adjustments that may be used for various types of construction, market conditions and valuation schedules for land. The tables and rates found in this manual are a base guideline for establishing value. The appraiser uses these guidelines along with market data to make adjustments in order to appraise individual properties at market value and to establish equitable and uniform values for all properties.**
- **Reappraisals are conducted by applying Mass Appraisal techniques, with thorough analysis from appraisal staff and the use of a computer-assisted mass appraisal (CAMA) software system. The sales comparison, cost approach, and income approach to value are all considered when applicable to appraise all real property.**

2017 Reappraisal

- **Neighborhood Delineation** is a study of forces from outside which could be considered to have an effect on property value; and also conclusions on the typical housing, economic, social and demographic characteristics of the geographic area considered a homogeneous neighborhood. A “neighborhood” for analysis purposes is defined as the largest geographic grouping of properties where the significant economic forces of those properties are generally uniform.

2017 Reappraisal

Neighborhood Delineation

- To provide an opinion of the typical structure, economic factors and conditions within an area considered a neighborhood. Appraisers use this information to provide a benchmark to compare each property within the neighborhood with each other.
- To provide a generally similar geographic area to use as a statistical base for sales comparison, both during the reappraisal and years later to measure change and update values accordingly.
- Provide a basis to allow development of computer assisted land price tables (CALP).

2017 Reappraisal

Market Factor A key element in mass appraisal is the neighborhood identification process, the major function of this process is to allow the appraiser to apply a systematic approach and uniform methods and appraisal techniques to an entire universe or population of properties. Through statistical review and analysis economic market factors can be developed and applied to all properties within the subject neighborhood or population. The appraiser can determine positive or negative percentage adjustments and can apply these adjustments in a consistent manner.

Note: Market Adjustment factors are typically applied to only the major structures within a neighborhood and not to land or out-building values

2017 Reappraisal

- **Added solar farms**
- **Added lower land models to accommodate lower sale prices for land**
- **Values of Bed and Breakfast Inns have decreased since 2011**
- **Added section of Statistics and Appraisal Process**

PRESENT USE CLASS RATE SCHEDULE

- **AGRICULTURE** **\$ 495**
- **HORTICULTURE** **\$1,020**
- **FORESTRY** **\$ 190**
- **Forestry was \$185.00 in 2011.**

2017 Present Use Manual is adopted from the NC Use Value Advisory Board.

2017 Reappraisal

- **Base house is 1300 square grade C.**
- **Base House Rate in 2011 was \$89.75.**
- **Base House Rate in 2017 is \$94.24.**
- **Increase is due mainly to cost of building materials. Labor increased minimally since 2011.**

2017 Reappraisal

- **Sales data has shown that vacant land values for the County have been trending downward since 2011.**
- **However, some areas have remained about the same and some land values have increased.**

2017 Reappraisal

We have seen data showing that market values around the county have changed in different since 2011:

- **Some areas have increased.**
- **Some areas have experienced a decrease.**
- **Some areas have both increases and decreases.**
- **Some areas are about the same.**

2017 Reappraisal

- **For more information about the 2017 Reappraisal please see the county website at [haywoodnc.net/2017 Reappraisal](http://haywoodnc.net/2017%20Reappraisal) or call: 828 452-6654.**