

# Macon County



**MACON COUNTY BOARD OF COMMISSIONERS  
AUGUST 9, 2022  
6 P.M.  
AGENDA**

1. Call to order and welcome by Vice-Chairman Beale
2. Announcements
3. Moment of Silence
4. Pledge of Allegiance
5. Public Hearing(s) – **None**
6. Public Comment Period
7. Additions to agenda
8. Adjustments to and approval of the agenda
9. Reports/Presentations
10. Old Business
11. New Business
  - (A) Request to increase Clerk of Court/Facilities budget – Clerk of Superior Court Shawna Thun Lamb
  - (B) Molar Roller Capital Improvement Plan (CIP) funding request – Public Health Director Kathy McGaha
  - (C) Announcement of demonstration dates for new voting equipment – Board of Elections Director Melanie Thibault
  - (D) 2023 Schedule of Values, Standards and Rules– Tax Administrator Abby Braswell
  - (E) Update on one-quarter-cent county sales and use tax – Commissioner Shields
  - (F) Franklin High School Project – County Attorney Eric Ridenour and County Manager Derek Roland
    - (1) Resolution of Amendment to Agreement Between Macon County and LS3P Associates, Ltd.

(2) Second Amendment to Owner-Architect Agreement

12. Consent Agenda – Attachment #12

All items below are considered routine and will be enacted by one motion. No separate discussion will be held except on request of a member of the Board of Commissioners.

(A) Minutes of the June 14, 2022 regular meeting, the July 12 regular meeting and the July 26 continued session

(B) Budget Amendments #15-27

(C) Tax releases for the month of July (None)

(D) Monthly ad valorem tax collection report – no action necessary

13. Appointments

14. Closed session as allowed under NCGS

15. Adjourn/Recess

# MACON COUNTY BOARD OF COMMISSIONERS

## AGENDA ITEM

### **CATEGORY – NEW BUSINESS**

**MEETING DATE: August 9, 2022**

11(A). Please see the enclosed email thread from Finance Director Lori Carpenter and Clerk of Superior Court Shawna Thun Lamb regarding a request from Ms. Lamb to purchase some office furniture for the clerk's office. Ms. Lamb and/or Ms. Carpenter can provide additional details at the meeting, and if the request is approved, a corresponding budget amendment will also need approval.

11(B). Public Health Director Kathy McGaha has requested time on the agenda to discuss a Capital Improvement Plan (CIP) funding request regarding the Molar Roller.

11(C). Board of Elections Director Melanie Thibault will be publicly announcing demonstration dates for new voting equipment. Per Ms. Thibault, she is planning for demonstrations from two vendors – ES&S and Hart – to be held in late August in the gymnasium of the Robert C. Carpenter Community Building, and these will be open to the public. For more information on this process, please see the enclosed "Numbered Memo 2021-01" from the North Carolina State Board of Elections, which outlines the requirements for adopting and acquiring a certified voting system. Ms. Thibault will have a packet of information that she will provide to the board at Tuesday's meeting.

11(D). Tax Administrator Abby Braswell will be presenting the proposed 2023 Schedule of Values, Standards and Rules, a copy of which will be sent to you in a separate email. Please see the memorandum from Ms. Braswell, which is included in this packet, which outlines the timeline and steps necessary to have the new schedule in place prior to January 1, 2023. The 2023 Schedule of Present Use Values, Standards and Rules will also be sent in a separate email. Ms. Braswell will be present to provide additional

details and to answer questions, as well as request that the board schedule a public hearing on these matters for the September 13 regular meeting.

11(E). Commissioner Shields has requested time on the agenda to discuss the one-quarter-cent county sales and use tax referendum scheduled for the general election in November.

11(F). Following up from the board's joint meeting with the Macon County Board of Education on July 26 regarding plans for Franklin High School, there are two items for the board's consideration. One is a "Resolution of Amendment to Agreement Between Macon County and LS3P Associates, Ltd.," and a "Second Addendum to Owner-Architect Agreement." County Attorney Eric Ridenour and County Manager Derek Roland can share more details on these items at the meeting, and copies of both are included in the packet.

## Mike Decker

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**From:** Lori Hall <lhall@maconnc.org>  
**Sent:** Tuesday, August 02, 2022 3:33 PM  
**To:** mdecker@maconnc.org  
**Cc:** 'Lamb, Shawna T.'; tkeezzer@maconnc.org; droland@maconnc.org  
**Subject:** August 9 2022 agenda item - Clerk of Court request

**Importance:** High

Mike,

Please place Shawna Lamb on the August 9, 2022 agenda. She has a request to increase the Clerk of Court/Facilities budget by \$5,629.00 to purchase the items listed below. If the Board of Commissioners approve this request, they would need to approve a budget amendment taking the \$5,629.00 from contingency.

Sincerely,

Lori M. Carpenter  
Finance Director  
Macon County  
828-349-2027

**From:** Lamb, Shawna T. <Shawna.T.Lamb@nccourts.org>  
**Sent:** Tuesday, August 2, 2022 1:50 PM  
**To:** Lori Hall <lhall@maconnc.org>; Lindsay Leopard <lleopard@maconnc.org>  
**Subject:** clerk of court

Here are the main things I need right now. I can go to Commissioners meeting next Tuesday if needed. I spoke with Ronnie Beale and I can do whatever I need too. Thank you both and hope the pictures come through. I need 3 desk (884.65 each= 2655.00), the 2 pack of chairs I need 5 packs (113.99 each= 570.00), the roll out sleeve I need 2 (1041.08 each= 2084.00), and the desk chairs I need 10 and in BLACK not green (32.00 each= 320.00).

Should come to about \$5629.00



**Shawna Thun Lamb**  
Clerk of Superior Court  
Macon County  
**North Carolina Judicial Branch**  
O 828-349-7234  
F 828-349-7201

*Justice for all*  
[www.NCcourts.gov](http://www.NCcourts.gov)



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# NORTH CAROLINA

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## STATE BOARD OF ELECTIONS

*Mailing Address:*  
P.O. Box 27255  
Raleigh, NC 27611

(919) 814-0700 or  
(866) 522-4723

*Fax:* (919) 715-0135

### Numbered Memo 2021-01

**TO:** County Boards of Elections  
**FROM:** Karen Brinson Bell, Executive Director  
**RE:** Procedures for Purchasing Voting Equipment  
**DATE:** March 1, 2021

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This Numbered Memo updates [Numbered Memo 2019-04](#) and details the procedures a county board of elections is required to follow when seeking to purchase certified voting systems and components.

On August 23, 2019, the State Board of Elections voted to certify several new voting systems for use in North Carolina's elections. When seeking to use a new voting system, a county board of elections must follow the same procedures in the county regardless of when the voting system was certified.

Only voting systems certified by the State Board may be used in North Carolina. North Carolina law and the Elections Systems Certification Program adopted by the State Board establish the role of the county board of elections in selecting a new voting system for that county and impose procedures during and after the adoption and acquisition of a certified voting system for use in the county.

Vendors must also meet certain requirements during the certification process itself and must continue to meet these requirements for as long as the voting system is certified. A copy of those instructions is attached to [Numbered Memo 2019-04](#) and should be reviewed by the county board of elections.

For detailed information on the certification process and the role of the State Board and vendors, please see the [Elections Systems Certification Program](#).

### Voting Systems Certified by the State Board

The following voting systems are certified for use in North Carolina:

- ES&S EVS 5.2.4.0
  - DS200 precinct tabulator
  - DS450 central tabulator
  - DS850 central tabulator
  - ExpressVote ballot marking device
  - AutoMARK ballot marking device

- Hart InterCivic Verity Voting 2.2
  - Verity Scan precinct tabulator
  - Verity Touch Writer ballot marking device
  - Verity Central Workstation central tabulator
  - Verity Print ballot on demand
- ES&S Unity 3.4.1.1
  - M100 precinct tabulator
  - DS200 precinct tabulator
  - M650 central tabulator
  - DS850 central tabulator
  - AutoMARK ballot marking device
- ES&S Unity 3.0.1.1
  - M100 precinct tabulator
  - M650 central tabulator
  - AutoMARK ballot marking device
- Clear Ballot ClearVote 1.4<sup>1</sup>
  - ClearCast precinct tabulator
  - ClearAccess ballot marking device
  - ClearCount central tabulator
  - ClearAudit election audit system

## Requirements for Adopting and Acquiring a Certified Voting System

Ultimately, the county board of commissioners (with the recommendation and approval of the county board of elections) must adopt and acquire a voting system that is certified by the State Board for use in the county. Before the board of county commissioners approves the adoption and acquisition of a voting system, the county board of elections must do the following:<sup>2</sup>

Step 1: Witness a demonstration of the recommended voting system plus at least one other certified voting system not currently used in your county. The demonstration can take place in the county or at a site designated by the State Board.

- The demonstration should be organized as part of a public meeting with invitations sent to the county board of commissioners, the county manager, the county attorney, and the political parties in the county.
- The county board should give public notice of the demonstration and meeting, as it does for all other board meetings.

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<sup>1</sup> Clear Ballot is not currently used in any county in North Carolina.

<sup>2</sup> See G.S. § 163-165.9 and Section 3.3.2 of the Certification Program.

- A majority of county board members must meet the demonstration requirement. All board members of the county board of elections should witness a demonstration if possible.

Step 2: Make a preliminary recommendation to the board of county commissioners as to which voting system should be acquired by the county.

- Official action to preliminarily recommend to the board of commissioners can be taken as soon as the same meeting during which the demonstration is conducted, provided the meeting is properly noticed. Alternatively, the meeting to preliminarily recommend a voting system may be noticed prior to the demonstration as long as the meeting is held after the demonstration.
- The Board can document its recommendation by resolution, letter, presentation, or other official action.

Step 3: The county board must either: (1) test the proposed voting system in at least one precinct where the voting system would be used if adopted, or (2) test the proposed voting system in a simulated election.

Option 1: Testing in a Precinct in an Election

- County board staff must notify State Board voting systems staff of its intent to test the recommended voting system.
- The voting systems election management system and the components of the system must undergo Logic & Accuracy testing prior to use in the test election.
- After completing canvass, the county board must determine that the recommended voting system has met the requirements for voting in that county.

Option 2: Testing in a Simulated Election

- County boards can now test proposed voting equipment in a simulated election, in accordance with standards established by the State Board.<sup>3</sup>
- Please refer to the *Standards for Simulated Election* policy, adopted by the State Board on July 31, 2020, for more information on how to test the proposed equipment in a simulated election. The policy is attached to this memo and available [here](#).
- State Board staff must be notified of any plans to conduct a simulated election prior to scheduling.

Step 4: Seek State Board approval to replace the current voting system.

- The county board of elections cannot replace any voting system, or any portion thereof, without approval of the State Board.<sup>4</sup>

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<sup>3</sup> G.S. § 163-165.9(a)(3)(b), as amended by Part IV of Session Law 2019-239.

<sup>4</sup> See G.S. § 163-165.9(b)(3).

- The form to request approval is attached to this memo and can be found [here](#).

Step 5: Make a final recommendation to the board of county commissioners.

- The board of commissioners can decline to adopt or acquire any voting system recommended by the county board of elections, but it cannot adopt and acquire a voting system that has not been approved by the county board of elections.<sup>5</sup>
- The public contracting and procurement statutes do not apply to the purchase of a certified voting system.
- Along with the final recommendation, the CBE must submit the proposed vendor contract to the State Board of Elections for review and approval.

## Requirements After the County Has Adopted and Acquired a Certified Voting System

The county board of elections must comply with any requirements of the State Board regarding training and support of the voting system by completing all of the following:<sup>6</sup>

- The CBE must comply with all of the vendor's specifications for ballot printers. The CBE can contract with noncertified ballot printer vendors as long as that vendor meets all of the specifications and the State Board's quality assurance requirements.
- The CBE must maintain annual software license agreements.
- The CBE must uphold annual maintenance agreements necessary to maintain the warranty of the voting system or employ qualified personnel to maintain a voting system in lieu of entering into maintenance agreements.
- Before entering into any maintenance agreement, the CBE shall ensure the vendor agrees to operate a training program for qualified personnel hired by the CBE.
- The CBE must notify the State Board at the time of every repair, according to State Board guidelines.
- The CBE must continue to comply with the [Voting Systems Vendor Code of Ethics](#).

## Frequently Asked Questions

Q: The county board currently uses ES&S EVS 5.2.4.0 and wants to purchase a DS450. Is the board required to witness a demonstration and is the county board of commissioners required to adopt and acquire the equipment? Do we need to conduct a simulated election after purchasing the DS450?

A: The county board does not need to witness a demonstration or seek approval of the county commissioners to adopt and acquire a new component of the county's currently used voting system. The county is not adopting a new voting system but rather is purchasing an additional piece

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<sup>5</sup> See G.S. § 163-165.8.

<sup>6</sup> See G.S. § 163-165.9A(a).

of equipment within its currently existing system. The county board will need to satisfy the testing requirement, as the Certification Program requires the vendor to provide the testing county with all voting system equipment, including all components to be used as part of the system in that county. Further, the county board is required to test all functionality of the system that is proposed to be purchased.

Q: The county board wants to upgrade from ES&S Unity 3.0.1.1 to Unity 3.4.1.1. Is this considered “adopting and acquiring” a new voting system under the statute?

A: A county board is not considered to have adopted and acquired a new voting system if it is upgrading to the most recent certified version of the software, and that software upgrade is included in annual maintenance agreements between the vendor and the county. Upgrading from ES&S Unity Version 3.0.1.1 to Version 3.4.1.1 would not be considered adopting and acquiring a new voting system and a county board would therefore not be required to witness a demonstration and seek approval from the county board of commissioners. The county is still required to meet the testing requirement detailed in Step 3 of this memo.

Q: The county board currently uses ES&S Unity 3.4.1.1 and wants to purchase the ExpressVote as part of the ES&S EVS 5.2.4.0 system. Our DS200s and AutoMARK machines will continue to work with EVS 5.2.4.0. Is this considered a new voting system?

A: Changing from Unity to EVS is considered adopting and acquiring a new voting system, even though some equipment remains the same, and your county board needs to complete all required steps for adopting and acquiring a new voting system. A “voting system” is the *total combination* of mechanical, electromechanical, or electronic equipment (including the software, firmware, *hardware*, and documentation required to program, control, and support the equipment) that is used to define ballots; to cast or tabulate votes; to read election media; to report or display election results; and to maintain and produce any audit trail information.<sup>7</sup> Although some hardware, (i.e., the DS200, DS850, and AutoMARK) can be configured to work with either system, Unity 3.4.1.1 and EVS 5.2.4.0 are distinct voting systems that underwent separate federal and State certifications. DS200s and AutoMARKs that have been configured to operate as part of the Unity 3.4.1.1 system would not be compatible with an ExpressVote operated as a component of the EVS 5.2.4.0 system.

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<sup>7</sup> [NCSBE Voting Systems Certification Program](#) at page 3-4 (emphasis added).

Q: The county board currently uses ES&S Unity 3.0.1.1 and wishes to adopt and acquire Hart InterCivic Verity Voting 2.2. Three members of the current board witnessed demonstrations of Verity Voting 2.2 and EVS 5.2.2.0 in the fall of 2019. Is the board required to witness demonstrations again?

A: A majority of county board members voting on the recommendation must have witnessed a demonstration, so if a majority of the board has already witnessed a demonstration of the recommended voting system and at least one other certified voting system not currently used in the county, the board is not required to repeat the demonstration. However, all board members of the county board of elections should witness a demonstration if possible. Board members are not required to attend demonstrations on the same day.

Q: Can my county board conduct a simulated election prior to witnessing demonstrations?

A: No. The simulated election must take place after witnessing the demonstration of the proposed voting system and one other certified system not currently in use in the county and after making a preliminary recommendation to the county commissioners as to which system the county should adopt and acquire.

Q: Can the demonstration required in Step 1 be conducted virtually?

A: Yes. If a quorum of board members is present, the demonstration must be publicly noticed as a meeting of the board and the county board of commissioners, county manager, county attorney, and the political parties in the county must be notified of the demonstration. Any virtual demonstration must be conducted live to give the board members an opportunity to interact with the vendors and ask questions.

## Accessibility Requirement

The Help America Vote Act mandates that a voting system provide the same opportunity for access and participation to voters with disabilities as it does to voters without disabilities. Federal law requires that each voting place have an accessible voting option for voters with disabilities to vote independently. A county board may choose to use any of the certified ballot marking devices to meet this requirement, but due to limitations in tabulation software, a county may not acquire voting systems from more than one vendor.

In selecting the voting system that will be used, county boards should be mindful of the requirement that they must make available at each voting place “an adequate quantity of official ballots or equipment.” Similarly, county commissioners shall provide “for each of those voting places

sufficient equipment of the approved voting system.”<sup>8</sup> County boards should consider the expected turnout in their county and each voting place, including One-Stop early voting, central transfer location, and Election Day, future elections, and the need to reduce long lines whenever possible.

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<sup>8</sup> G.S. § 163-165.10.



# NORTH CAROLINA

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### Request for Replacement of County Voting System

The \_\_\_\_\_ County Board of Elections ("Board"), having met on \_\_\_\_\_ hereby seeks the approval of the State Board of Elections to replace its voting system, or a portion thereof. Before approving the adoption and acquisition of any voting system by the board of county commissioners, the county board of elections shall do all of the following:

#### STEP 1: DEMONSTRATION

Witness a demonstration of the recommended voting system plus at least one other certified voting system not currently used in the county. The demonstration can take place in the county, at a site designated by the State Board, or by virtual means.

- The demonstration should be organized as part of a public meeting with invitations sent to the county board of commissioners, the county manager, the county attorney, and the political parties in the county.
- The county board should give public notice of the demonstration and meeting, as it does for all other board meetings.
- A majority of county board members voting on the recommendation must have witnessed a demonstration. All five members of the county board of elections should attend a demonstration if possible.

County Board member 1: _____	Demo Location: _____	Date: _____
Voting Systems Reviewed:	<input type="checkbox"/> Hart InterCivic Verity 2.2	<input type="checkbox"/> ES&S Unity 3.4.1.1 <input type="checkbox"/> ES&S Voting System 5.2.4.0
County Board member 2: _____	Demo Location: _____	Date: _____
Voting Systems Reviewed:	<input type="checkbox"/> Hart InterCivic Verity 2.2	<input type="checkbox"/> ES&S Unity 3.4.1.1 <input type="checkbox"/> ES&S Voting System 5.2.4.0
County Board member 3: _____	Demo Location: _____	Date: _____
Voting Systems Reviewed:	<input type="checkbox"/> Hart InterCivic Verity 2.2	<input type="checkbox"/> ES&S Unity 3.4.1.1 <input type="checkbox"/> ES&S Voting System 5.2.4.0
County Board member 4: _____	Demo Location: _____	Date: _____
Voting Systems Reviewed:	<input type="checkbox"/> Hart InterCivic Verity 2.2	<input type="checkbox"/> ES&S Unity 3.4.1.1 <input type="checkbox"/> ES&S Voting System 5.2.4.0
County Board member 5: _____	Demo Location: _____	Date: _____
Voting Systems Reviewed:	<input type="checkbox"/> Hart InterCivic Verity 2.2	<input type="checkbox"/> ES&S Unity 3.4.1.1 <input type="checkbox"/> ES&S Voting System 5.2.4.0

**STEP 2: PRELIMINARY RECOMMENDATION**

Make a preliminary recommendation to the board of county commissioners as to which voting system should be acquired by the county.

- Official action to preliminarily recommend can be taken as soon as the same meeting during which the demonstration is conducted, provided the meeting is properly noticed. Alternatively, the meeting to preliminarily recommend a voting system may be noticed prior to the demonstration as long as the meeting is held after the demonstration.
- The Board can recommend by resolution, letter, presentation, or other official action.

<p>Following the demonstration, the Board recommended:</p> <p><input type="checkbox"/> by resolution dated _____</p> <p><input type="checkbox"/> by letter dated _____ signed by _____</p> <p><input type="checkbox"/> by presentation given on _____</p> <p><input type="checkbox"/> by nature of an official action taken on _____</p>
<p>that _____ County adopt and acquire the:</p> <p><input type="checkbox"/> ES&amp;S Voting System 5.2.4.0 Voting System</p> <p><input type="checkbox"/> ES&amp;S Unity 3.4.1.1 Voting System</p> <p><input type="checkbox"/> Hart InterCivic Verity 2.2 Voting System</p>

**STEP 3: TEST THE PROPOSED VOTING SYSTEM**

The county board must either: (1) test the proposed voting system in at least one precinct where the voting system would be used if adopted, or (2) test the proposed voting system in a simulated election.

- County board staff must notify State Board voting systems staff via email ([votingsystems.sboe@ncsbe.gov](mailto:votingsystems.sboe@ncsbe.gov)) of its intent to test the recommended voting system.
- The voting systems election management system and the components of the system must undergo Logic & Accuracy testing prior to use in the test election.
- After completing the test election, the county board must determine that the recommended voting system has met the requirements for voting in that county.

<input type="checkbox"/>	On _____, the county board staff notified the State Board of Elections voting systems staff of its intent to test the recommended voting system.
<input type="checkbox"/>	The recommended voting system was tested on _____. The voting systems election management system and all of the components of the system were subject to Logic & Accuracy testing prior to use in the test election.
<input type="checkbox"/>	If tested during a real election, the recommended voting system was tested in _____ one-stop absentee voting site(s) and/or _____ Election Day precinct(s).
<input type="checkbox"/>	The Board, having completed its election (real or simulated) in which the recommended voting system was tested, has determined that the recommended system meets the requirements for voting in the county.

**STEP 4: SBE APPROVAL**

The county board of elections cannot replace any voting system, or any portion thereof, without approval of the State Board.

The Board seeks the approval of the State Board of Elections to replace its current voting system, or a portion thereof with the following voting system:

- Hart InterCivic Verity 2.2 Voting System     
  ES&S Unity 3.4.1.1 Voting System  
 ES&S Voting System 5.2.4.0 Voting System

The Board proposes to adopt and acquire the voting system’s election management system (EMS) and the following components of the system:

<i>Component Type</i>	<i>Model</i>	<i>Quantity</i>
<i>Precinct Ballot Tabulator (PBT)</i>		
<i>Central Ballot Tabulator (CBT)</i>		
<i>Ballot Marking Device (BMD)</i>		
<i>BMD Printer</i>		
<i>Ballot on Demand (BOD) Printers</i>		

The Board proposes to use the \_\_\_\_\_ ballot marking device and its accessible peripherals to meet ADA requirements to allow for accessible voting.

**STEP 5: ADOPTION AND ACQUISITION OF NEW VOTING SYSTEM BY BOARD OF COUNTY COMMISSIONERS**

The board of county commissioners, with the approval of the county board of elections, may adopt and acquire only a voting system of a type, make, and model certified by the State Board for use in some or all voting places in the county at some or all elections. The board of county commissioners may decline to adopt and acquire any voting system recommended by the county board of elections but may not adopt and acquire any voting system that has not been approved by the county board of elections. Following SBE approval, the County Board understands that it may then proceed to ask its Board of County Commissioners for the approval and funding to acquire the recommended voting system.

**Along with this request, the Board is submitting the proposed vendor contract to permit the State Board of Elections to review and approve the terms of the vendor's contract.**

*Board Chair* \_\_\_\_\_ *Date*

*Board Secretary* \_\_\_\_\_ *Date*

*Board Member* \_\_\_\_\_ *Date*

*Board Member* \_\_\_\_\_ *Date*

*Board Member* \_\_\_\_\_ *Date*

<b>State Board of Elections use Only</b>	
The proposed voting system replacement <input type="checkbox"/> IS <input type="checkbox"/> IS NOT approved.	
<b>Approved by:</b>	<b>Date:</b>



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### Standards for Simulated Election

Adopted by the State Board of Elections on July 31, 2020

#### Authority

G.S. § 163-165.9(a)(3)(b), as amended by Part IV of Session Law 2019-239, authorizes a county board of elections to test new voting equipment “during a simulated election, in accordance with standards established by the State Board.” The simulated election may be conducted in lieu of testing a new voting system during an election in at least one precinct in the county where the voting system would be used if adopted and acquired.

#### Standards

A county board of elections conducting a simulated election before approving the adoption and acquisition of any voting system shall complete the following procedures:

1. One standard test election shall be coded by precinct with 25 precincts and the following additional “administrative polls”: absentee by mail, provisional, election day transfer and at least three one-stop sites. Contests will model actual election contests and include at least the following: federal partisan single-seat contests; state partisan single-seat contests, including unaffiliated candidates and at least one qualified write-in; county partisan single-seat and multi-seat contests; nonpartisan single-seat and multi-seat contests which allow write-ins; and at least one referendum question.
2. If applicable to the voting system being tested, a second sample election will be coded by style with the same criteria listed in paragraph 1.
3. The county board shall use equipment and coding for as many precincts as exist in the county or 25 precincts, whichever is fewer. Additionally, the county shall test all administrative polls, including at least one one-stop site per ten precincts up to a maximum of three one-stop sites. A minimum of 200 ballots per precinct shall be printed. The county board will set up all necessary voting equipment, and testing personnel shall vote simulated election ballots according to standard ballot marking instructions for the purpose of ensuring that the system is operating properly and has been programmed to count votes accurately.
4. After all simulated voting sites have been opened, voted, and closed, the county board will import results into the election management software, print reports, and compare results against the tabulator results tapes.

5. The State Board of Elections will provide the county board of elections at least two sites chosen at random for a hand-eye sample audit. With each chosen site, the highest contest on the simulated election ballot and one other contest selected at random will be audited.
6. County board of elections members and staff may conduct the simulated election. If possible, the county board of elections shall include precinct officials in the simulated election event. The public shall be invited and may observe the simulated election event.
7. All records, ballots, and related documents for the simulated election shall be retained for 5 years after the testing event and in accordance with the Records Retention and Disposition Schedule for County Boards of Elections as issued by the North Carolina Department of Cultural Resources, specifically item 23, "Voting Machine Lists, Testing Records and Certifications."
8. If the county board of elections seeks approval from the State Board to replace the current voting system with the system tested in the simulated election, the following documentation shall be provided with the request as evidence of the simulated election:
  - a. Summary election results report(s);
  - b. By precinct election results report(s); and
  - c. Copies, or a link to digital copies, of tabulator results tapes.



**MACON COUNTY TAX OFFICE  
5 WEST MAIN STREET  
FRANKLIN, NC 28734**

MEMORANDUM

To: Macon County Board of Commissioners  
From: Abby Braswell *AB*  
cc: Derek Roland  
Date: August 9, 2022  
Re: 2023 Schedule of Values, Standards and rules.  
2023 Schedule of Present Use Values, standards and rules.

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I am writing to inform you of the requirements of adoption of the schedule of values for the 2023 reappraisal and to present to you the 2023 Schedule of Values, Standards, and Rules. The NCGS 105-317 requires the county to adopt a schedule of values to be used in appraising all real property in the county. Macon County is on a 4-year reappraisal cycle and the next reappraisal is January 1, 2023. Per the NCGS the following is the schedule I am requesting that we follow to adopt the 2023 Schedule of Values, Standards and Rules and the 2023 Schedule of Present Use Values, Standards and Rules. The Schedule of Values shall be passed before January 1 of the year they are applied per the NCGS 105-317 (c).

August 9, 2022

August 9, 2022 Commissioner meeting : The Schedules must be presented to the Board of Commissioner at least 21 days before the meeting at which they will be considered by the Board. A copy of the Schedules will be placed in the Tax Office where they shall remain available for public inspection. I am suggesting the public hearing be at the September board of commissioners meeting in order to meet the timeline requirement in the NCGS 105-317

August 24, & 25, 2022

Upon receipt of the proposed schedules the board of commissioners shall publish a statement in a newspaper having general circulation in the county stating that a) the schedules have been submitted to the board and are available for public inspection and b) the time and place of the public hearing on the proposed schedules that is at least 7 days before adopting the schedules.

September 13, 2022

The public hearing will be at the normal commissioners meeting September 13, 2022 at 6:00p.m.

October 11, 2022

If the board of commissioners approve the schedule of values on October 11, 2022 at the regular board of commissioner meeting then said board shall issue an order adopting the schedule of value. The notice of this order shall be published once a week for four successive weeks in a newspaper having general circulation in the county, with the last

publication not less than 7 days before the last day for challenging the validity of the schedules, standards and rules by appeal to the Property Tax Commission.

October 13, October 19, October 27 and November 2

The above date are the four successive weeks that the adoption of the schedule shall run. The notice shall Highlander on October 13th and October 27th and the Franklin Press on October 19<sup>th</sup> and November 2<sup>nd</sup>. The last day to appeal to the Property tax commission is November 10<sup>th</sup> so the last date to publish the notice will be November 3<sup>rd</sup>.

I have included the Notice of Public Hearing that we have used in the past and I am including a Notice of adoption that can be published for four weeks after the board approves the schedules if the board so approves.

Thank you for allowing me to submit the 2023 Schedule of Values, Standards, and Rules and the 2023 Present Use Value Schedule of Values, Standards, and Rules. I ask that you approve the schedule as outlined above.

STATE OF NORTH CAROLINA  
COUNTY OF MACON

**RESOLUTION OF AMENDMENT TO  
AGREEMENT BETWEEN MACON COUNTY and LS3P ASSOCIATES, LTD.**

WHEREAS, the Macon County Board of Commissioners entered into that certain AIA Scope of Services Contract dated December 13, 2021 with LS3P Associates, LTD for Phase I and Phase II of the Franklin High School Project, LS3P Project M201-217240; and

WHEREAS, the above referenced contract provided that Phase III, Implementation of the Phase II study, would only be authorized in writing by the Owner (County) upon approval by the Board of Commissioners; and

WHEREAS, a public hearing concerning the Phase II study was held at a joint meeting of the Macon County Board of Commissioners and the Macon County School Board on July 26, 2022, at the Fine and Performing Arts Center on the campus of Franklin High School,

WHEREAS, LS3P's Phase II study found that it would cost and estimated \$111 million to renovate the existing structures at Franklin High School, and \$118 million to raze the existing structures and build a new facility consisting of three phases, 1) an Athletic Complex, 2) New High School, and 3) Demolition of Existing buildings and new site construction of Parking and Multi-purpose field, said phases and conceptual concepts are attached hereto as **Exhibit A** and incorporated by reference.

WHEREAS, LS3P strongly recommended that for the difference in the price, the benefits and safety of a new facility, that a new high school campus be constructed on the existing site of Franklin High School; and

WHEREAS, following the public hearing on July 26, 2022, upon motion by Commissioner \_\_\_\_\_ and second by Commissioner \_\_\_\_\_, the Macon County Board of Commissioners voted 5-0 to proceed with Phase III, Implementation of the Recommendation of the Phase II Study by LS3P at the agreed upon price of \$476,161.

NOW THEREFORE, BE IT ORDAINED, by the Board of Commissioners of the County of Macon, State of North Carolina, the following.

1. Upon Motion by Commissioner \_\_\_\_\_, and seconded by Commissioner \_\_\_\_\_, Amendment to Agreement between Macon County and LS3P Associates, LTD was unanimously approved.
2. LS3P is authorized to proceed with Phase III the Design Development Phase of the Franklin High School Project at the agreed upon price of \$476,161.
3. Phase III, the Design Development Phase, shall consist of those items, plans and work listed in paragraphs 3.3.1 through 3.3.3 of that certain AIA Scope of Services Contract dated December 13, 2021 with LS3P Associates, LTD.
4. Chairman Tate is hereby authorized to enter into a Second Addendum to the Scope of Service Contract dated December 13, 2021 with LS3P for Phase III in the amount of \$476,161.

Adopted at the July 26, 2022, Regular Meeting of the Macon County Board of Commissioners.

\_\_\_\_\_  
James Tate, Chairman, Macon County Board of  
County Commissioners

ATTEST:

\_\_\_\_\_  
Derek Roland, Macon County Manager  
and Clerk to the Board

(Official Seal)

## SECOND ADDENDUM TO OWNER-ARCHITECT AGREEMENT

This Second Addendum to the Owner-Architect Agreement for additions to Franklin High School (the "Project"), by and between the County of Macon (the "County"), LS3P ASSOCIATES, LTD., (the "Architect") and the Macon County Board of Education (the "Board," and collectively, the "Parties") was entered into between the parties on July 26, 2022 at the Franklin High School Fine and Performing Arts Center.

WHEREAS, the County and Architect entered into a B101-2017 Standard Form of Agreement Between Owner and Architect dated December 13, 2021 (the "Agreement") in furtherance of the accomplishment of the Project; and

WHEREAS, the Board intends to convey to the County the title to the real property upon which the Project will be constructed pursuant to G.S. §153A-158.1, and the County has entered into the Agreement for architectural plans of the Project for the benefit of the Board and its students in pursuit of the County and Board's shared obligation to improve public education, and G.S. §115C-521(c) requires the Board to be a party to contracts for the building and repair of all school buildings (collectively, the "Applicable Laws"); and

WHEREAS, the above referenced contract provided that Phase III, Implementation of the Phase II study, would only be authorized in writing by the Owner (County) upon approval by the Board of Commissioners; and

WHEREAS, a public hearing concerning the Phase II study was held at a joint meeting of the Macon County Board of Commissioners and the Macon County School Board on July 26, 2022, at the Fine and Performing Arts Center on the campus of Franklin High School,

WHEREAS, LS3P's Phase II study found that it would cost an estimated \$111 million to renovate the existing structures at Franklin High School, and \$118 million to raze the existing structures and build a new facility consisting of three phases, 1) an Athletic Complex, 2) New High School, and 3) Demolition of Existing buildings and new site construction of Parking and Multi-purpose field, said phases and conceptual concepts are attached hereto as **Exhibit A** and incorporated by reference.

WHEREAS, LS3P strongly recommended that for the difference in the price, the benefits and safety of a new facility, that a new high school campus be constructed on the existing site of Franklin High School; and

WHEREAS, following the public hearing on July 26, 2022, upon motion by Commissioner \_\_\_\_\_ and second by Commissioner \_\_\_\_\_, the Macon County Board of Commissioners voted 5-0 to proceed with Phase III, Implementation of the Recommendation of the Phase II Study by LS3P at the agreed upon price of \$476,161; and

WHEREAS, following the public hearing on July 26, 2022, upon motion by Board Member \_\_\_\_\_ and second by Board Member \_\_\_\_\_, the Macon County School Board voted \_\_\_\_\_ to proceed with Phase III, Implementation of the Recommendation of the Phase II Study by LS3P at the agreed upon price of \$476,161.

NOW THEREFORE, in consideration of compliance with the Applicable Laws, the sufficiency of which is hereby acknowledged, the Parties to the above-referenced Agreement hereby mutually enter into this Addendum which is fully incorporated into and made a part of the Agreement. To the extent that the terms and conditions contained within this Addendum conflict with any other terms or conditions contained within the Agreement, the terms and conditions contained within this Addendum shall prevail. The Parties agree as follows:

1. LS3P is authorized to proceed with Phase III the Design Development Phase of the Franklin High School Project at the agreed upon price of \$476,161, which amount will be paid by the County.
2. Phase III, the Design Development Phase, shall consist of those items, plans and work listed in paragraphs 3.3.1 through 3.3.3 of that certain AIA Scope of Services Contract dated December 13, 2021 with LS3P Associates, LTD.

**IN WITNESS WHEREOF**, the Parties have executed this Agreement as of the Effective Date written above.

**MACON COUNTY BOARD OF EDUCATION**

By: \_\_\_\_\_  
Jim Breedlove  
Chairman, Macon County Board of Education

**COUNTY OF MACON**

By: \_\_\_\_\_  
James P. Tate  
Chairman of County Board of Commissioners

**LS3P ASSOCIATES, LTD.**

By: \_\_\_\_\_  
Paul David Boney  
Sr. Vice President, K12 Practice Leader, Principal

# MACON COUNTY BOARD OF COMMISSIONERS

## AGENDA ITEM

### **CATEGORY – CONSENT AGENDA**

**MEETING DATE: August 9, 2022**

Item 12A. Draft minutes from the June 14, 2022 regular meeting, the July 12, 2022 regular meeting and the July 26, 2022 continued session are attached for the board's review and approval. (Mike Decker/Tammy Keezer)

Item 12B. Budget Amendments #15-27 are attached for your review and approval. (Lori Carpenter)

Item 12C. There are no tax releases for the month of July 2022, per the attached memorandum from Tax Collections Supervisor Delena Raby.

Item 12F. A copy of the ad valorem tax collection report as of July 31, 2022. Report only. No action is necessary. (Delena Raby)

**MACON COUNTY BOARD OF COMMISSIONERS**  
**June 14, 2022**  
**MINUTES**

Chairman Tate called the meeting to order at 6:00 p.m. All Board Members, County Manager Derek Roland, Deputy Clerk Mike Decker, Finance Director Lori Carpenter and County Attorney Eric Ridenour, members of the news media, county employees and interested citizens were present.

**ANNOUNCEMENTS:** Mr. Roland announced that the county would be contracting with LS3P as the architect for the Franklin High School project and the firm is going to be presenting its assessment to the Board of Education as well as the Board of Commissioners at a joint meeting scheduled for Tuesday, July 19, 2022 at 6:00 p.m. in the Fine Arts Center located at Franklin High School. He noted that Commissioner Shields has provided a copy of the renovation suggestions to the other members of the board for review prior to the meeting.

**MOMENT OF SILENCE:** Chairman Tate requested all in attendance rise and a moment of silence was observed.

**PLEDGE TO THE FLAG:** Led by Attorney Ridenour, the pledge to the flag was recited.

NOTE: Due to the overflow of citizens attending the meeting, Chairman Tate recessed the meeting at 6:04 p.m. and the meeting was moved to Courtroom A on the fourth floor of the Macon County Courthouse, where Chairman Tate called the meeting back to order once the board and staff members had assembled.

**PUBLIC HEARING(S):**

**(A) FISCAL YEAR 2022-23 BUDGET** – The public hearing was called to order at 6:15 p.m. by Chairman Tate. Mr. Roland stated that all the changes that were discussed at the last budget work session have been incorporated into the document provided to the board members. He said if it is adopted those changes include an \$8,490 increase to the North Carolina Forest Service and also include the adjustments as discussed pertaining to the four fire departments that requested increases. **Mary Ann Ingram** spoke about the need for long sleeve shirts for the lifeguards at the Macon County Rec Park Pool. She said an

estimated cost would be \$420 and that she was contributing \$120 toward that amount and challenged board members to individually contribute as well. Board members and members of the general public came forward and gave contributions. **Angela Norman** stated she wanted to thank Commissioner Beale and the board members who voted to increase the funding to the Macon County Library employees as those people work incredibly hard to provide services and programs for our community. She said she is struggling to understand Commissioner Higdon believing that funding the salaries of the library employees should be used as punishment over the Pride display. **Brittany Lofthouse** stated that Commissioner Higdon had previously referenced a book; A Church for All that was included in the Pride display at the library and read excerpts from the book. She stated that the book has no bearing on what the library funds are intended for in this budget and for Commissioner Higdon to say that promoting these types of books deserves punishment for the staff and their funding is not warranted. Mrs. Lofthouse said Commissioner Higdon keeps saying that these things are personal opinions, but that is not his job as a commissioner and that she along with the majority of Macon County fully support the Macon County Public Library and providing additional funding for their incredible employees. **Bill Dyar** stated he was representing the Macon County Library Board of Trustees and informed the board that he had sent them an email earlier today with the information he was presenting. He commented that there is no exception that the library has volunteers that tirelessly support our library with their time, their talent and their resources as he recognized those that were present. Mr. Dyar stated the library board of trustees had asked him to speak in an appeal for increased funding for the library in this year's budget. He said that over the past 10 years the library has received a five percent increase in funding and that during that time inflation grew 16 percent which does not include the inflation that we are currently experiencing. Mr. Dyar indicated that the starting salary at the library as an hourly employee is \$10 an hour and urged the board to increase funding to the library in this year's budget. **Dylan Castle** stated that he supported Commissioner Higdon's position that taxpayer money is going to promote so openly and directly to children the LGBTQ agenda. He stated that parents have the final authority in exposing or not exposing their children to anything of this nature and requested that commissioners be "righteous men who lead not with the sway of the current tide, but to lead according to God's principles." Mr. Castle said he believes each commissioner "will be accountable to God personally and that the voters will hold them accountable because the voters want righteous leaders and will have righteous leaders." **Leah Gaston** stated she has been a library advocate for eight years bringing her eight-year-old daughter to the library regularly. She feels she and her husband have the sole responsibility to teach their child about matters of sexuality and do not give the library permission to introduce, display, promote, or celebrate topics of sexuality of any type to their child. Ms. Gaston shared that she understands that the commissioners have many concerns in running

the county, but would like to kindly remind them that all of us carry the burden of society upon our shoulders and in today's modern age it is not enough to ride the fence anymore and simply watch events unfold in our culture. She thanked Commissioner Higdon for being an example of what a community leader should be and said she hopes others will follow his lead and call out the perversions that are destroying our country. **Jim Gaston** stated he has seen firsthand up close the huge amount of wasteful spending from the public treasury and how money got spent just because it was available, and then it took more money to maintain everything that was bought. He said he does not support spending more money to grow government on any level because it is never enough, and that government's nature is to become bloated with no accountability and everyone wants their handout for their special projects or pay increases. Mr. Gaston thanked the board for putting the sales tax to a referendum and said he thinks all of us can live with the results whenever the people have the say so on the ballot. He stated that when it comes to promoting biased beliefs it is okay to say no to extra funds to a public library when they promote and celebrate dangerous themes as if it were normal. Mr. Gaston said the funding should not be contingent on personal beliefs and feels the staff and the librarians passionately make that library what it is and to deny them a three percent pay increase is a dereliction of duty as an elected official of this county, and how dare they not get paid what they are owed. **Cayenne Kruse** stated she does not agree with withholding the salary increase for the librarians on any premise. **Hannah Kruse** stated that when she heard that library employees were not going to get a raise she was shocked saying school children are expected to be mature enough to handle the numerous active shooter drills in school every year, therefore it seems that makes them mature enough to know whether or not a fellow student might have two dads. She said she felt the library staff simply did their job to inform the public on what books they have to offer for Pride month. Ms. Cruz asked commissioners not to allow personal feelings or opinions to get in the way of allowing library employees to be paid what they deserve. **Allen Lewis** stated he stands in opposition of promoting any material of a sexual nature to minors at the public library regardless of what kind of sexual material that is, but he supports funding the library staff at a reasonable rate. **Warren Bergstresser** stated he was at the library meeting where they were talking about the LGBTQ display and began wondering what the library is and what its purpose is. He said it is a "repository of knowledge accrued throughout centuries that is either written or in digital form and it is typically used for academics for the purpose of gaining study to learn professions, trades, skills and that type of thing." Mr. Bergstresser said he does not feel that this purpose should affect in any way how we publicly fund the library. He stated that he thinks the board should look at trends across the country such as police departments in the north that are having to restrict patrols due to their budget being already out of money because of fuel costs, and think about trying to make sure that what is coming on the horizon allows us to keep services going. **Jared Gantt** stated this is not really a

question of funding, but at the heart of it is a question of punishing people for doing their jobs and doing it well. He said he believes it is about power and using power to silence the narratives and the information that board members disagree with. Mr. Gantt said our library is incredibly fortunate to have the staff that they do and they provided a welcoming community space for everyone regardless of race, religion or orientation. He shared quotes from Isaac Asimov, Walter Cronkite, and John Barry, and added that a three percent pay increase will not cover the increase of the cost of living. He closed by saying these librarians have a much harder job than he does and he is getting a six percent increase next month. **Heather Johnson** spoke in support of the library stating she supports every move the library makes and will continue to do so. **Megan Partain** spoke in support of the library and the programs that employees put together day after day for everyone in the community, community members of all walks of life in Macon County, from children to adults, all for free. She said in high school she had to experience peers who did not have the representation in public places like the library here has and she had to watch these youths suffer in silence, and due to that silence some of them are no longer here. Ms. Partain stated that she feels board members are using a public platform, an elected seat, to withhold funding for salaries because of personal disagreement, which is essentially punishing the hard-working employees of the library that go above and beyond to provide support, safety and representation. She said Commissioner Higdon's stance speaks volumes to the surrounding communities and to our state and it is very shameful. Ms. Partain closed by saying that she and her three children came tonight to support our library and its employees and to support any and all members of the LGBTQ+ community in Macon County who are under increasing pressure from those who wish to perpetuate silence and she wishes to call out ignorance and hate when she sees it. **Olena Romanchuk** stated she supports our public library and would like to say that denying the budget to the public is an attempt of censorship, and believes it is not only immoral but also illegal. She said the library is a safe public space and also funded by public, so it should serve the public and every individual in our community not just a few. Ms. Romanchuk indicated that salaries need to be increased for a livable wage. **Shalomar Anderson** spoke in support of library funding and stated that if the board was really worried about money, shouldn't they be concerned about the cost of bigoted policies and withholding nominal raises less than those in the private sector. She said some of us live differently but it doesn't make us less than and it certainly doesn't mean that you can withhold something that is a business decision based on something that is apparently a religious decision. Ms. Anderson stated that board members are elected to do a job for the entire community and withholding a three percent raise on these grounds is appalling. She said she would not be surprised if this information got picked up in a more national way by news outlets if not stopped, and asked if this issue is how the board wants to bring attention to our community. **Donn Erickson** said he would like to applaud the library for having

materials and for presenting information and literary materials on the LGBTQ issue and other controversial social issues of the times. He said he believes we are blessed to be in a society where we are not only allowed, but also encouraged to come to a public forum and voice our different opinions and to participate in the democratic process of decision making about our community to make it better and stronger. **Railey Dolpher** spoke in support of the library. **Mike Holland** spoke in support of the library and stated that a small Pride display of something that is being celebrated all over the world about accepting a group of people just as they are can be handled better in Macon County than this. He said the Gay community is part of Macon County including doctors, lawyers, hospital staff, teachers, etc. and they are paying taxes. **Mary Sarozzi** spoke in support of the library and said she wanted to share a quote from New York Senator Liu in regard to what Jesus said about homosexuality as she turned her back to the board and stood in silence. **John deVille** referenced North Carolina General Statute 7b 301 and House Bill 755. Mr. Deville indicated that these two legal positions will create a conflictual position for teachers and others required by N.C.G.S. 7b 301 to report suspected abuse of a child. He said that he will not take the chance of placing a student into an abusive situation now implied in H.D. 755 in regard to LGBTQ students. Mr. deVille referred to Commissioner Higdon's comments at the June 7, 2022 meeting regarding the Pride display at the library and gave some examples of the differing of opinions and the use of tax dollars. He said the public library is one of the last public sanctuaries in our country, it is a safe harbor, a place to affirm those who are otherwise marginalized by society whether they are persons of color, poor, homeless or members of the LGBTQ community, and feels the staff of our library deserve respect and admiration for their acts of courage, their compassion, their affirmation, their support, and their understanding. **Hazel Norris** spoke in support of increased funding for the library. **Danny Antoine** stated he came here tonight because he wanted to address the article in the *Asheville Citizen Times* about Commissioner Higdon and said after listening to what everyone is saying tonight that he too agrees that there is so much hate and asked at what point do we realize hate is not going to be the answer? Mr. Antoine read a prepared statement sharing his beliefs and intent as he seeks public office in November. He ended by saying, as public servants, we are there to serve people and as Christians, it is time to stand and be vocal. Chairman Tate asked Library Director **Karen Wallace** to answer some questions for the board. Ms. Wallace indicated there are 27 library employees (20 in Franklin, five in Highlands, and two in Nantahala) and that the funding increase requested will go toward salaries, health insurance and general operating expenses. Commissioner Higdon asked Ms. Wallace about the state funding appropriated to the library to which Ms. Wallace said the funding had previously remained flat. Commissioner Higdon referenced the Memorandum of Agreement between Macon County and Fontana Regional Library saying the agreement indicates that state funds will be used for salaries. He said Macon County writes a check twelve times per year

and the library decides where the money goes. Ms. Wallace explained the reason for last year's increase to Fontana Regional Library's fund balance and how grant funds received were designated for specific projects, stating that neither the fund balance nor grants could be used to fund salary increases. At 8:18 p.m., after confirming there were no members of the audience desiring to comment on the FY 2022-23 budget, Chairman Tate closed the public hearing.

Mr. Ridenour informed the board members that the state legislature passed a new statute that became effective this fiscal year, and says that county commissioners who likewise serve on a board of a non-profit cannot vote to appropriate monies to that non-profit. He said Mr. Roland and Ms. Carpenter had made a list of the eight non-profits that are in the budget for fiscal year 2022-23, and indicated that if a commissioner was a liaison that was okay, but if they were on the board of any of the organizations on the list then a separate budget amendment would be needed. Mr. Ridenour indicated the eight non-profits were as follows: No Wrong Door, Macon County Historical Society, Scaly Mountain Historical Society, State of Franklin, WNC Communities, Macon Citizens Abilities, Macon Program for Progress and Macon County Community Development Council. After a brief discussion, Attorney Ridenour requested that the record state that the budget vote could be held as planned and that no conflicts were identified regarding the new statute.

Mr. Roland requested a correction to a change made at the last meeting regarding the North Carolina Forest Service for an increase of \$8,098 instead of an increase of \$8,498.

Commissioner Higdon read a prepared statement thanking the citizens for coming tonight and witnessing elected leaders at work and providing input on how tax dollars are spent and explaining his position when voting on issues. In the statement, Commissioner Higdon shared that this board directed the county manager, the finance director and their budget team to present a draft budget without any new tax increases and he thinks our local government has adequate funds to provide high levels of service to our constituents. He said he cannot support increasing the budget \$2.3 million over last year, any fire tax increase, a four and a half percent salary increase to county staff, a proposed \$52,000 increase to the Fontana Regional Library, and any increase in public funding to assist in a gay pride display in the teen section of the library, which is public property.

Commissioner Young stated he wanted to take a business approach to the budget and feels like government is very ineffective with the money and that if this were the private sector we would likely go out of business and would have been out of business a long time ago. He said initially when Mr. Roland presented his budget he had no hard feelings with it and was for the majority in support of the budget, but whenever all the fire departments came forward and this board holds them accountable he wants this board to prioritize funding and feels that it is his job to hold this board accountable by not increasing the budget when the fund balance is still extremely high. Commissioner Young said he

thinks many non-profits should not be funded by taxpayer dollars and many of the expenses in this budget should come out of fund balance. Commissioner Beale said 25 percent of the fund balance has to be maintained as set by the board many decades ago and that rescinding that to the eight percent required by the state would require action by the full board. He recollected the Peaks Creek disaster in which the county outlaid \$11 million and it took 12 years to get the money back from the federal government. Commissioner Beale said that if the county had not had a strong fund balance at that time we would not have been able to cover the costs associated with the incident and that when you start using fund balance to cover recurring costs we will go broke. Commissioner Higdon suggested reworking how funding is provided to charities and non-profits. Commissioner Shields stated the Franklin High School project is going to depend upon a strong fund balance for whatever we have to do. He said he thinks a strong fund balance needs to be maintained because we do not know what is going to happen with this project. Upon a motion by Commissioner Beale, seconded by Commissioner Shields, the board voted 3-2 to approve the budget as presented with the change regarding the North Carolina Forest Service as stated, with Commissioners Beale, Shields and Tate voting in favor and Commissioner Young and Higdon opposing.

**(B) Extension and Modification of the Exclusive Franchise Agreement for the Collection and Disposal of Solid Waste within Macon County** – Solid Waste Director Chris Stahl stated that extending and modifying the agreement with J&B Disposal was largely procedural in order to amend the ordinance. He said the proposed changes had been read in the commission meetings two months in a row and involve a change to the date of the contract and elimination of the service map. Chairman Tate inquired if anyone from the public wanted to speak, and with no one coming forward, he closed the public hearing at 8:54 p.m. Upon a motion by Commissioner Higdon, seconded by Commissioner Shields, the board voted unanimously to approve the ordinance as presented.

**PUBLIC COMMENT PERIOD: Hazel Norris** requested allocation of funds to replace the voting machines prior to the November 2022 election to avoid a repeat of the confirmation challenges experienced during the primary in May 2022. **Brittany Lofthouse** read a letter from a Macon County employee who could not be present in which the employee requested the board look at sex chromosomal issues represented in the observance of Pride month that are generally overlooked, but represented by the color yellow in the Pride rainbow.

**ADDITIONS, ADJUSTMENTS TO AND APPROVAL OF THE AGENDA:** Upon a motion by Commissioner Beale, seconded by Commissioner Young, the board voted unanimously to approve the agenda, as presented.

**Update from the Macon County Airport Authority** – Vice Chairman Jack Horton gave an update on issues with the Federal Aviation Administration (FAA) regarding the grounds lease and the management contract stating those have been resolved. He also shared that the authority had recently adopted a Code of Ethics and shared a copy with board members and encouraged they attend the mandatory training and update their own code of ethics annually. Mr. Horton shared that the upgrade to the fuel farm has been funded with a \$900,000 grant plus the 10 percent county match of \$100,000. He indicated that the tanks have been ordered but will not be delivered until September and installation has to occur within 90 days of delivery. Mr. Horton also shared that the North Carolina Department of Transportation has partnered with the authority on a runway rejuvenation and apron repair project that will soon be complete.

**OLD BUSINESS:**

**Nantahala Library / Community Center architect proposal** - Mr. Roland reminded board members that a request for proposals for architectural services had gone out and that a proposal from Keith Hargrove, who had experience with library projects in the past, had been received. He said Mr. Hargrove has met with both Fontana Regional Library representatives and the community center stakeholders and has given us a proposal in an amount of \$27,000, which will include the design as well as overseeing the construction project from the architect's standpoint. Mr. Roland referred to the proposal and resolution exempting architectural services of an amount less than \$50,000. He said once the board approves the resolution he will negotiate a contract with Mr. Hargrove that is representative of the terms outlined in that proposal not to exceed \$27,000. Upon a motion by Commissioner Higdon, seconded by Commission Young, the board voted unanimously to approve the resolution exempting architectural services for Nantahala Library and Community Building in accordance with the provisions of Article 3d in Chapter 143 of the North Carolina General Statutes, as well as the accompanying budget amendment.

**NEW BUSINESS:**

**Request for increase in matching funds for Macon County Transit grant** – Transit Director Darlene Asher reported that the state had inquired about projects that could be funded and she identified the bus awning that is scheduled for Fiscal Year 2023-24. She said the state went ahead and gave the county the funding plus some operating money. Upon a motion by Chairman Tate, seconded by Commissioner Beale, the board voted unanimously to accept the funds in the amount of **\$8,000**.

**Bond agreement for Gemstone Village Phase II** – Planning Director Joe Allen presented the request to enter into an agreement with Snobar, LLC in the

amount of \$735,992.50 in accordance with the Macon County Subdivision Ordinance for Phase II of the Gemstone Village subdivision. Mr. Allen reported that the developer, Joann Snider, will be putting up cash instead of the traditional bond. Upon a motion by Commissioner Young, seconded by Commission Beale, the board voted unanimously to accept the agreement as presented.

**Fireworks permits** – Deputy Clerk Mike Decker presented three requests for fireworks displays, as follows:

- (1) Nantahala Volunteer Fire & Rescue, Inc. – Nantahala Lake on July 2, 2022,
- (2) The Town of Franklin – 15 First Street in Franklin on July 4, 2022, and
- (3) The Highlands Chamber of Commerce – 600 North 4<sup>th</sup> Street in Highlands on July 4, 2022.

Upon a motion by Commissioner Beale, seconded by Commissioner Young, the board voted unanimously to approve the permits as presented.

**CONSENT AGENDA:** Upon motion by Commissioner Young, seconded by Commissioner Shields, the board voted 4-1 to approve the consent agenda as presented. Commissioner Higdon was not available for the vote. The Consent Agenda includes the following: (A) Minutes of the May 10, 2022 regular meeting, (B) Budget Amendments #321-324, (C) Ordinance Amending FY 2021-2022 Budget, (D) Grant Project Ordinance Amendments [1] Duke Energy Income Qualified Weatherization Program Direct Reimbursement, [2] 2017 Essential Single-Family Rehabilitation Loan Pool (ESFRLP17), [3] Duke Energy’s 2017 Helping Home Fund, and [4] 2020 Urgent Repair Program, (E) Grant Project Ordinances [1] 2021 Urgent Repair Program, [2] NC WAP LIHEAP ARPA/COVID-19 Contract CW26096, [3] Housing Administration, [4] Highlands Cashiers Health Foundation/Nantahala Health Foundation Grant, [5] Dogwood Health Trust Grant #1452, [6] Weatherization Assistance Program FY 2023, and [7] 2022 Urgent Repair Program, (F) Capital Project Ordinance Amendments [1] Macon Middle School Renovation, and [2] Macon Middle School Locker Room, (G) Capital Project Ordinances [1] Franklin High School Project, and [2] Nantahala Library/Community Building, (H) Resolution Approving County Policies to Aid in Administering Federal Coronavirus State and Local Fiscal Recovery Funds from the American Rescue Plan, [1] Nondiscrimination Policy, [2] Record Retention Policy, [3] Conflict of Interest, [4] Allowable Costs and Cost Principles Policy, and [5] Eligibility Determination Policy, (I) Juvenile Crime Prevention Council County Plan for FY 2022-2023, (J) Tax releases for May 2022 in the amount of \$3,367.75, and (K) Monthly ad valorem tax collection report -- for which no action was necessary.

**APPOINTMENTS:** None

**CLOSED SESSION** – None

**ADJOURN:** At 8:49 p.m., upon a motion by Commissioner Young, seconded by Commissioner Beale, the board voted 4-0 to adjourn. Note: Commissioner Higdon was not present when the vote was taken.

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Derek Roland  
Ex Officio Clerk to the Board

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Jim Tate  
Board Chair

**MACON COUNTY BOARD OF COMMISSIONERS**  
**July 12, 2022**  
**MINUTES**

Chairman Tate called the meeting to order at 6:00 p.m. All Board Members, County Manager Derek Roland, Deputy Clerk Mike Decker, County Attorney Eric Ridenour and members of the news media were present, as were a number of county employees and citizens. Finance Director Lori Carpenter was not in attendance.

**ANNOUNCEMENTS:**

- (A) Chairman Tate announced that a joint meeting with the Macon County Board of Education is scheduled for Tuesday, July 26, 2022 at 6:00 p.m. at the Fine Arts Center on the Franklin High School campus for the presentation of the Franklin High School facility assessment and discussion of next steps.

**MOMENT OF SILENCE:** Commissioner Beale asked that former county commissioner Jerry Sutton and West Macon volunteer fireman Alvin “Pickle” Nicholson be remembered. Chairman Tate requested all in attendance to rise and a moment of silence was observed.

**PLEDGE TO THE FLAG:** Led by Commissioner Shields, the pledge to the flag was recited.

**PUBLIC HEARING(S):**

**Exchange of real property with the North Carolina Department of Transportation (NCDOT)** – Chairman Tate called the public hearing to order at 6:02 p.m. and provided background on the proposed property exchange which included an even swap of the former Macon County Fruit & Vegetable Growers Association property, known as the Co-Op property, with a tax value of \$200,000 and the NCDOT property with a tax value of \$273,000. After a brief discussion and with no one from the public signed up to speak, Chairman Tate closed the public hearing at 6:04 p.m. Upon a motion by Commission Shields, seconded by Commissioner Beale, the board voted 4-1 to approve the exchange of property as presented, with Commissioner Higdon opposing. A copy of the “Resolution Approving Exchange of Real Property is attached **Attachment 1** and is hereby made a part of these minutes.

**PUBLIC COMMENT PERIOD:** **Dylan Castle** read a resolution from the Smoky Mountain Young Republicans in support of Commissioner Higdon's opposition to increased funding for the Macon County Library. A copy of the resolution was provided to the board members. **Tim Shaw** provided an update on the SK828 project and a recent fundraiser held at Altered Frequencies, which generated more than \$13,000 in donations. Mr. Shaw reported that at this time the group has secured approximately \$34,000 in the fund held by Region A and has applied for a grant through the Dogwood Health Trust. Commissioner Beale emphasized the importance of having restroom facilities on site. Mr. Roland stated that further discussion regarding the overall project is planned for an upcoming joint meeting with the Town of Franklin. Commissioner Young suggested a committee be formed to include members of SK828, the county, and the town so that everyone could stay informed.

**ADDITIONS, ADJUSTMENTS TO AND APPROVAL OF THE AGENDA:** Upon a motion by Commissioner Young, seconded by Commissioner Beale, the board voted unanimously to approve the agenda, as adjusted, as follows:

- To add Item 11B – Bond Release, per Mr. Roland.
- To remove Item 10B – Correction to agreement with J&B Disposal, per Mr. Roland
- To table the minutes from the June 14, 2022 regular meeting under the Consent Agenda, per Mr. Decker.

**REPORTS AND PRESENTATIONS:** None

**OLD BUSINESS:**

**(A) Discussion regarding Nantahala Library/Community Center** – Mr. Roland shared an email that he had received from architect Keith Hargrove stating that due to circumstances beyond his control he would not be able to help with this project. Mr. Roland informed the board that two additional architects have been contacted and we are awaiting their proposals. Mr. Roland requested that since the resolution exempting architectural services has already been approved, he would like to email those to the board members and obtain consent to move forward with contract negotiations. He stated that he has also been informed by State Representative Karl Gillespie's office on July 1<sup>st</sup> that Macon County has been approved in the state budget for a grant in the amount of \$200,000 for capital improvements and equipment at the Nantahala Public Library. Motion by Commissioner Higdon, seconded by **no second and no vote...** FIGURE THIS OUT MIKE!

**(B) Correction to agreement with J&B Disposal** - Removed.

**NEW BUSINESS:**

**(A) Resolution appointing plat review officers** – Tax Administrator Abby Braswell requested approval of a resolution regarding the appointment of plat review officers in accordance with N.C.G.S. §47-30.2 (a). She requested that all employees in the Mapping Department (Kelley Gravitt, Michael Hall and Michael Ramsey) and Wesley Hall in the GIS Department be designated as Review Officer. Upon a motion by Commissioner Young, seconded by Commissioner Shields, the board voted unanimously to approve the resolution as requested, and a copy is attached [Attachment 2] and is hereby made a part of these minutes.

**(B) StreamFlow Rehabilitation Program (StRAP) grant/Budget Amendment #9** – Soil and Water Conservation District Director Doug Johnson requested approval of a StreamFlow Rehabilitation Program (StRAP) grant in the amount of \$282,559 along with accompanying Budget Amendment #9 [Attachment 3]. He explained that the grant would be used to remove woody debris from streams to alleviate future flooding with sites already identified on the Little Tennessee River, Cartoogechaye Creek and the Cullasaga River. Upon a motion by Commissioner Beale, seconded by Commissioner Shields, the board voted unanimously to accept the grant and approve the budget amendment as requested.

**(C) Selection of voting delegate for the North Carolina Association of County Commissioners (NCACC) annual conference (August) and the NCACC legislative goals conference (November)** – Mr. Roland provided an email from Alisa Cobb with the North Carolina Association of County Commissioners (NCACC) requesting appointment of delegates for the conferences with an indication that the deadline was August 5, 2022. Commissioner Beale stated he will be attending the conference and will be glad to represent Macon County. Upon a motion by Commissioner Shields, seconded by Commissioner Beale, the board voted unanimously to select Commissioner Beale to serve as the board's voting delegate.

**(D) Bond agreement release for Snowbar, LLC in conjunction with Gemstone Villages** – Director of Planning Joe Allen requested the release of two bond agreements issued on January 11, 2022. He stated the first bond was for Phase III, Section I of the Gemstone Villages development in the amount of \$189,185, and the second was for Phase I in the amount of \$617,119. Mr. Allen stated a letter had been provided from the developer's engineer indicating that 90 percent of the utilities in Phase III, Section I have been completed and that all of the utilities in Phase I have been completed. He shared that the value of the infrastructure in the ground

is valued at \$390,000, and with the requirement of the 125 percent standard in the county ordinance requires us to keep a total of \$487,500. Mr. Allen recommended a refund in two separate checks one in the amount of \$114,383 for Phase III, Section I and one for \$373,117 for Phase I. He stated that the remaining funds in the shared deeds will remain until the roads are completed. Upon a motion by Commissioner Higdon, seconded by Commissioner Young, the board voted unanimously to approve the request as presented.

**CONSENT AGENDA:** Upon motion by Commissioner Higdon, seconded Commissioner Shields, the board voted unanimously to approve the consent agenda as presented which includes: (A) Minutes of the May 26, 2022 continued session and the June 7, 2022 continued session, (B) Budget Amendments #1-8, (C) Tax releases for the month of June in the amount of \$409.48, (D) Monthly ad valorem tax collection report – no action necessary.

**APPOINTMENTS:** None.

**CLOSED SESSION** – At 6:31 p.m., upon a motion by Commissioner Beale, seconded by Commissioner Shields, the board voted unanimously to go into closed session as allowed under NCGS 143-318.11(a)(3) to preserve the attorney/client privilege, with a plan to take no action following the closed session. At 6:40 p.m., upon a motion by Commissioner Beale, seconded by Commissioner Shields, the board voted unanimously to come out of closed session and return to open session. No action was taken.

**ADJOURN:** With no other business, at 6:41 p.m., upon a motion by Commissioner Higdon, seconded by Commissioner Young, the board voted unanimously to recess the meeting until Tuesday, July 26, 2022 at 6:00 p.m. at the Fine Arts Center on the campus of Franklin High School for the purpose of holding a joint meeting with the Macon County Board of Education.

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Derek Roland  
Ex Officio Clerk to the Board

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Jim Tate  
Board Chair

**MACON COUNTY BOARD OF COMMISSIONERS  
JOINT MEETING WITH THE  
MACON COUNTY BOARD OF EDUCATION  
Continued Session  
July 26, 2022  
MINUTES**

Chairman Tate reconvened the meeting at 6:00 p.m. as recessed from the July 12, 2022 regular meeting. The meeting was held in the Fine Arts Center on the campus of Franklin High School. All Board Members, County Manager Derek Roland, Finance Director Lori Carpenter, County Attorney Eric Ridenour, Tammy Keezer (sitting in for Deputy Clerk Mike Decker), members of the Macon County Board of Education and members of the news media were present, as were a number of citizens. Deputy Clerk Mike Decker was not in attendance.

**INTRODUCTIONS:** Chairman Tate asked members of the Macon County Board of Commissions and Macon County Board of Education to introduce themselves, following his welcome of everyone in attendance, their interest in learning more about the plans for Franklin High School and an overview of the history of discussions on this important topic during his time as a member of the Macon County Board of Commissioners.

**REPORTS AND PRESENTATIONS:**

**(A) Update on Franklin High School (FHS) architecture contract:** Mr. Roland gave an overview of the process that has taken place to this point and provided a PowerPoint presentation for illustration. His presentation showed that the Board of Commissioners and Board of Education entered into a joint contract with LS3P for \$605,000, to provide a comprehensive facility plan that will tell both boards what we currently have to start with and answer questions before the project is started. Mr. Roland stated the work on that plan is now complete and decisions can be made together on how to move forward. He stated, "Tonight is the ground level of discussion for the future of Franklin High School."

**(B) Presentation of Comprehensive Facility Plan findings and architect's recommendation for the FHS campus:** Senior Vice President/K-12 Practice Leader/Principle Paul Boney with LS3P informed the board that the Comprehensive Facility Plan will highlight the capital investment needs to bring all existing structures on the FHS campus to a 50-year standard. He said that

upon completion of the Comprehensive Facility Plan, the cost and benefits of renovation will be evaluated alongside the cost and benefits of new construction at the existing location. Mr. Boney stated this study has been completed with assistance from a project committee made up of members of the community, board members, faculty and a student representative over the course of six meetings beginning on January 12, 2022. FHS senior and project committee member Callie Roper gave her perspective as a member of the project team and shared that the environment and access to readily available resources is important and necessary to student education. Mr. Boney presented a PowerPoint presentation that reviewed the goals of the project, which included: 1) a driver of economic development, 2) safe and inviting for students and faculty, 3) center of the community, 4) energy savings and 5) community pride. LS3P Senior Project Manager Emily Kite explained the findings regarding the existing facilities, condition of buildings, and academic programming. Included were: 1) traffic and parking, 2) pedestrian circulation, 3) site security (100+ exterior doors), 4) site settlement issues, 5) drainage, 6) accessible routes, 7) multiple utility meters and 8) separate fire alarm systems. She said seven main buildings were evaluated to include the year built, completed renovations, size, age, age at the 50-year mark (from now) and priority and urgency of repairs. Ms. Kite shared the three main categories of note to be building and campus safety and security, ADA accessibility of the site and buildings and long-term maintenance of system infrastructure (plumbing, mechanical, electrical, intercom and fire alarm systems). She indicated that team input as well as a department-by-department analysis using the North Carolina Department of Public Instruction (DPI) recommendations, facility guidelines and how the current facilities measure up and what is needed to meet the needs beyond the DPI guide were considered. Ms. Kite stated that using a 1,200 student enrollment base, which is probably not enough, the current facilities have a shortfall of 88,805 square feet. LS3P K12 Sector Leader/Architect/ Associate Principle Jamie Henderson shared details of the new building concept including using the existing practice field as the main building site with one building and all programming to be completed in three phases: 1) raising the elevation of the current football field five feet and moving it 30 feet north of its current location, 2) new facility and 3) demolish current buildings. Mr. Boney summarized the project stating the estimated cost of an energy efficient facility built for the future growth to be \$118,420,233 for new construction versus \$111,059,378 to renovate the current facilities. He indicated that LS3P recommends a new facility and stadium with Phase 1 to be completed in 2024, which would require the football team to play elsewhere for one year, and Phase 2 and Phase 3 to be completed in 2026.

**(C) Financial update and discussion of potential funding options for FHS project:** Mitch Brigulio with Davenport and Associates utilized a PowerPoint presentation to review the county credit scores, status and rating. He stated

that from 2016-2021 the County had maintained a structurally balanced budget and is currently repaying debt on an above average ratio. Mr. Brigulio shared that the current budget assumes future growth and there is a property revaluation scheduled for 2024. He said the county has debt capacity to fund this Capital Improvement Plan (CIP).

**NEXT STEPS:** Mr. Roland summarized the path moving forward restating that in December 2021 both boards entered into a mutual contract with LS3P and that the schematic design is due in October 2022 as well as the design element for the stadium. He reminded the board that \$811,283 had been budgeted in Fiscal Year 2022-23 for the FHS planning budget with \$476,176 of that amount needed to move forward at this time. Mr. Roland emphasized that we can continue moving forward based on the timeline he provided, and this also gives time to apply for the next round of needs-based capital school funding, to determine the outcome of the sales tax referendum and the impact of the upcoming revaluation.

**Discussion, questions and public comment:** **Molly Phillips** commented in favor of a new school and said if it is built, Macon County will be able to recruit quality teachers because recruits will be able to see the investment in kids. **Bobby Koppers** spoke in favor of a new facility stating that the kids deserve better. He congratulated the commissioners on building a strong financial position and said no one likes tax increases, but it is what it is. **Mark Sutton** spoke in favor of a new facility identifying several of the limitations for physically challenged individuals in navigating the bleachers in the gym that have no handrails, and bleachers at the football field that are not handicap accessible. He also shared that the track is dangerous, the campus is not secure, and the wrestling team and cheerleaders do not have a place to practice. He requested that the board not cut corners on this project. **W.H. Derrick** shared a concern about the new bleachers in relation to his home across from the FHS football field. He stated he wants assurance that the project would not de-value his home. **Coley Tyler** spoke in support of a new facility. He shared that he was an alumni, parent and a coach and that FHS has not changed since he was a student. He said it is time, it is worth it, and it is the right thing to do. **Jim Gaston** spoke in opposition of a new facility. He said if the project did not raise taxes, he would support it. He raised the question of how a new facility was going to improve academics. **Dr. Chris Baldwin** responded to Mr. Gaston's question and stated that having technology will improve instruction as will having one building with school security. **Commissioner Shields** commented that he believes this project aligns with the three A's: 1) academics – quality brings quality, 2) athletics – with a liability present in the condition of the facilities, and 3) ADA with the facilities not being ADA compliant and students who cannot maneuver easily. **Stephanie Laseter** stated she wants to see

vocational opportunities and to be sure that teachers and students have what they need. **Maggie Jennings** stated she wants to be sure arts and vocational programs are considered and to make sure the new facility represents the needs of the entire community.

Chairman Tate asked Board of Education Chairman Jim Breedlove if the school board members had any comments. Chairman Breedlove stated the Board of Education was ready to take a vote. He further stated that the Board of Education was not in support of disruption in instruction for renovations. Upon receiving a unanimous vote by the Board of Education to enter into contract negotiations with LS3P, Commissioner Shields made a motion, seconded by Commissioner Young, to enter into contract negotiation with LS3P and the vote was unanimous.

**ADJOURN:** With no other business, at 8:36 p.m., upon a motion from Commissioner Beale, seconded by Commissioner Higdon, the board voted unanimously to adjourn.

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Derek Roland  
Ex Officio Clerk to the Board

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Jim Tate  
Board Chair























**MACON COUNTY BUDGET**

**AMENDMENT #** 26

**FROM:** JOHN L FAY

**DEPARTMENT:** HOUSING

**EXPLANATION:** INCREASE FUNDING

ACCOUNT		DESCRIPTION	LINE ITEM	
ORG	ITEM		INCREASE	DECREASE
514096		DUKE ENERGY 2017 HH#2017-2200		
		REVENUE	30,000	
513831	447255			
514096	550001	SALARY	1,806	
514096	550201	MEDICARE/FICA	138	
514096	550203	HOSPITALIZATION	558	
514096	550206	LIFE INSURANCE	4	
514096	550207	RETIREMENT-GENERAL	228	
514096	550701	COUNTY 401K	36	
514096	556034	WAP PROGRAM OPERATIONS	27,230	
<b>Totals</b>			<b>30,000</b>	

**REQUESTED BY DEPARTMENT HEAD** \_\_\_\_\_

**RECOMMENDED BY FINANCE OFFICER** \_\_\_\_\_

**APPROVED BY COUNTY MANAGER** \_\_\_\_\_

**ACTION BY BOARD OF COMMISSIONERS** 8/9/2022

**APPROVED AND ENTERED ON MINUTES DATED** \_\_\_\_\_

**CLERK** \_\_\_\_\_



Macon County Tax Office  
5 West Main Street  
Franklin, NC 28734



Phone: (828) 349-2149  
[draby@maconnc.org](mailto:draby@maconnc.org)

TO: MACON COUNTY COMMISSIONERS

FROM: Macon County Tax Collector's Office  
Delena Raby, Tax Collections Supervisor

DATE: August 04, 2022

RE: Releases for July, 2022

Attached please find the report of property tax releases for real estate and personal property that require your approval in order to continue with the process of releasing these amounts from the tax accounts. Please feel free to contact me if you should have any questions. The report of releases in alphabetical order is attached.

AMOUNT OF RELEASES FOR JULY 2022: \$0.00

(There were no releases for the month of July, 2022)

RUN DATE: 8/4/2022 10:24 AM

RELEASES REPORT  
Macon County

NAME	BILL NUMBER	OPER	DATE/TIME	DISTRICT	VALUE	AMOUNT
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NET RELEASES PRINTED:  
TOTAL TAXES RELEASED

*There were no Releases for the  
month of July 2022*

**Macon County**  
**Advalorem Tax Collections Report**  
**Year To Date July 2022 Tax Year 2022**

TAX YEAR 2022 Month To Date July 2022 Tax Year 2022									
Month to Date	Beginning Balance	Levy Added	Less Releases	Less Administrative Refunds	Less Write Offs	Equals Adjusted Levy	Less Payments	Outstanding Balance	
General Tax	0.00	31,336,574.60	0.00	0.00	-1092.75	31,335,481.85	-59,573.93	31,275,907.92	
Fire Districts	0.00	4,483,067.27	0.00	0.00	-173.49	4,482,893.78	-10,120.11	4,472,773.67	
Landfill User Fee	0.00	2,938,788.00	0.00	0.00	-2.02	2,938,785.98	-7,856.47	2,930,929.51	
<b>TOTAL:</b>	<b>0.00</b>	<b>38,758,429.87</b>	<b>0.00</b>	<b>0.00</b>	<b>-1268.26</b>	<b>38,757,161.61</b>	<b>-77,550.51</b>	<b>38,679,611.10</b>	

TAX YEAR 2022 Year To Date July 2022 Tax Year 2022										
Year to Date	Beginning Balance	Levy Added	Less Releases	Less Administrative Refunds	Less Write Offs	Equals Adjusted Levy	Less Payments	Outstanding Balance	This Year Collection Percentage Tax Year 2021 As of 7/31/2022	Last Year Collection Percentage Tax Year 2020 As of 7/31/2021
General Tax	0.00	31,336,574.60	0.00	0.00	-1092.75	31,335,481.85	-59,573.93	31,275,907.92	0.19%	
Fire Districts	0.00	4,483,067.27	0.00	0.00	-173.49	4,482,893.78	-10,120.11	4,472,773.67	0.23%	
Landfill User Fee	0.00	2,938,788.00	0.00	0.00	-2.02	2,938,785.98	-7,856.47	2,930,929.51	0.27%	
<b>TOTAL:</b>	<b>0.00</b>	<b>38,758,429.87</b>	<b>0.00</b>	<b>0.00</b>	<b>-1268.26</b>	<b>38,757,161.61</b>	<b>-77,550.51</b>	<b>38,679,611.10</b>	<b>0.20%</b>	



2023 Reappraisal

PROPOSED

Schedule of Values, Standards, and Rules

Macon County, North Carolina



# Macon County, North Carolina

## 2023 Reappraisal

### Schedule of Values, Standards, and Rules

Presented by

Abby Braswell, Tax Administrator

To the

#### **Macon County Board of Commissioners**

James P. Tate, Chairman

Ronnie Beale

Paul Higdon

Gary Shields

Joshua Young

Adopted:

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Date

Signed:

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Chairman, Macon County Board of Commissioners



## **Foreword**

The purpose of this manual is to describe the methodology and procedures for appraising real property in Macon County at its market value (and present use value, as appropriate) as of January 1, 2023. The Schedule of Values, Standards, and Rules establishes the base rates and ranges for all types of property that will be in effect until the next general reappraisal. The tables, rates, and ranges found in this manual are only guidelines. On a property-by-property basis, appraisers have the flexibility to adjust rates in order to appraise individual properties at market value and establish equitable and uniform values for all types of property.

General 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 market approach, cost approach, and income approach to value are all considered, when applicable, to appraise all real property.



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## **Appraisal of Real Property**

In North Carolina, laws and procedural requirements are set forth in the *Machinery Act of North Carolina*. The following statutes specifically address the reappraisal of real property.

North Carolina General Statute 105-274 states that all real and personal property located within its jurisdiction shall be subject to taxation unless it is otherwise exempted or excluded from taxation by law.

North Carolina General Statute 105-286 requires each county to conduct a general reappraisal of all real property at least once every eight years. Macon County performed its first general reappraisal under this law in 1976. Each county must reappraise all real property in accordance with the provisions of G.S. 105-283 and G.S. 105-317 as of January 1... and every eighth year thereafter. A county may conduct a reappraisal of real property earlier than required if the board of county commissioners adopts a resolution providing for advancement of the reappraisal.

North Carolina General Statute 105-283 states that all property, real and personal, shall as far as practicable be appraised or valued at its true value in money. 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.

North Carolina General Statute 105-317 requires the tax assessor to create this schedule, and outlines the procedure for adoption of the schedule.

## **Appraisal Terminology and Principles**

Real property is defined, in North Carolina General Statute 105-273(13), as land, buildings, structures, improvements, and all rights and privileges appertaining to the property.

There are six basic rights associated with fee-simple property ownership, also known as the "bundle of rights":

- The Right to Sell
- The Right to Lease or Rent
- The Right to Use
- The Right to Give Away
- The Right to Enter or Leave

- The Right to Refuse to do any of these

The following restrictions place limitations on the bundle of rights:

- Taxation – the right to tax the property for the support of government.
- Eminent Domain – the right to take the property for public use provided just compensation is paid.
- Police Power – the right to regulate the use of property for the public welfare in the areas of safety, health, morals, zoning, building codes, traffic, and sanitary regulations.
- Escheat – the right of government to have property revert to the state for non-payment of taxes or when there are no legal heirs of decedent who dies without a will.

Value may be defined as the present worth of future benefit arising from the ownership of real property. For a property to have value, it must have utility, scarcity, desirability, and effective purchasing power.

Market value is not always the same as market price. Market price is what the property actually sold for. Market value is an estimate of value based on comparable sales and other market information. Market price can differ from market value if any of the market value criteria are not met. For example, if the buyer is forced to sell, if the buyer and seller are related, or if one of the parties was not informed about the potential use of the property, then the market price may not equal the market value.

The cost of a property is not always equal to its market value. Cost may equal market value when the improvements on a property are new and are the highest and best use of the land. The cost may exceed the actual market value if special features are added and the market does not allow for a return on investment. For example, installing premium features on low quality construction may drive the cost above market value. Another example, when the demand for homes greatly exceeds the available supply to such an extent that buyers actually pay more than the improvement cost of such homes in order to secure housing without a long delay. In this instance, market value could easily exceed cost.

Highest and best use is the reasonable and probable use that supports the highest present value as of the date of the appraisal. Because the highest and best use of a piece of land may not be its current use, the appraiser must consider the relationship between the highest and best use of the land and its existing improvements. Once the highest and best use is determined, the use must meet four criteria:

- Must be Legally Permissible
- Must be Financial Feasible
- Must be Physically Possible
- Must be Maximally Productive

#### Basic Principles of Value:

- Anticipation – value is created by the expected future benefits to be derived from the property.
- Balance – properties achieve maximum market value when complementary uses are in balance.
- Change – market value is never constant because physical (environmental), economic, governmental, and social forces are at work to change property and its environment.
- Competition – availability must be in harmony with demand.
- Conformity – maximum market value is achieved when there is a reasonable similarity among the improvements in a neighborhood.
- Consistent Use – the property must be valued with a single use for the entire property.
- Contribution – the value of a component of property depends on its contribution to the whole.
- Increasing and Decreasing Returns – when successive increments of one agent of production are added to fixed amounts of other agents, future net benefits will increase up to a certain point, after which successive increments will decrease future benefits.
- Progression and Regression – progression states that the value of a lower priced property is increased by association with better properties of the same type. Regression states that the value of a better quality property is decreased by association with lower quality properties in the same area.
- Substitution – the market value of a property tends to be set by the cost of acquiring an equally desirable and valuable substitute property, assuming that no costly delay is encountered in making the substitute.
- Surplus Productivity – the net income remaining after the costs of labor, management, and capital have been satisfied.
- Supply and Demand – supply is the amount of goods that producers are willing to sell at a given price during a specific period. Demand is the amount of a commodity that consumers buy at a given price during a specific period.

## **Approaches to Value**

There are three recognized approaches to appraising real property; these are the market, cost, and income approaches. The use of one or all of these approaches to value is determined by the quantity, quality, and accuracy of data available to the appraiser. Not all approaches are applicable to every type of property. Underlying each approach is the principle of substitution, which states that the value of a property is no more than the cost of acquiring an equally desirable substitute property.

### **Market Approach**

The market approach, also referred to as the sales comparison approach, is the most commonly used method for residential properties and the most commonly known among the general public. Stated simply, this method involves comparing the characteristics of a property being appraised to those of properties that have recently sold, adjusting the known sale prices to reflect any noted differences, and using those adjusted sales to estimate the value of the subject property.

General procedures involved in valuing property using the market approach:

- Research, collect, verify, and analyze sales data of comparable properties.
- Select the appropriate units of comparison between the subject and comparable properties.
- Determine from the market the contributory value of differences between the subject property and the comparable properties.
- Adjust the comparable properties for these differences.
- Correlate the adjusted values of the comparable sales to develop a final estimate of market value.

North Carolina General Statute 105-283, definition of market value: all property, real and personal, shall as far as practicable be appraised or valued at its true value in money. 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.

No two parcels of land are exactly alike. Typical differences requiring adjustments are time of sale, location, and physical characteristics. Adjustments may also need to be made for atypical financing.

Example using the market approach:

The subject property has three bedrooms, kitchen, living room, dining room, two full bathrooms, one two-piece bathroom, a den, and a two-car attached garage. The following are comparable sales:

- Sale 1, of average quality, has four bedrooms, kitchen, living room, dining room, two full bathrooms, one two-piece bathroom, den, and two-car attached garage. It sold 10 months ago for \$240,000.
- Sale 2, of average quality, has three bedrooms, kitchen, living room, dining room, one full bathroom, one two-piece bathroom, and one-car attached garage. It sold 12 months ago for \$185,000.
- Sale 3, of average quality, has three bedrooms, kitchen, living room, dining room, two full bathrooms, one two-piece bathroom, den, and two-car attached garage. It sold 10 months ago for \$220,000.

Market analysis provided the following adjustments:

Market conditions (change over time)	0.5% per month
Fourth Bedroom	\$22,000
Full bathroom	\$12,000
Den	\$15,000
Single-car garage	\$18,000
Two-car garage	\$26,500

Adjustments:

	Subject	Sale 1	Sale 2	Sale 3
Sale price		\$240,000	\$185,000	\$220,000
Time adjustment		5% (.5% x 10)	6% (.5% x 12)	5% (.5% x 10)
Adjusted sale price		\$252,000 (\$240,000 x 1.05)	\$196,100 (\$185,000 x 1.06)	\$231,000 (\$220,000 x 1.05)
Bathrooms	2 and ½	Equal	+ \$12,000	Equal
Bedrooms	3	(\$22,000)	Equal	Equal
Den	1	Equal	+ \$15,000	Equal
Garage stalls	2	Equal	+ \$8,500 (\$26,500- \$18,000)	Equal
Net adjustments		(\$22,000)	+ \$35,500	\$0
Adjusted sale price		<b>\$230,000</b>	<b>\$231,600</b>	<b>\$231,000</b>

The indicated value for the subject property is \$231,000.

### Cost Approach

In the cost approach, the appraiser determines the cost to build the subject structure new, including all direct and indirect costs, and then makes an allowance for depreciation

based on the actual condition of the improvements. This is added to the appraiser's opinion of value of the land to calculate a total value.

General steps involved in valuing property using the cost approach:

- Determine the land (site) value as if vacant and available for development to its highest and best use.
- Calculate the total cost new of improvements.
- Determine the total amount of depreciation from all causes.
- Subtract the total dollar amount of depreciation from the total cost new of the primary improvements.
- Determine the total cost new of any accessory and site improvements.
- Add land value to the depreciated cost of the primary, accessory, and site improvements, to arrive at a value indication by the cost approach.

Land value is determined by using the market approach: that is, the location, conditions, and improvements of the subject site are compared to those of similar sites and adjustments are made for significant differences.

The next step in the cost approach is to value all improvements based on replacement cost new. Reproduction cost is the dollar amount required to construct an exact duplicate of material and construction practices of the subject building at current prices. Replacement cost would be the construction cost at current prices of the subject building using present day materials and construction practices that produces a very similar although not exact duplicate and serves the same purpose or function as the original.

Direct (hard) costs include labor, materials, security during construction, equipment rental, utilities, building permits, material storage buildings, contractor trailer/building and other temporary needs (such as fencing), and contractor profit and overhead.

Depreciation is defined as a loss in value from all causes. The three causes or types of depreciation are:

- Physical Deterioration – loss in value due to ordinary wear and tear and the forces of nature. The condition may be considered either curable or incurable, depending upon whether it may or may not be practical and economically feasible to cure the deficiency by repair and replacement.
- Functional Obsolescence – loss in value due to inability of the improvement to perform adequately the function for which it is used, as of the appraisal date. The condition may be considered either curable or incurable.

- External (Economic) Obsolescence – diminished utility of an improvement due to negative influences from outside the building. The condition is generally incurable in that the causes lie outside the property owner’s control.

Example using the cost approach:

	Sale 1	Sale 2	Sale 3
Sale price	\$250,000	\$300,000	\$285,000
Indicated land value	<u>(\$50,000)</u>	<u>(\$75,000)</u>	<u>(\$55,000)</u>
Improvement market value	\$200,000	\$225,000	\$230,000
Replacement cost new (RCN)	\$285,000	\$330,000	\$300,000
Improvement market value	<u>(\$200,000)</u>	<u>(\$225,000)</u>	<u>(\$230,000)</u>
\$ Depreciation (from market)	\$85,000	\$105,000	\$70,000
\$ Depreciation / RCN	\$85,000 / \$285,000	\$105,000 / \$330,000	\$70,000 / \$300,000
Depreciation percentage	0.298	0.318	0.233
Depreciation % / Effective Age	0.298 / 14	0.318 / 16	0.233 / 13
Annual depreciation %	<b>2.13%</b>	<b>1.99%</b>	<b>1.79%</b>

The results from the three sales indicate a depreciation amount of approximately 2% per year.

Subject property:

Replacement cost new (RCN)	\$280,000
Depreciation %	30% (15 effective age x 2%)
Depreciation amount	\$84,000 (\$280,000 x .30)
RCN	\$280,000
\$ Depreciation	<b>(\$84,000)</b>
Improvement value	\$196,000
Land value	\$51,000
Total value	<b>\$247,000</b> (\$196,000 + \$51,000)

## **Income Approach**

The income approach assumes that the subject property was (or is typically) bought for its potential to produce an income stream. In this approach, the value of an income-producing property is estimated by converting anticipated benefits (income and rent) arising from the ownership of the income producing property.

The normal goals of the investor are twofold: (1) a return on the investment and (2) a return of the investment. With income-producing property, the return on the investment depends on the difference between the property's income and all expenses for the same period, and the return of the investment depends on the resale value of the property.

General procedure involved in valuing property using the income approach:

- Estimate potential gross income, based on market rents.
- Deduct for vacancy and collection loss.
- Add miscellaneous income to get the effective gross income.
- Determine operating expenses.
- Deduct operating expenses from the effective gross income to determine net operating income before discount, recapture, and taxes.
- Select the proper capitalization rate.
- Determine the appropriate capitalization procedure to be used.
- Capitalize the net operating income into an estimated property value.

Potential gross income is annual market rent for the property at 100 percent occupancy. Market rent is the rent currently prevailing in the market for properties comparable to the subject property. Contract rent is the rent required to be paid by the tenant under the terms of the lease; it is not necessarily the rent actually paid by the tenant. Contract rent may, or may not, be equal to market rent.

Vacancy loss is the amount of income lost due to unoccupied space. Collection loss is the loss that results from the failure of tenants to pay the rent, sometimes referred to as bad debt.

Miscellaneous income is nonscheduled income and is often referred to as service income. It comes from sources other than actual rent. It may include parking fees, resale of utilities, coin-operated laundry, and clubroom or recreational area fees.

Operating expenses are ordinary and typical expenses that are necessary to keep the property functional and rented competitively with other properties in the area. Proper expenses included:

- Fixed expenses – an expense that does not vary by rate of occupancy, ex. property taxes and insurance.
- Variable expenses – expenses that vary based on the rate of occupancy, ex. management fees, utilities, repairs, and maintenance.
- Reserves for replacement – annual charges for items that have relatively short lives (short-lived items) and that must be replaced before the end of the lease period or before the improvement reaches the end of its useful life. Ex. drapes, ranges, refrigerators, water heaters, etc.

Improper expenses are those not necessary to keep the property functional such as debt service, income taxes, capital improvements, depreciation, and owner’s business expenses.

Capitalization is the process of converting a series of anticipated future payments (income) into present value. Capitalization transforms net operating income produced by a property into the property value. The capitalization process, or the income approach, restates market value by converting the future benefits of property ownership into an expression of present worth.

There are three primary components involved in the capitalization process: the net operating income, the capitalization rate, and the value, where the verified sale price represents value. The formula used is  $\text{Income} / \text{Value} = \text{Rate}$ . Example:

	Sale 1	Sale 2	Sale 3
Sale price	\$480,000	\$600,000	\$440,000
Net operating income	\$50,000	\$60,800	\$45,000
Capitalization rate (%)	10.4	10.1	10.2

The three components of a capitalization rate are the discount rate, recapture rate, and effective tax rate.

- Discount Rate – the return on a real estate investment, it reflects the compensation necessary to attract investors to give up liquidity, defer compensation, and assume the risks of investing.
- Recapture Rate – the rate of return of a real estate investment; the annual dollar requirement for returning to the investor a sum equal to the property value (improvements only) at the end of a given period of time.
- Effective Tax Rate – the rate expressing the ratio between the property value and the current tax bill; the official tax rate of the taxing jurisdiction multiplied by the assessment ratio.

The capitalization rate can be derived from a variety of sources, including comparable sales data, provider companies, investor surveys, market sales, and data analysis. Like the other elements of income analysis, all elements of the capitalization rate must be based on market data relevant to the property type and market conditions at the effective date of the value estimate.

After performing the analyses discussed in the previous steps and determining the capitalization rate for the subject property, the appraiser must capitalize the net income to determine the value of the property.

Example using the income approach:

Potential gross income	\$50,000
Vacancy & collection loss	(\$5,000)
PGI – V&C loss	\$45,000
Miscellaneous income	\$2,000
Effective gross income	\$47,000
Operating expenses	(\$10,000)
Net operating income	\$37,000
Capitalization rate	10%
Estimated property value	<b>\$370,000</b>

### Band of Investment Method

The band-of-investment method considers the actual mortgage rates and terms prevailing for the type of property and for the area in question and therefore reflects the local market. In developing a discount rate by the band-of-investment method, information should be collected about the following:

- The percentage of value (loan-to-value ratio) that lending institutions lend on the first mortgage for properties of this type, and the rate of interest.
- The yield rate based on the equity requirements of the owner in the project, should be the rate of return necessary to attract investors to this type of investment property.

Example: 75% debt, 25% equity, equity rate 15%, mortgage rate 8%

Equity	$25\% \times 15\% = 3.75\%$
Debt/Mortgage	$75\% \times 8\% = 6.00\%$
Capitalization Rate	$3.75\% + 6.00\% = \mathbf{9.75\%}$

## Gross Rent Multiplier

The Gross Monthly Rent Multiplier (GMRM) is used to convert the gross potential monthly rent into an indication of value. To derive a gross monthly rent multiplier from the market data, sales of properties that were rented at the time of sale or were anticipated to be rented within a short time must be available. The ratio of sale price to the monthly gross rent at the time of sale or projected over the first year to several years of ownership is the gross monthly rent multiplier. The formula used is  $\text{Sale Price} / \text{Gross Monthly Rent} = \text{GMRM}$ . Example:

Sale Price	\$368,500
Gross monthly rent	\$7,092
GMRM	51.96 ( $\$368,500 / \$7,092$ )

## Residual Technique

The land residual technique is used when the building value is known and when there are no unimproved land sales to support the land value. The annual net return for the improvement is deducted from the total annual net operating income. The remaining income, which is the residual amount, is attributable to the land. This income is capitalized into a value indicator for the land. Example:

Building value	\$70,000
Recapture rate	4% (100 / 25)
Land capitalization rate	8% (interest rate)
Building capitalization rate	12% (8% + 4%)
Net income	\$10,000
Net income to building	\$8,400 ( $\$70,000 \times 12\%$ )
Residual income to land	\$1,600 ( $\$10,000 - 8,400$ )
Land value	\$20,000 ( $\$1,600 / 8\%$ )
Building value	\$70,000
Property value	<b>\$90,000</b>

The building residual technique is commonly used when the land value is known and can be well documented with sales of comparable land. The annual net return to the land is deducted from the estimated total annual net operating income. The remaining income, the residual amount, is attributable to the improvement and is capitalized into a value indicator for the building. Example:

Land value	\$20,000
Recapture rate	4% (100 / 25)
Land capitalization rate	8% (interest rate)
Building capitalization rate	12% (8% + 4%)

Net income	\$10,000
Net income to land	\$1,600 (\$20,000 x 8%)
Residual income to building	\$8,400 (\$10,000 - \$1,600)
Building value	\$70,000 (\$8,400 / 12%)
Land value	\$20,000
Property value	<b>\$90,000</b>

Property qualifying for a Section 42 tax credit will be appraised in accordance with North Carolina General Statute 105-277.16. This requires the use of the income approach to value and requires the appraiser to consider rent restrictions in its application.

### **Reconciliation**

Reconciliation is the art of analyzing and effectively weighing the findings from the three approaches. If the three approaches are applied to the same property, they will normally produce three separate indications of value. Although each approach may serve as an independent guide to value, whenever possible, all three approaches should be used as a check on the final estimate of value.

The process of reconciliation is more complicated than simply taking the average of the three value estimates. An average implies that the data and logic applied in each of the approaches is equally valid and reliable.

For example, in appraising a home, the income approach is rarely used and the cost approach is of limited value unless the home is relatively new; therefore, the market approach is usually given the greatest weight in valuing single-family residences. In the appraisal of income or investment property, the income approach would normally be given the greatest weight. In the appraisal of churches, libraries, museums, schools, and other special-use properties where there is seldom an increase in income, and few sales, if any, the cost approach would usually be assigned the greatest weight. From this analysis or reconciliation, a single estimate of market value is produced.

### **Mass Appraisal**

Mass appraisal is the process of appraising a large number of properties, as of a given effective date, using statistical analysis to arrive at uniform and equitable values. A valuation model is developed to replicate changes in supply and demand over a large area. It is different from single-property appraisal ("fee appraisal"), in which a market analysis is performed for only the subject parcel. The same approaches to value (market, income, cost) apply to both methods; the differences lie in the way market analysis and appraisals are performed.

To accomplish appraising 40,000 properties at the time of the general reappraisal, as well as new construction on an ongoing basis, the county is divided into 386 neighborhoods. This allows the county to recognize and adjust for distinct market conditions affecting value in each neighborhood. An example would be a residential subdivision where houses are of a similar age, constructed with similar style and workmanship, and share the same common amenities. These homes would typically be affected by the same market conditions and have similar desirability on the market.

All recent sales are analyzed to determine if they are arm's length transactions. A transaction is considered "arm's length" if it is between two unrelated parties who are not under any unique compulsion to buy or sell and if it is representative of the fair market value. Sales between relatives, short sales, and estate sales are examples of transactions that might not be good evidence of market value. Sale prices are determined based on the excise tax ("revenue stamps") paid to the Register of Deeds office and reported on the deed.

Land is appraised based on available land sales data, allocation of sale prices between land and improvements, or other methods as appropriate. Once land rates are established, analyses is performed to establish the positive or negative influence of various property characteristics. Base square foot rates for each type of addition, outbuilding, and internal characteristic are determined.

The rates published in the Schedule of Values are base rates and ranges for what is considered average quality and workmanship and standard lots and acreage. The CAMA appraisal system contains factors and adjustments that can be applied to land and building rates to recognize market conditions, functional or economic obsolescence, deferred maintenance, remodeling, poor topography, and many other characteristics that can affect supply and demand. Judgment by the appraiser plays an important role with respect to comparative grading and depreciation.

## **Quality Control in Mass Appraisal**

Mass appraisal relies heavily on statistical analysis to ensure uniformity and equity. The most commonly used test is the ratio study.

A ratio study compares appraised values to actual sale prices for a sample of properties. The ratios themselves are calculated by dividing the appraised value generated during the general reappraisal by the sale price. For example, if a property is appraised at \$250,000 and has a recent sale price of \$252,000, its sales ratio is 99% ( $\$250,000/\$252,000$ ). This

means the property is appraised at 99% of its market value, as represented by the sale price.

In mass appraisal, appraised values should not be expected to exactly match sale prices or independent appraisals. Instead, the median ratio for a group of similar properties should be near 100%, with high and low ratios balancing. Per the International Association of Assessing Officers (IAAO) *Standard on Ratio Studies* (2013), the median ratio should fall between 90% and 110%. If the median ratio for a group of parcels falls within this range, the standard for overall appraisal level has been met. In conducting a ratio study, it is imperative that there be a sufficient number of samples for meaningful analysis. In Macon County, the market is active enough to meet this need.

Additional checks show if the appraised values are uniform and equitable.

The Coefficient of Dispersion (COD) measures the difference between each ratio in the sample and the median ratio, and returns the average deviation. A low COD indicates more uniformity in the sample than a high COD. Under IAAO standards, a COD demonstrates acceptable uniformity when it is under 10 for newer and homogenous residential neighborhoods, under 15 for older or heterogeneous neighborhoods, under 20 or 25 for vacant land in urban or rural areas, under 20 for rural residential property, and under 20 for commercial properties.

The Price-Related Differential (PRD) is used to determine how high-value properties and low-value properties are appraised relative to each other. A high PRD indicates that high-value properties are under-appraised, meaning a weighted average will be less than the un-weighted average. A low PRD indicates the opposite; that high-value properties are over-appraised and are skewing the average sales ratio higher.

## **Post-Reappraisal**

After a general reappraisal, the Schedule of Values must remain in effect until the next general reappraisal. North Carolina General Statute 105-287 outlines the conditions under which values may and may not be changed in between general reappraisal years.

The statute permits the assessor to increase or decrease the appraised value of a property based on physical changes to the land and/or improvements (105-287(a)(2b)). Common examples of this would include new additions to a home, new outbuildings (such as detached garages), demolition of existing improvements, changes to zoning, or a division of land into smaller lots.

The statute prohibits the assessor from increasing or decreasing the appraised value of a property due to inflation, deflation, or changes in the local economy (105-287(b)(2)). This allows for equity in assessments, as every property is appraised based on the economic conditions influencing supply and demand at the same point in time.

The statute requires that all changes made in the above (and other allowed) situations be made using the current Schedule of Values (105-287(c)). This means that when improvements are made, they are valued using the same rates and guidelines outlined in this manual until the next general reappraisal is conducted. For example, a house built in 2023 would be appraised based on an analysis of what similar homes were selling for at the time this 2023 Schedule of Values was compiled. The cost and market value of the home at the time of its construction would not be considered. This allows new construction to be appraised uniformly and equitably with existing construction.

North Carolina General Statute 105-317(a)(3) requires that partially completed buildings be appraised based on their degree of completion as of January 1 of the year for which the new assessment is being made.

# Property Record Card Definitions

## Property Factors:

### Topography

L	Level
M	Mountainous
P	Precipitous
R	Rolling
S	Swampy
T	Steep
W	Low

### Road Type

G	Gravel State
N	No Road
P	Paved, Primary
R	Paved, Private
S	Paved, Secondary
T	Private Dirt
W	No Right of Way

### View

CF	Creek Front
CFV	Creek Front&View
FW	Fairway
GC	Golf Course
LF	Lake Front
LFV	Lake Front & View
LR	Long Range
LS	Limited / Seasonal
LV	Lake View
MR	Medium Range
PV	Panoramic
RF	River Front
SR	Short Range

### Utilities

A	All Available
CS	Campsite
CW	Community Water
G	Gas
MH	M/H Hookup
N	None
PS	Public Sewer
PW	Public Water
S	Septic
W	Water

## Land Data:

### Methods

A Acreage  
L Lot / Site  
S Square Foot

### Types

0100 Residential Homesite  
0110 Residential  
0120 Residential Creek Front  
0121 Residential River Front  
0130 Resort  
0131 Resort View  
0132 Resort Fairway  
0133 Resort Waterfront  
0139 Resort Common Area  
0140 Residential Lakefront  
0150 Residential View  
0199 Residential Common Area  
0200 Openland  
0220 Openland Creek / River Front  
0240 Openland Lakefront  
0250 Openland View  
0300 Wooded  
0320 Wooded Creek  
0340 Wooded Lake Front  
0350 Wooded View  
0500 Commercial Primary  
0501 Commercial Secondary  
0502 Commercial Rear  
0503 Commercial Residual  
0504 Commercial Rural  
5005 Commercial Golf Course  
0590 Commercial Cell Tower  
0599 Commercial Common Area  
0600 Industrial Primary  
0601 Industrial Secondary  
0602 Industrial Rear  
0603 Industrial Residual  
0700 Wasteland  
0800 Mineral Rights

### Adjustment Codes

A Access  
BI Builders Inventory  
CA Corner Influence  
CE Conservation Easement  
CF Creek Front  
D Drainage  
E Excess  
EF Excessive Frontage  
EO Economic Obsolescence  
ER Easement / Right of Way  
EX Exempt  
FF Flood Fringe  
FP Flood Plain  
L Level  
LC Location  
LW Low  
M Misimproved  
NC Non-Conforming  
P Percolation Test Failed  
RA Restricted Access  
S Size / Shape  
SE Septic Easement  
T Topography  
UN Undeveloped  
V View  
WF Waterfront

## Outbuildings:

01	Barn	41	M/H Sound Value
02	Barn, Horse/Arena	42	Patio
03	Barn, Low Cost	43	Patio, Covered
04	Bath House	44	Pavilion
05	Boat Dock	45	Paving, Asphalt
06	Boat House	46	Paving, Concrete
08	Bulkhead/Retaining Wall	47	Pier
09	Cabin, Average Quality	48	Porch, Enclosed
10	Cabin, Good Quality	49	Porch, Open
11	Cabin, Low Quality	50	Porch, Screened
13	Canopy, Average Quality	51	Poultry House
14	Canopy, Commercial	52	Produce Stand
15	Canopy, Good Quality	53	Pump House
16	Canopy, Low Cost	54	Shed, Equipment w/Sides
17	Carport	55	Shed, Pole Open
18	Chain Link Fence	56	Shop, Frame
19	Comm Lumber Storage	57	Shop, Steel Pre-Fab
20	Commercial Office Avg Quality	60	Stable
21	Comm Office Low Cost	61	Storage, Fr Utility
22	Dwelling Sound Value	62	Storage, Mtl Utility
23	Fireplace	63	Storage, Quonset
24	Fish Hatchery	64	Storage, Steel Pre-Fab
25	Garage, Finished	65	Store, Comm Bldg
26	Garage, Unfinished	66	Swimming Pool, Commercial
27	Garage with Living Quarters	67	Swimming Pool, Residential
28	Garage with Storage UUS	68	Studio
32	Gazebo	69	Tank, Water
33	Golf Course	70	Tenant House
34	Greenhouse	71	Tennis Court
35	Hangar, Airplane	72	Utility Room
36	Addition Living Quarters	73	Wood Deck
38	Mini Golf	74	Yurt
39	Misc Bldg		

## Building Descriptions:

### Building Models

- C Commercial
- R Residential

### Special Condition Code

- BI Builders Inventory
- FD Fire Damage
- UC Under Construction

### Building Use Codes

- |     |                     |     |                         |
|-----|---------------------|-----|-------------------------|
| C01 | Apartment           | C25 | Mortuary                |
| C02 | Automotive Building | C26 | Office Typical          |
| C03 | Automotive Center   | C27 | Office Medical          |
| C04 | Bank                | C28 | Rest/Nursing Home       |
| C05 | Barber/Beauty Shop  | C29 | Restaurant / Lounge     |
| C06 | Bed & Breakfast     | C30 | Restaurant Fast Food    |
| C07 | Car Wash            | C31 | Retail Store            |
| C08 | Church              | C32 | Retail Rural            |
| C09 | Clubhouse           | C33 | School                  |
| C10 | Convenience Store   | C34 | Service Garage          |
| C11 | Commercial          | C35 | Shopping Center         |
| C12 | Country Club        | C36 | Warehouse               |
| C14 | Discount Store      | C37 | Warehouse Discount      |
| C15 | Dormitory           | C38 | Warehouse Mini          |
| C16 | Daycare Center      | C39 | Pre-Fab Commercial      |
| C17 | Fire Station        | C40 | Theater Live Production |
| C18 | Garage Lube Center  | C41 | Theater Cinema          |
| C19 | Government Building | C   | Condo                   |
| C20 | Hospital            | D   | Dwelling                |
| C21 | Laundromat          | DP  | Duplex                  |
| C22 | Industrial          | M   | Manufactured Home       |
| C23 | Supermarket         | T   | Townhouse               |
| C24 | Motel               | TH  | Tiny Home               |

## Land Valuation

The market approach is the most appropriate method of land valuation when qualified sales are available. This is done by analyzing sales data for the last three years in each neighborhood, with greater emphasis placed on the most recent sales. If no data exists for a neighborhood, the appraiser uses data from a comparable neighborhood.

Neighborhoods (also called “Market Areas”) are unique areas of property determined by subdivisions, natural boundaries, or other determining factors. The appraiser will determine neighborhoods and numeric codes will be created to uniquely identify them. The land base rate adjustment for these neighborhoods could range from 25% - 2500%.

In areas of commercial or industrial sites, tracts for residential development, excessive road frontage, useable water frontage, well-located small tracts, or any other features that influence land value pricing will be adjusted with a market adjustment. Likewise, factors that affect tracts located in areas that make them unfeasible to manage and practically inaccessible will cause a reduction in price to reflect the proper value.

Lot priced lots may be valued from \$100 to \$5,000,000 depending on the market conditions, sales, and geographic location.

Road types are defined as follows:

- P – Paved Primary - interstates or other major artery highways
- S – Paved Secondary - paved public road or secondary arteries
- G – Gravel State Maintained - all weather surface road
- R – Paved Private - paved or concrete private access road
- T – Dirt Private - gravel or dirt private access road
- N – No Road - right of way that is not open for normal road use
- W – No Right of Way - property without a deeded right of way or easement

There is an additional added site improvement value for utilities:

<b>Code</b>	<b>Value</b>
S – Septic	\$4,000
W – Well	\$6,000
CS – Campsite	\$4,000
MH – Manufactured Home Hookup	\$10,000

Land adjustment codes can be applied as a positive or negative adjustment.

**Adjustment Codes**

A	Access	ER	Easement / Right of Way	P	Percolation Test Failed
BI	Builders Inventory	EX	Exempt	RU	Restricted Use
CA	Corner Influence	FF	Flood Fringe	S	Size / Shape
CE	Conservation Easement	FP	Flood Plain	SE	Septic Easement
CF	Creek Front	L	Level	SI	Site Improvement
D	Drainage	LC	Location	T	Topography
E	Excess	LW	Low	UN	Undeveloped
EF	Excessive Frontage	M	Misimproved	V	View
EO	Economic Obsolescence	NC	Non-Conforming	WF	Waterfront

**Land Base Rates per Acre**

Base values are established for each land type based on market analysis by neighborhood. All acreage land rates are based on one (1) acre. Adjustments will be made to the base rate according to the acreage size factor.

Land Type	Rate Range
0100 – Residential Homesite	10,000 – 2,000,000
0110 – Residential	10,000 – 2,000,000
0120 – Residential Creek front	15,000 – 2,500,000
0121 – Residential Riverfront	15,000 – 2,500,000
0130 – Residential Resort	40,000 – 3,000,000
0131 – Resort Fairway	40,000 – 3,000,000
0132 – Resort View	20,000 – 2,000,000
0133 – Resort Waterfront	100,000 – 2,500,000
0139 – Resort Common Area	100 – 1,000,000
0140 – Residential Lakefront	100,000 – 2,500,000
0150 – Residential View	40,000 – 2,000,000
0199 – Residential Common Area	100 – 1,000,000
0200 – Open	10,000 – 2,000,000
0220 – Open Creek Front	15,000 – 2,500,000
0221 – Open Riverfront	15,000 – 2,500,000
0240 – Open Lakefront	100,000 – 2,500,000
0250 – Open View	40,000 – 2,000,000
0300 – Wooded	10,000 – 2,000,000
0320 – Wooded Creek Front	15,000 – 2,500,000
0321 – Wooded Riverfront	15,000 – 2,500,000
0340 – Wooded Lakefront	100,000 – 2,500,000
0350 – Wooded View	40,000 – 2,000,000

0500 – Commercial Primary	100,000 – 1,000,000
0501 – Commercial Secondary	75,000 – 750,000
0502 – Commercial Rear	50,000 – 500,000
0503 – Commercial Residual	25,000 – 250,000
0504 – Commercial Rural	25,000 – 250,000
0590 – Commercial Cell Tower	100,000
0600 – Indus Primary	100,000 – 250,000
0601 – Indus Secondary	50,000 – 150,000
0602 – Indus Rear	25,000 – 100,000
0603 – Indus Residual	20,000 – 100,000
0700 – Wasteland	1,000
0800 – Mineral Interest	10

The land size factor is established by the total size of an individual tract. The factor will be determined from where the total acreage falls in the table. The matching rate from the size factor will be used as the factor to adjust the entire tract.

**Acreage Land Size Factor – Residential**

<b>Tract Size</b>	<b>Size Factor</b>	<b>Tract Size</b>	<b>Size Factor</b>
.010	5.00	1.00	1.00
.10	3.50	2.00	.80
.15	2.50	3.00	.75
.20	2.40	4.00	.65
.25	2.20	5.00	.55
.30	2.00	10.00	.45
.40	1.75	20.00	.35
.50	1.50	40.00	.30
.60	1.40	80.00	.25
.70	1.30	100.00	.22
.80	1.20	200.00	.20
.90	1.10	200.00+	.18

### **Acreage Land Size Factor – Commercial**

<b>Tract Size</b>	<b>Size Factor</b>
.10	2.00
.20	1.50
.30	1.40
.40	1.30
.50	1.25
.60	1.20
.70	1.15
.80	1.10
.90	1.05
1.00+	1.00

Road type adjustment is determined by road access to the property. Adjustments will be made by the following factors.

<b>Type</b>	<b>Road Type</b>	<b>Factor</b>
Commercial	P-Primary	1.00
Commercial	S-Secondary	.90
Commercial	G-Gravel State	.80
Commercial	R-Private Paved	.70
Commercial	T-Private Dirt	.60
Commercial	N-No Road	.40
Commercial	W-No Right-of-Way	.10
Residential	P-Primary	1.00
Residential	S-Secondary	1.00
Residential	G-Gravel State	.95
Residential	R-Private Paved	.90
Residential	T-Private Dirt	.85
Residential	N-No Road	.40
Residential	W-No Right-of-Way	.10

**Residential Acreage Valuation Method Example:**

Road Type x Size Factor x Acreage = Base Rate

Improved residential property containing 10 acres on a state paved road (T).

Base rate	\$25,000
Road Type T Factor .85	Adj Unit Price \$21,250
Size factor (10 acres)	.45 Adj Unit Price \$9,562.50
Neighborhood 01000 adjustment	\$0
100%	
Adj Unit Price \$9562.50 * Units	\$95,625
10.000	
Utility Value \$10,000	105,625
Rounded Value	\$105,630

**SQUARE FOOT METHOD**

The following formula will be use in determining land priced by the square foot method.

Rate is set by appraiser based on neighborhood.

For commercial lots:

Base Size	7500
Incremental Adjustment	%80
Decremental Adjustment	%80

For residential lots:

Base size	20000
Incremental Adjustment	%80
Decremental Adjustment	%80

The following example is a 5,000 square foot lot price by commercial method:

UnitPrice 4.00000 \* BaseUnits 7500 + Addtl Units -2500.000 \*  
 Addtl Price 3.200000 = Value 22000  
 Utility value 0 Appraised value 22000  
 Rounded Value = 22000

The following example is a 10,000 square foot lot price by commercial method:

UnitPrice 4.00000 \* BaseUnits 7500 + Addtl Units 2500.000 \*  
 Addtl Price 3.200000 = Value 38000  
 Utility value 0 Appraised value 38000  
 Rounded Value = 38000

## Residential Valuation

The quality grade of materials and workmanship is one of the most significant variables to consider in estimating the replacement cost of a structure. Two buildings may be built from the same general plan, each offering the same facilities and general features, but have vastly different costs due to the quality of materials and workmanship used in their construction. For instance, the cost of a dwelling constructed of high quality materials and with the best workmanship throughout can be more than twice the cost of one built from the same floor plan but with inferior materials and workmanship.

The following schedule has been developed to distinguish between variations in cost. This schedule represents the full range of conventional dwelling construction. The basic qualifications for each grade, such as the type of facility furnished, is relatively constant. That is, each has one kitchen, and other typical living facilities, but with differing quality of materials and workmanship.

The basic grade represents the cost of construction with average quality materials and workmanship and is designated as Grade C (100%). Most dwellings fall within one class above or below the basic grade of C.

In order to justify variation in cost, maintain uniformity, and retain complete control throughout the cost range, Macon County has established these base grades. The pricing spread between each grade is based on the use of better-grade materials and higher-quality workmanship from Grade C to Grade B. Grade B dwellings have better quality features and finishes, which reflects a higher cost than Grade C. Likewise, Grade D dwellings would be constructed of materials and workmanship of lower quality than Grade C.

The Grade AA or A dwelling incorporates the best quality of materials and workmanship. Construction costs of Grade AA or A dwellings generally run as much as 250% higher than that of Grade C dwellings. The prestige-type home and country estate-type home are usually in this class. Grade A dwellings with outstanding architectural style and design are generally custom-built and are as much as 85% better in overall construction than Grade C dwellings.

Dwellings of the cheapest quality construction, built of low-grade materials and inferior workmanship, and typically lacking sufficient facilities, occupy the class of Grade D or E.

The relationship between the highest and lowest grade level is established by means of grade factor multipliers. Since not all dwellings fall precisely within a particular grade level, but may be slightly superior or interior, the use of grade factor symbols (+ or -) will accomplish the appropriate adjustment in Grades A, B, C, D, and E.

The quality factor ultimately selected is to represent a composite judgment of the materials and workmanship of the overall quality grade. Generally, the quality of materials and workmanship is consistent. However, since this is not always the case, it is frequently necessary to weigh the quality of each major component to arrive at the proper overall quality grade. Equal consideration must be given to any additions that are constructed of materials and workmanship inconsistent with the quality of the main building.

The appraiser must be careful not to confuse quality and condition when establishing grades for older houses in which a deteriorated condition may noticeably affect appearance. Grades should be established on original built-in quality and not be influenced by physical condition. Proper grading must reflect replacement cost of new buildings

## Grade AA Dwellings



\*Photographs are only an indication of grade and not a determination of actual grade of the dwellings shown. Grade must be based upon individual inspection of the type of materials and quality of construction of the subject dwelling. These grading specifications are only guidelines for general descriptive purposes and may or may not be limited to the detail of the individual components

## Grade AA Dwellings

Dwellings constructed of the finest quality and workmanship, exhibiting unique and elaborate architectural styling, and are characterized by high quality of finishes and considerable attention to detail. The following will further describe the most common characteristics of this grade of construction.

**Foundation** – A continuous reinforced concrete block or poured concrete perimeter and interior load-bearing wall waterproofed with drainage system.

**Exterior Walls** – Select brick, stucco, cut stone, cedar, vinyl, or the best quality siding with well-designed fenestration, high quality sash, custom ornamentation and trim. 2"x4" wood or metal studs 16" on center 1 3/4" – 2 1/4", fine quality exterior doors, best quality wood or vinyl insulated windows with custom ornamentation and trim.

**Roofing** – Gable, hipped, or contemporary designed tongue and groove plywood sheathed, covered with slate, tile, wood shake, or architectural shingles. 2"x10" rafters or custom built trusses, ornamental wood cornice, copper flashing, and gutters.

**Flooring** – Basement floor poured with 4" reinforced concrete. Upper floors have 3/4" tongue and groove sub floor with underlayment. Floor coverings are best quality carpet, vinyl, hardwood, marble, slate, or tile.

**Interior Finish** – Interior walls are painted drywall with the best grade paper or vinyl covering, hardwood paneling, or ceramic tile. Finest quality vanities in bathrooms and dressing areas with ceramic tile, marble, or Corian countertops. Custom built kitchen with pantry, cooking island, built-in microwave, dishwasher, disposal, and custom made cabinetry with ceramic, tile, marble, or Corian countertops. Raised panel hardwood veneer or enameled doors with high quality hardware. High-grade ornamental moldings with tight mitered corners. Spacious walk-in closets, wardrobes, linen closets, and pantries that are fully shelved.

**Heating** – Forced air furnace(s) or heat pump(s) with central air conditioning, multiple controls, and large capacity insulated ductwork. Optional vented or un-vented gas fireplaces.

**Plumbing** – Three and one-half baths. Finest quality fixtures including water heater(s), kitchen sink(s), laundry tub, tiled shower stall, bidet, lavatories, tub and shower, wet bar, and whirlpool tub.

**Electrical** – Numerous well positioned outlets and the finest quality lighting fixtures throughout. Large luminous fixtures in kitchen, bath, and dressing areas. Some recessed, track, and fluorescent lighting possible.

## Grade A Dwellings



\*Photographs are only an indication of grade and not a determination of actual grade of the dwellings shown. Grade must be based upon individual inspection of the type of materials and quality of construction of the subject dwelling. These grading specifications are only guidelines for general descriptive purposes and may or may not be limited to the detail of the individual components.

## Grade A Dwellings

Dwellings constructed of excellent quality materials and workmanship, exhibiting outstanding architectural styling and treatment, and having an abundance of built-in features. Architect designed and supervised homes would normally fall into this classification. The following will further describe the most common characteristics of this grade of construction.

**Foundation** – A continuous reinforced concrete block or poured concrete perimeter and interior load-bearing wall waterproofed with drainage system.

**Exterior Walls** – Brick, stucco, stone, cedar, vinyl, or high quality siding with well-designed fenestration, high quality sash, custom ornamentation and trim. 2"x4" wood or metal studs 16" on center 1 3/4" – 2 1/4", fine quality exterior doors, best quality wood or vinyl insulated windows with custom ornamentation and trim.

**Roofing** – Gable, hipped, or contemporary designed tongue and groove plywood sheathed, covered with slate, tile, wood shake, or architectural shingles. 2"x10" rafters or custom built trusses, ornamental wood cornice, copper flashing, and gutters.

**Flooring** – Basement floor poured with 4" reinforced concrete. Upper floors have 3/4" tongue and groove sub floor with underlayment. Floor coverings are the best quality carpet, vinyl, hardwood, marble, slate, or tile.

**Interior Finish** – Interior walls are painted drywall with the best grade paper or vinyl covering, hardwood paneling, or ceramic tile. Finest quality vanities in bathrooms and dressing areas with ceramic tile, marble, or Corian countertops. Custom built kitchen with pantry, cooking island, built-in microwave, dishwasher, disposal, and custom made cabinetry with ceramic, tile, marble, or Corian countertops. Raised panel hardwood veneer or enameled doors with high quality hardware. High-grade ornamental moldings with tight mitered corners. Spacious walk-in closets, wardrobes, linen closets, and pantries that are fully shelved.

**Heating** – Forced air furnace(s) or heat pump(s) with central air conditioning, multiple controls, and large capacity insulated ductwork. Optional vented or un-vented gas fireplaces.

**Plumbing** – Three and one-half baths. Finest quality fixtures including water heater(s), kitchen sink(s), laundry tub, tiled shower stall, bidet, lavatories, tub and shower, wet bar, and whirlpool tub.

**Electrical** – Numerous well positioned outlets and the finest quality lighting fixtures throughout. Large luminous fixtures in kitchen, bath, and dressing areas. Some recessed, track, and fluorescent lighting possible.

## Grade B Dwellings



\*Photographs are only an indication of grade and not a determination of actual grade of the dwellings shown. Grade must be based upon individual inspection of the type of materials and quality of construction of the subject dwelling. These grading specifications are only guidelines for general descriptive purposes and may or may not be limited to the detail of the individual components.

## Grade B Dwellings

Dwellings constructed of good quality and workmanship, exhibiting unique and pronounced architectural styling and treatment, and having an ample amount of built-in features. The following will further describe the most common characteristics of this grade of construction.

**Foundation** – A continuous reinforced concrete block or poured concrete perimeter and interior load-bearing wall waterproofed with drainage system.

**Exterior Walls** – Brick, stucco, cut stone, cedar, vinyl, or good quality siding with good fenestration and good quality sash. 2"x4" wood studs 16" on center 1 $\frac{3}{4}$ ", good quality exterior doors, good quality wood or vinyl insulated windows with some ornamentation trim.

**Roofing** – Gable or hipped tongue and groove plywood sheathed, covered with wood shake or architectural shingles. 2"x8" rafters or custom built trusses, plain wood cornice, metal flashing, and gutters.

**Floors** – Basement floor poured with 3 $\frac{1}{2}$ " reinforced concrete. Upper floors have  $\frac{3}{4}$ " tongue and groove sub floor. Floor coverings are good quality carpet, vinyl, hardwood, or tile.

**Interior Finish** – Interior walls are painted drywall with good grade paper or vinyl covering with some paneling. Kitchen and baths have enamel painted walls and ceilings. Ample amounts of cabinets with natural wood veneer finish are used in kitchen and bath areas. Countertops are laminated plastic, ceramic tile, or simulated marble. Doors are good quality hollow-core fir or pine with enameled trim. Walk-in closets or large sliding door wardrobes. Ample linen and storage closets. Workmanship throughout is good quality.

**Heating** – Forced air furnace(s) or heat pump(s) with central air conditioning, multiple controls, and insulated ductwork. Optional vented or un-vented gas fireplace(s).

**Plumbing** – Good quality fixtures including water heater(s), kitchen sink(s), laundry tub, tiled or modular plastic shower stall, lavatories, tub and shower.

**Electrical** – A good amount of convenience outlets and good quality lighting fixtures throughout. Luminous fixtures in kitchen and bath areas. Some recessed, track, and fluorescent lighting possible.

## Grade C Dwellings



\*Photographs are only an indication of grade and not a determination of actual grade of the dwellings shown. Grade must be based upon individual inspection of the type of materials and quality of construction of the subject dwelling. These grading specifications are only guidelines for general descriptive purposes and may or may not be limited to the detail of the individual components.

## Grade C Dwellings

Dwellings constructed of average quality materials and workmanship, exhibiting moderate architectural styling and treatment, and having a minimal amount of built-in features. Typical tract built homes would normally fall into this classification. The following will further describe the most common characteristics of this grade of construction.

**Foundation** – A continuous reinforced concrete block perimeter and interior load-bearing wall waterproofed with drainage system.

**Exterior Walls** – Frame, vinyl, brick, or average quality siding with standard sash. 2"x4" wood studs 16" on center 1 $\frac{3}{4}$ ", wood exterior doors, average quality double hung wood sash or aluminum frame windows.

**Roofing** – Gable or hipped plywood sheathed covered with asphalt shingles or metal roofing, 2"x8" rafters or custom built trusses, plain wood cornice, metal flashing, and gutters.

**Flooring** – Basement floor poured with 3 $\frac{1}{2}$ " reinforced concrete. Upper floors have  $\frac{3}{4}$ " tongue and groove sub floor. Floor coverings are average quality carpet, vinyl, or hardwood.

**Interior Finish** – Interior walls are painted drywall with some inexpensive wallpaper or paneling. Kitchen and baths have enamel painted walls and ceilings. Pre-finished plywood cabinets are used in kitchen areas and small vanities in bath areas. Countertops are laminated plastic or ceramic tile. Doors are medium grade hollow-core with standard grade hardware. An adequate amount of closet space. Baseboard moldings and casings are stock quality. Workmanship throughout is average quality.

**Heating** – Forced air furnace or heat pump with adequate output and ductwork. Optional vented or un-vented gas fireplaces.

**Plumbing** – Two full baths. Average quality fixtures including water heater, kitchen sink, laundry tub, tiled or modular plastic shower stall, lavatories, tub and shower.

**Electrical** – An adequate number of outlets with some luminous fixtures in kitchen and bath areas.

## Grade D Dwellings



\*Photographs are only an indication of grade and not a determination of actual grade of the dwellings shown. Grade must be based upon individual inspection of the type of materials and quality of construction of the subject dwelling. These grading specifications are only guidelines for general descriptive purposes and may or may not be limited to the detail of the individual components.

## Grade D Dwellings

Dwellings constructed of fair quality materials and workmanship, generally lacking architectural styling and treatment, and having a scant amount of built-in features. Economy mass built homes would fall into this classification. The following will further describe the most common characteristics of this grade of construction.

**Foundation** – A continuous reinforced concrete block perimeter and piers.

**Exterior Walls** – Wood, asbestos, vinyl or aluminum siding with inexpensive sash. 2"x4" wood studs 16" on center 1 3/8", wood exterior doors, double hung wood sash or aluminum frame windows.

**Roofing** – Gable roof, sheathed with plywood or 1" planks, covered with asphalt shingles or metal roofing, 2"x6" rafters or prefabricated trusses, plain wood cornice, galvanized metal gutters.

**Flooring** – Basement floor poured with 3½" reinforced concrete. Upper floors have ¾" tongue and groove sub floor or 1" plank sheathing on older homes. Floor coverings are linoleum, asphalt tile, or carpet.

**Interior Finish** – Interior walls are painted drywall or plaster with enamel painted walls and ceilings. Inexpensive paint grade wood cabinets in kitchen areas with small vanity in bath. Countertops are laminated plastic with small splash. Stock, hollow core doors with inexpensive hardware. Minimal amount of closet space. Workmanship throughout is below average quality but will still meet minimum construction codes.

**Heating** – Forced air furnace or electric baseboard heat with minimum output, ductwork, and thermostat.

**Plumbing** – One full bath. Inexpensive quality fixtures including water heater, kitchen sink(s), stall shower, lavatories, tub and shower. Some galvanized piping.

**Electrical** – A minimal number of outlets and lighting fixtures.

## Grade E Dwellings



\*Photographs are only an indication of grade and not a determination of actual grade of the dwellings shown. Grade must be based upon individual inspection of the type of materials and quality of construction of the subject dwelling. These grading specifications are only guidelines for general descriptive purposes and may or may not be limited to the detail of the individual components.

## Grade E Dwellings

Dwellings constructed of low-cost materials and poor workmanship, lacking any architectural treatment or built-in features. Interior and exterior finishes are plain and inexpensive with little or no attention to detail. Some self-built built homes would fall into this classification. The following will further describe the most common characteristics of this grade of construction.

**Foundation** – Cement block, brick, or rock continuous foundation with block, brick, or wooden piers.

**Exterior Walls** – Wood frame, cement block, asbestos, or composition roll siding with inexpensive sash and little or no trim. 2"x4" wood studs 24" on center 1 3/8", wood exterior doors, and wood painted windows.

**Roofing** – Gable or shed roof, sheathed with plywood or 1" planks, covered with low quality asphalt shingles or metal roofing, 2"x4" wood rafters 24" on center, no cornice or gutters.

**Flooring** – Basement floor poured with 3" cement on earth. Upper floor has plywood flooring or 1" plank sheathing on older homes. Floor coverings are low-grade linoleum, asphalt tile, or carpet.

**Interior Finish** – Interior walls are inexpensive drywall or plaster with painted walls and ceilings. Inexpensive paint grade wood cabinets in kitchen areas with small vanity in bath. Countertops are low cost laminated plastic with small splash. Stock, hollow core doors with low cost hardware. Minimal amount of closet space. Workmanship throughout is poor quality but will still meet minimum construction codes if new construction.

**Heating** – Forced air furnace, electric baseboard, unit heaters, or wood heat with minimum output and ductwork.

**Plumbing** – One full bath. Low cost fixtures including water heater, kitchen sink(s), stall shower, lavatories, tub and shower. Some galvanized piping.

**Electrical** – A minimal number of outlets and low cost lighting fixtures.

### Residential Base Prices

Building Use	Base Area	Value	Coefficient	Constant
C – Condo	1,000	130,000 – 170,000	.0007008	.2992
D – Dwelling	1,200	175,000 – 215,000	.00584	.2992
DP – Duplex	1,000	130,000 – 170,000	.0007008	.2992
DW – Double Wide	1,400	155,000 – 195,000	.0050057	.2992
PM – Park Model	400	60,000 – 100,000	.001752	.2992
SW – Single Wide	800	60,000 – 100,000	.000876	.2992
T – Townhouse	1,000	130,000 – 170,000	.0007008	.2992
TH – Tiny Home	400	80,000 – 120,000	.001752	.2992

### Residential Exterior Wall Factors

Ext. Wall Code	Adj. %	Ext. Wall Code	Adj. %
AS – Asbestos	1.00	L – Log	1.10
AV – Aluminum/Vinyl	1.00	M – Metal	1.00
BR – Brick	1.06	MF – Metal&Frame	1.00
C – Concrete Board	1.00	S – Stucco	1.00
CB – Concrete Block	1.00	SS – Stack Stone	1.10
F – Frame	1.00	ST – Stone	1.06
G – Glass	1.06	WS – Wood Shingle	1.10

\*not applied to manufactured homes – SW, DW, PM

**Residential Base Area Cost Formula**

Coefficient      Constant  
 .000584          .299200

Ground Floor Living Area (GFLA) x Coefficient + Constant = Area Factor

Base Price x Area Factor x Exterior Wall Factor = Adjusted Base Value

Residential Base Area Cost Formula Examples:

Building 1, Model = R Use = D

Subarea 1 MA

Area 1200.000 x Coefficient 0.00058400 + Constant 0.2992 = AreaFactor 1.00000

SH-BRICK Code F Factor 1.00000

BasePrice 195000.00 x AreaFactor 1.00000 x SHFactor 1.00000 = Value 195000

RESWALLHT 8.0000 Factor 1.0000 Value 195000

RHEAT P Price 7.00 ValueAdjustment 8400 Value 203400

RAIRCON Price 2.00 ValueAdjustment 2400 Value 205800

RPLUMBING Fixtures 6 Included 3 PerFixture 1000.00 Value 208800

Grade C Schedule RGRADE Factor 1.0000 Value = 208800

Neighborhood 01032 Factor 1.00000 Value = 208800

Depreciation schedule = PHYS-R1-A Age = 3 %Good = 0.98000 Value 204620

Rounded Value = 204620

**Residential Section Schedule - Percentage of Base Rate & Story Height Adjustments**

Type	Adj. %	1 Story	1.5 Story	2 Story	3 Story	4 Story
AA – Attached Addition	.95	1.00	1.65	1.92	2.84	3.76
AG – Attached Garage	.45					
CA – Canopy	.10					
CP – Carport	.30					
EP – Enclosed Porch	.50	1.00		1.90	2.80	
FG – Finished Garage	.60					
FUS – Finished Upper Story	.92					
OP – Open Porch	.30	1.00		1.90	2.80	
PA – Patio	.05					
PV – Pavilion	.50					
SP – Screen Porch	.35	1.00		1.90	2.80	
ST – Stoop	.15					
TR – Terrace	0.20					
UR – Utility Room	.35	1.00		1.90	2.80	
UUS – Unfinished Upper Story	.40					
WD – Wood Deck	.15	1.00		2.00	3.00	4.00
LLU – Lower Level Unfinished	.16					
LLF – Lower Level Finished	.40					
LLR – Lower Level Rec Room	.20					
LLS – Lower Level Semi Finish	.30					

**Basement Adjustment Rates:**

Type	Exterior	Interior	Lighting & Plumbing
Unfinished 16%	Unfinished block or concrete walls, water-proofed, concrete slab	Unfinished interior, exposed joist, open stairs	Minimum light fixtures & outlets, floor drain
Recreation Room 20%	Block or concrete walls, water-proofed, reinforced concrete slab	Painted walls, gypsum or acoustic tile ceiling, stairs with risers	Adequate lighting and appliance outlets, laundry tray and drains
Semi-Finished 30%	Block or concrete walls, water-proofed, reinforced concrete slab	Gypsum or plaster, acoustic tile, vinyl composition, carpet, stairwell	Good lighting and outlets, half bath, partitioned laundry room
Finished, High Value 40%	High-quality exterior finish	Plaster or drywall, paneling, carpet, hardwood	Good lighting and plumbing

\*Prices will be adjusted by the area factor from the base area square foot rate

\*\* Finish percent will be added to the Unfinished for total lower level total.

**Heating Adjustment Rates:**

E	Electric Baseboard	\$4.00 per sq. ft.
F	Forced Air	\$4.80 per sq. ft.
G	Geo-Thermal	\$9.60 per sq. ft.
H	Hot Water	\$8.20 per sq. ft.
M	Mini-Split	\$4.20 per sq. ft.
N	None	\$0.00 per sq. ft.
P	Heat Pump	\$7.00 per sq. ft.
S	Solar	\$0.00 per sq. ft.
SP	Space	\$2.40 per sq. ft.
W	Wall/Floor Furnace	\$2.20 per sq. ft.

**Air Conditioning Adjustment Rates:**

Central Air \$3.00 per sq. ft.

**Plumbing Adjustment Rates:**

Per \$1,000  
Fixture

**Fireplace Adjustment Rates:**

Per Stack \$4,000  
First Opening \$2,500

**Fireplace Type Adjustment Rates:**

PF – Pre-Fab	\$0
SD – Standard	\$0
ST – Stone	\$5,000
SS – Stacked Stone	\$10,000
MS – Massive	\$15,000

**Wall Height Factors:**

Wall Height	Adj. %	Wall Height	Adj. %
7	.97	14	1.18
8	1.00	15	1.21
9	1.03	16	1.24
10	1.06	17	1.27
11	1.09	18	1.30
12	1.12	19	1.33
13	1.15	20+	1.36

\*Base default is 8 feet

**Residential Elevator Rates:**

Base Cost	\$60,000
Each Stop	\$8,000

**Grade Index:**

The following table is used when building grade is applied, unless otherwise denoted.

Grade	Adj. %
AA	+100%
A	+50%
B	+25%
C	Base
D	-25%
E	-50%

Grades may be entered as just a letter grade or as a letter grade plus or minus a given percentage in 10% increments. If a percentage is specified as a part of the grade, then that percentage is added to or subtracted from the letter grade from the above table. Example:

Grade	Adj. %
A-	+40%
B	+25%
D+	-15%

**Residential Neighborhood Adjustment:**

A neighborhood adjustment will be applied to each neighborhood according to the market of that neighborhood. The appraiser will determine neighborhoods and numeric codes will be created to uniquely identify them. The residential base rate adjustment for these neighborhoods could range from 50% to 400%.

**Residential Physical Depreciation Table**

Age	G-Good	A-Average	F-Fair	P-Poor	U-Unsound
1	0	0	1	1	90
2	1	1	2	3	90
3	1	2	3	4	90
4	2	3	4	5	90
5	2	4	5	7	90
6	3	4	6	9	90
7	4	5	7	10	90
8	4	6	8	12	90
9	5	7	10	14	90
10	5	8	11	16	90
12	7	10	13	20	90
14	8	12	16	24	90
16	10	13	19	28	90
18	11	16	22	32	90
20	13	18	25	37	95
22	14	20	28	42	95
24	16	23	31	47	95
26	18	25	35	47	95
28	20	28	39	57	95
30	22	31	44	62	99
32	24	34	47	67	99
34	27	37	51	71	99
36	29	40	55	74	99
38	32	43	59	77	99
40	35	47	63	79	99
42	38	51	66	80	99
44	41	54	69	82	99
46	44	57	72	85	99
48	46	61	75	88	99
50	49	64	77	90	99
55	57	70	80	92	99
60	64	74	80	95	99
65	71	78	90	99	99
70	76	80	95	99	99

## Manufactured Home Valuation

North Carolina General Statute 105-273(13) provides the following definition of manufactured home:

A manufactured home as defined in G.S. 143-143.9(6), unless it is considered tangible personal property for failure to meet all of the following requirements:

1. It is a residential structure.
2. It has the moving hitch, wheels, and axles removed.
3. It is placed upon a permanent foundation either on land owned by the owner of the manufactured home or on land in which the owner of the manufactured home has a leasehold interest pursuant to a lease with a primary term of at least 20 years and the lease expressly provides for disposition of the manufactured home upon termination of the lease.

Any unlisted manufactured homes may be deemed real property.

### Manufactured Home Section Schedule

Type	Adj. %
MAA – Attached Addition	.95
MAG – Attached Garage	.40
MCA – Canopy	.10
MCP – Carport	.30
MEP – Enclosed Porch	.70
MFB – Finished Basement	.55
MOP – Open Porch	.35
MPA – Patio	.05
MRB – Rec Basement	.35
MSP – Screened Porch	.40
MST – Stoop	.20
MUB – Unfinished Basement	.15
MUR – Utility Room	.40
MWD – Wood Deck	.20

**Grade Index:**

Grade	Factor
A+	1.60
A	1.50
A-	1.40
B+	1.35
B	1.25
B-	1.15
C+	1.10
C	1.00
C-	.90
D+	.85
D	.75
D-	.65
E+	.60
E	.50
E-	.40

**Physical Depreciation – Singlewide**

Age	Good	Average	Fair	Poor	Unsound
1	1	2	3	5	90
2	3	4	7	10	90
3	4	6	11	15	90
4	5	9	15	21	90
5	7	12	20	27	90
6	9	14	24	32	90
7	10	17	28	38	90
8	12	19	33	45	90
9	14	22	38	51	90
10	16	25	43	57	95
12	20	31	53	69	95
14	24	37	61	77	95
16	28	43	70	80	95
18	32	50	76	85	95
20	37	56	79	90	95
22	42	62	80	95	99
24	47	68	85	95	99
26	52	74	90	95	99
28	57	77	90	95	99
30+	62	79	90	95	99

**Physical Depreciation – Doublewide & Park Model**

<b>Age</b>	<b>G-Good</b>	<b>A-Average</b>	<b>F-Fair</b>	<b>P-Poor</b>	<b>U-Unsound</b>
1	1	1	2	3	90
2	2	3	4	6	90
3	3	4	5	9	90
4	4	5	7	12	90
5	5	7	9	15	90
6	6	9	11	18	90
7	7	10	13	22	90
8	8	12	15	25	90
9	10	14	17	29	90
10	11	16	20	32	95
12	13	20	24	40	95
14	16	24	29	48	95
16	19	28	34	55	95
18	22	32	40	63	95
20	25	37	45	71	99
22	28	42	51	76	99
24	31	47	57	76	99
26	35	52	62	80	99
28	39	57	68	82	95
30	44	62	71	84	99
32	47	57	74	86	99
34	51	71	77	88	99
36	55	74	79	90	99
38	59	77	80	90	99
40+	63	79	82	90	99

# Commercial Valuation

## Commercial Codes, Descriptions and Unit Price Table

TYPE	DESCRIPTION	BASE SQFT	BASE	HEAT	A/C	HEAT & A/C	BSMT AREA	BSMT FIN.	ADJ. FT.	DEPR
C01	Apartment	3,000	120-150	4-6	3-5	7-11	30%	90%	600	50
C02	Auto Building	4,000	75-125	2-4	9-11	11-15	30%	90%	800	40
C03	Auto Center	4,000	100-125	2-4	9-11	11-15	30%	90%	800	40
C04	Bank	3000	280-320	10-12	15-17	25-29	30%	90%	600	50
C05	Barber/Beauty Shop	1,500	100-120	2-4	10-12	12-16	30%	90%	300	40
C06	Bed & Breakfast	3,000	160-190	4-6	3-5	7-11	30%	90%	600	60
C07	Car Wash	1,200	150-170	3-5						30
C08	Church	3,000	250-280	10-12	15-17	25-29	30%	90%	600	50
C09	Clubhouse	3,000	125-150	8-10	4-6	12-16	30%	90%	600	40
C10	Convenience Store	3,000	115-140	6-8	4-6	10-14	30%	90%	600	40
C11	Commercial	2,000	75-95	6-8	4-6	10-14	30%	90%	400	40
C12	Country Club	9,000	175-205	8-10	4-6	12-16	30%	90%	1,800	50
C14	Discount Store	10,000	75-105	6-8	4-6	10-14	30%	90%	2,000	40
C15	Dormitory	3,000	185-215	8-10	9-11	17-21	30%	90%	600	50
C16	Daycare Center	3,000	155-185	11-13	8-10	19-23	30%	90%	600	40
C17	Fire Station	3,000	85-115	2-4	16-18	18-22	30%	90%	600	40
C18	Garage Lube Center	1,400	170-200	2-4	9-11	11-15	30%	90%	280	40
C19	Government Building	3,000	175-205	10-12	15-17	25-29	30%	90%	600	50
C20	Hospital	60,000	350-400	10-12	28-30	38-42	30%	90%	3,000	40
C21	Laundromat	1,500	110-130	4-6	6-8	12-14	30%	90%	300	40
C22	Industrial	100,000	60-80	2-4	12-14	14-18	30%	90%	20,000	50
C23	Supermarket	30,000	110-130	6-8	4-6	10-14	30%	90%	6,000	40
C24	Motel/Hotel	4,000	115-135	2-4	2-4	4-8	30%	90%	800	50
C25	Mortuary	3,000	180-220	8-10	5-7	13-17	30%	90%	600	50
C26	Office - Typical	2,000	125-165	10-12	9-11	19-23	30%	90%	400	50
C27	Office - Medical	2,000	170-200	10-12	9-11	19-23	30%	90%	400	40
C28	Rest/Nursing Home	10,000	200-240	12-14	5-7	17-21	30%	90%	2,000	50
C29	Restaurant/Lounge	7,000	150-175	6-8	16-18	22-26	30%	90%	1,400	40
C30	Rest/Fast Food	3,000	160-190	6-8	16-18	22-26	30%	80%	600	30
C31	Retail Store	2,500	100-120	6-8	4-6	10-14	30%	80%	500	50
C32	Retail Rural	1,500	70-90	6-8	4-6	10-14	30%	80%	300	40
C33	School	12,000	160-190	11-13	8-10	19-23	30%	90%	2,400	40
C34	Service Garage	2,800	70-90	2-4	9-11	11-15	30%	90%	560	40
C35	Shopping Center	14,000	110-140	6-8	4-6	10-14	30%	90%	2,800	40
C36	Warehouse	30,000	50-70	2-4	9-11	11-15	70%	90%	6,000	40
C37	Warehouse Discount	30,000	60-80	6-8	4-6	10-14	50%	90%	6,000	50
C38	Mini Warehouse	3,000	45-65	2-4	9-11	11-15	50%	90%	600	40
C39	Pre-fab Comm	3,000	65-85	6-8	4-6	10-14	50%	90%	600	40
C40	Theater Live Stage	30,000	240-260	10-12	15-17	25-29	30%	90%	6,000	50
C41	Theater Cinema	10,000	190-210	10-12	15-17	25-29	30%	90%	1,000	50

### **1/2 Story & Additional Floor Percent Factors**

Commercial 1/2 story	75% of base price
Commercial additional floors	85% of base price

Note: If FUS is used on Commercial Building, it will override this table.

### **Commercial Elevator Rates**

Base Cost	\$70,000
Each Stop	\$9,500

### **Fireplace Adjustment Rates:**

Per Stack	\$5,000
First Opening	\$2,500

### **Fireplace Type Adjustment Rates:**

PF – Pre-Fab	\$0
SD – Standard	\$0
ST – Stone	\$5,000
SS – Stacked Stone	\$10,000
MS – Massive	\$15,000

### **Sprinkler System**

Adjustment for sprinkling systems when installed:

Area covered under 5000 sq. Ft. - add \$6.00 per sq. Ft.

Area covered over 5000 sq. Ft. - add \$4.50 per sq. Ft.

### **Commercial Building Size Adjustment Factors**

Unit rate adjustment of +.006 for size - less than base sq. Ft.

Unit rate adjustment of -.006 for size - more than base sq. Ft.

### Wall Height Adjustment Factors

Wall Height	% Adjustment
7	.92
8	.95
9	.97
10	1.00
11	1.03
12	1.06
13	1.08
14	1.11
15	1.14
16	1.18
17	1.21
18	1.24
19	1.27
20	1.31

Note: Buildings above 20 feet in height will use adjustment for 20 feet

The above table will be used to adjust for wall heights on the following building

- C01 Apartments
- C06 Bed & Breakfast
- C09 Clubhouse
- C12 Country Club
- C15 Dormitory
- C25 Mortuary

### Wall Height Adjustment Factors

Wall Height	Adjustment %
7	.96
8	1.00
9	1.04
10	1.08
11	1.12
12	1.16
14	1.24
16	1.32

Note: Buildings over 16 feet in height will use adjustment for 16 feet

The above table will be used to adjust for wall heights on the following building

C24 Motel/Hotel

## Wall Height Adjustment Factors

Wall Height	Adjustment %
8	.92
10	.96
11	.98
12	1.00
13	1.02
14	1.04
15	1.06
16	1.09
18	1.13
20	1.17
22	1.21
24	1.26
26	1.30
28	1.34

Note: Buildings over 28 feet in height will use adjustment for 28 feet

The above table will be used to adjust for wall heights on the following building

- C05 Barber / Beauty Shop
- C10 Convenience Store
- C14 Discount Store
- C21 Laundromat
- C23 Supermarket
- C29 Restaurant / Lounge
- C30 Restaurant / Fast Food
- C31 Retail Store
- C32 Retail Rural
- C35 Shopping Center

### Wall Height Adjustment Factors

Wall Height	Adjustment %
8	.89
10	.92
12	.96
14	1.00
16	1.04
18	1.09
20	1.13
22	1.18
24	1.23
30	1.38
35	1.52
40	1.65
45	1.79
50	1.93
55	2.08
60	2.23
70	2.53
80	2.85

Note: Buildings over 80 feet in height will use adjustment for 80 feet

The above table will be used to adjust for wall heights on the following building

- C02 Automotive Building
- C03 Automotive Center
- C18 Garage Service
- C22 Industrial
- C34 Service Station
- C36 Warehouse
- C37 Warehouse Discount
- C38 Mini Warehouse
- C39 Pre-Fab Commercial

### Wall Height Adjustment Factors

Wall Height	Adjustment %
8	.90
9	.93
10	.95
11	.98
12	1.00
13	1.02
14	1.05
15	1.07
16	1.09
18	1.14
20	1.18
24	1.28
28	1.37
32	1.46

Note: Buildings over 32 feet in height will use adjustment for 32 feet

The above table will be used to adjust for wall heights on the following building

- C04 Bank
- C11 Commercial Building
- C17 Fire Station
- C19 Government Building
- C20 Hospital
- C26 Office Typical
- C27 Office Medical
- C28 Rest / Nursing Home

**Wall Height Adjustment Factors**

Wall Height	Adjustment %
8	.78
10	.83
12	.89
14	.95
16	1.00
18	1.05
20	1.11
22	1.16
24	1.21
26	1.26
28	1.31
30	1.36
34	1.46
38	1.56
42	1.66
46	1.75
50	1.85
54	1.94
58	2.04
62	2.13
66	2.22
70	2.31
74	2.40
78	2.49
82	2.57
86	2.66
90	2.74

Note: Buildings over 90 feet in height will use adjustment for 90 feet

The above table will be used to adjust for wall heights on the following building

- C08 Church
- C40 Theater Live Stage
- C41 Theater Cinema

**Wall Height Adjustment Factors**

Wall Height	Adjustment %
8	.96
9	.98
10	1.00
11	1.02
12	1.04
13	1.06
14	1.07
15	1.09
16	1.11
18	1.15
20	1.18
22	1.22
24	1.26
30	1.37
36	1.48

Note: Buildings over 36 feet in height will use adjustment for 36 feet

The above table will be used to adjust for wall heights on the following building

C16 Daycare Center

C33 School

### Commercial Section Types and Rates

Code –Description	Rate	1.0	1.5	2.0	2.5	3.0
CAA – Comm Attached Area	95%	1.00	1.65	1.92	2.32	2.84
CAG – Comm Unfin Garage	45%	1.00	1.65	1.92	2.32	2.84
CBC – Comm Bldg Canopy	35%	-	-	-	-	-
CBZ – Comm Breezeway	30%	-	-	-	-	-
CCA – Comm Canopy	15%	-	-	-	-	-
CCD – Comm Covered Deck	30%	-	-	-	-	-
CCP – Comm Carport	40%	-	-	-	-	-
CCPT – Comm Covered Patio	20%	-	-	-	-	-
CEP – Comm Enclosed Porch	50%	1.00	-	1.92	-	2.84
CFG – Comm Finished Garage	55%	1.00	1.65	1.92	2.32	2.84
CFUS – Comm Fin Upper Story	85%	-	-	-	-	-
CLD – Comm Cvd Load Dock	15%	-	-	-	-	-
CMZ – Comm Mezzanine	35%	-	-	-	-	-
COP – Comm Open Porch	35%	1.00	-	1.92	-	2.84
CPA – Comm Patio	6%	-	-	-	-	-
CSP – Comm Screen Porch	40%	1.00	-	1.92	-	2.84
CST – Comm Stoop	15%	-	-	-	-	-
CTR – Comm Terrace	20%	-	-	-	-	-
CUR – Comm Utility Room	40%	1.00	-	1.92	-	2.84
CUUS – Comm Unfin Upper Story	30%	-	-	-	-	-
CWD – Comm Wood Deck	20%	1.00	-	2.00	-	3.00

### Commercial Building Grade Index Factors

The following table is used wherever “grade” is applied for commercial buildings. In order to justify variation in cost, maintain uniformity and retain complete control throughout the cost range, we have established these base grades. The pricing spread between each grade is based on the use of better grade materials and higher quality workmanship from C grade to grade B. Grade B buildings have better individual features and interior finish, which reflects a higher cost than grade C. Likewise, the grade D dwelling would be constructed of materials and workmanship of lower quality than grade C.

The following table is used wherever “grade” is applied unless otherwise denoted.

Letter Grade	Adjustment Percentage	Commercial Schedule
AA		+100%
A		+50%
B		+25%
C		Base
D		-25%
E		-50%

Grades may be entered as just a letter grade or as a letter grade plus or minus a given percentage. If a percentage is specified as a part of the grade, then that percentage is added to or subtracted from the letter grade from the above table.

Example:	Grade	A	-Yields A 50% Increase
		B	-Yields A 25% Increase
		D	-Yields A 25% Decrease

The grading method is based on grade C as the standard of quality and design. A factor multiplier of 100 percent is assigned to the grade C base grade. The relationship between the highest and lowest grade levels is established by means of grade factor multipliers. Since not all commercial buildings fall precisely within a particular grade level, but may be slightly better or poorer, the use of grade factors (+ or -) with 5 or 10 percent will accomplish the appropriate adjustment in grades A, B, C, D and E. The only exception would be grade A can be added in 5 percent increments up to 40.

The grade AA commercial building incorporates the best quality of material and workmanship. Construction costs of AA grade commercial building generally run as much as 100 percent higher than that of grade C. AA grades can be increased in 10 percent increments up to 200 if needed.

**Neighborhood Adjustment - Applied To Individual Neighborhood**

This manual reserves the right to identify and create neighborhoods in Macon County as being unique areas of property that are determined by subdivisions, natural boundaries or other determining factors that will create a neighborhood. Neighborhoods will be determined by the appraiser and numeric codes will be created to uniquely identify them. The adjustment for these neighborhoods could range from 50% - 250%.

### Example: Computer Printout of Commercial Pricing Method

Building 1, method C- COMMERCIAL, use C01 – APARTMENT

Building 1, Model = C Use = C01

Subarea 1 C01

Area 1972.000 BASE 3000.000 ADJFT 600.00 RATE 138.00 x AreaFactor 1.0120000 =  
BaseRate 139.66

Area 1972.000 x BaseRate 139.66 = Value 275410

HEAT & AIR Price 9.00 ValueAdjustment 17748 Value 293158

C01-WALLHT 8.0000 Factor 0.9500 Value 278500

Stories 2.0000 Factor 0.850000000 ValueAdjustment 236725 Value 515225

Grade C Schedule RGRADE Factor 1.0000 Value = 515225

Neighborhood 12115 Factor 1.00000 Value = 515225

Depreciation schedule = PHYS-C50-A Age = 32 %Good = 0.62000 Value 319440

Rounded Value = 319440

**Commercial\Industrial 60 Year Life  
Table Phys-C60**

<b>Age</b>	<b>G-Good</b>	<b>A-Average</b>	<b>F-Fair</b>	<b>P-Poor</b>	<b>U-Unsound</b>
<b>1</b>	0	0	0	1	90
<b>2</b>	1	1	2	2	90
<b>3</b>	1	1	3	3	90
<b>4</b>	1	1	2	4	90
<b>5</b>	1	1	3	5	90
<b>6</b>	1	2	3	6	90
<b>7</b>	1	2	4	7	90
<b>8</b>	1	2	5	8	90
<b>9</b>	2	3	5	10	90
<b>10</b>	2	3	6	11	90
<b>11</b>	2	4	7	13	90
<b>12</b>	2	4	8	14	90
<b>13</b>	2	5	9	16	90
<b>14</b>	3	5	10	18	90
<b>15</b>	3	6	11	20	90
<b>16</b>	3	7	12	22	95
<b>17</b>	4	7	13	24	95
<b>18</b>	4	8	14	26	95
<b>19</b>	4	9	16	28	95
<b>20</b>	5	9	17	30	95
<b>21</b>	5	10	18	32	95
<b>22</b>	6	11	20	35	95
<b>23</b>	6	12	21	37	95
<b>24</b>	7	13	23	40	95
<b>25</b>	7	14	25	43	95
<b>26</b>	8	15	27	46	99
<b>27</b>	9	16	28	49	99
<b>28</b>	9	17	30	52	99
<b>29</b>	10	18	32	54	99
<b>30</b>	11	20	34	57	99
<b>32</b>	13	22	38	62	99
<b>34</b>	15	25	43	68	99
<b>36</b>	17	28	48	73	99
<b>38</b>	19	32	53	77	99
<b>40</b>	21	35	59	79	99
<b>42</b>	25	39	65	80	99
<b>44</b>	28	43	70	82	99
<b>46</b>	31	48	74	84	99
<b>48</b>	34	53	77	86	99
<b>55</b>	48	67	80	90	99
<b>60</b>	57	74	82	90	99
<b>65</b>	65	78	85	90	99
<b>70+</b>	71	80	85	90	99

**Commercial\Industrial 50 Year Life  
Table Phys-C50**

<b>Age</b>	<b>G-Good</b>	<b>A-Average</b>	<b>F-Fair</b>	<b>P-Poor</b>	<b>U-Unsound</b>
1	0	0	1	2	90
2	1	1	2	3	90
3	1	1	3	5	90
4	1	2	4	7	90
5	1	3	5	9	90
6	2	3	6	11	90
7	2	4	7	14	90
8	2	5	8	16	90
9	3	5	10	18	90
10	3	6	11	21	90
11	4	7	13	24	90
12	4	8	14	26	90
13	5	9	16	29	90
14	5	10	18	32	90
15	6	11	20	35	90
16	7	12	22	39	95
17	7	13	24	42	95
18	8	14	26	46	95
19	9	16	28	49	95
20	9	17	30	53	95
21	10	18	32	57	95
22	11	20	35	60	95
23	12	21	37	63	95
24	13	23	40	66	95
25	14	25	43	69	95
26	15	27	46	72	95
27	16	28	49	75	95
28	17	30	42	77	95
29	18	32	54	78	95
30	20	34	57	79	99
32	22	38	62	80	99
34	25	43	68	82	99
36	28	48	73	84	99
38	32	53	77	86	99
40	35	59	79	88	99
42	39	65	80	90	99
44	43	70	82	90	99
46	48	74	84	90	99
48	53	77	85	90	99
50	58	79	85	90	99
55	67	80	85	90	99

**Commercial\Industrial 40 Year Life  
Table Phys-C40**

<b>Age</b>	<b>G-Good</b>	<b>A-Average</b>	<b>F-Fair</b>	<b>P-Poor</b>	<b>U-Unsound</b>
1	0	1	2	3	90
2	1	2	3	7	90
3	1	3	5	10	90
4	2	4	7	14	90
5	3	5	9	18	90
6	3	6	11	22	90
7	4	7	14	26	90
8	5	8	16	30	90
9	5	10	18	35	90
10	6	11	21	40	90
11	7	13	24	45	90
12	8	14	26	50	90
13	9	16	29	55	90
14	10	18	32	60	90
15	11	20	35	65	90
16	12	22	39	69	95
17	13	24	42	73	95
18	14	26	46	76	95
19	16	28	49	78	95
20	17	30	53	79	95
21	18	32	57	80	95
22	20	35	60	83	95
23	21	37	63	86	95
24	23	40	66	89	95
25	25	43	69	90	95
26	27	46	72	90	95
27	28	49	75	90	95
28	30	52	77	90	95
29	32	54	78	90	95
30	34	57	79	95	99
32	38	62	80	95	99
34	43	68	84	95	99
36	48	73	85	95	99
38	53	77	85	95	99
40+	59	79	85	95	99

**Commercial\Industrial 30 Year Life  
Table Phys-C30**

<b>Age</b>	<b>G-Good</b>	<b>A-Average</b>	<b>F-Fair</b>	<b>P-Poor</b>	<b>U-Unsound</b>
1	1	2	2	3	90
2	2	3	5	7	90
3	3	5	7	10	90
4	4	7	10	14	90
5	5	9	13	18	90
6	6	11	16	22	90
7	7	14	19	26	90
8	8	16	22	30	90
9	10	18	25	35	90
10	11	21	29	40	90
11	13	24	32	45	90
12	14	26	36	50	90
13	16	29	40	55	90
14	18	32	44	60	90
15	20	35	44	60	90
16	22	39	52	69	95
17	24	42	56	73	95
18	26	46	60	76	95
19	28	49	64	78	95
20	30	53	68	79	95
21	32	57	71	80	95
22	35	60	73	82	95
23	37	63	75	84	95
24	40	66	77	86	95
25	43	69	79	88	95
26	46	72	80	90	95
27	49	75	83	95	99
28	52	77	85	95	99
29	54	78	85	95	99
30+	57	79	85	95	95

## Outbuilding Valuation

### Outbuilding Codes, Descriptions, Rates and Adjustments

Code	Description	Rate	Depr Table	Size Table
01	Barn	40	10	S3
02	Barn, Horse/Dairy	80	10	S3
03	Barn, Low Cost	20	10	S3
04	Bath House	60	12	S3
05	Boat Dock	25	13	S3
06	Boat House	60	13	S3
08	Bulkhead/Retaining Wall	85	13	S1
09	Cabin, Avg Quality	100	10	S3
10	Cabin, Good Quality	125	10	S3
11	Cabin, Low Quality	50	12	S3
13	Canopy, Avg Quality	30	12	S3
14	Canopy, Commercial	80	12	S4
15	Canopy, Good Quality	50	12	S3
16	Canopy, Low Quality	10	11	S3
17	Carport	50	10	S2
18	Chain Link Fence	25	13	S1
19	Comm Lumber Storage	25	13	S5
20	Comm Office Average	60	10	S3
21	Comm Office Low	30	12	S3
22	Dwelling Sound Value	-	-	S1
23	Fireplace	15000	10	S1
24	Fish Hatchery	50	13	S3
25	Garage, Finished	100	11	S3
26	Garage, Unfinish	75	11	S3
27	Garage, w/Living Quarters	150	11	S3
28	Garage, w/UUS	90	13	S3
32	Gazebo	40	13	S2
33	Golf Course	75,000	-	S1
34	Greenhouse	20	13	S3
35	Hanger, Airplane	40	12	S5
36	Addition Living Quarters	65	12	S2
38	Miniature Golf	10,000	-	S1
39	Misc Bldg	25	13	S3
41	M/H Sound Value	-	-	S1
42	Patio	5	12	S3
43	Patio, Covered	20	12	S3

<b>Code</b>	<b>Description</b>	<b>Rate</b>	<b>Depr Table</b>	<b>Size Table</b>
44	Pavilion	60	13	S3
45	Paving, Asphalt	4	14	S9
46	Paving, Concrete	5	14	S9
47	Pier	40	13	S3
48	Porch, Enclosed	35	12	S2
49	Porch, Open	30	12	S2
50	Porch, Screen	32	12	S2
52	Produce Stand	25	12	S3
53	Pump House	50	14	S2
54	Shed, Equip w/sides	15	13	S3
55	Shed, Open Pole	12	13	S3
56	Shop, Frame	60	10	S3
57	Shop, Steel pre-fab	35	12	S3
60	Stable	50	10	S3
61	Storage, Frame	35	11	S2
62	Storage, Metal	25	13	S2
63	Storage, Quonset	20	13	S3
64	Storage, Steel pre-fab	15	12	S3
65	Store, Comm Bldg	60	10	S3
66	Swim Pool Commercial	125	13	S8
67	Swim Pool Residential	100	14	S7
68	Studio	175	10	S2
69	Tank, Water	2	11	S6
70	Tenant House	30	10	S2
71	Tennis Court	60,000	12	S1
72	Utility Room	40	12	S2
73	Wood Deck	20	13	S2
74	Yurt	30	13	S2

## OUTBUILDING FORMULAS

**FORMULA** – AREA x RATE = BASE CALCULATION

Area Size Adjustment Factors will be used according to square footage assigned to each outbuilding.

### **Outbuilding Calculation Formula: S1-S9**

Code 01 - Barn

Price = 40.000

Price multiplied by units/count =  $40.000 * 1500.000 * \text{NULL} = 60000$

Grade C Schedule OGRADE Factor 1.000000000 Value = 60000

Size Factor 0.96000 Value = 57600

Depreciation schedule = PHYS-10-A Age = 3 Rate = 0.03000 ValueAdjustment = 1728 Value = 55872

Rounded value = 55900

## OBXF – Size Adjustment Tables

### S1 – OBXF 0 Base

No adjustment

### S2 – OBXF 400 Base

Size	Factor
< 200	1.04
201 – 300	1.02
301 – 400	1.00
401 – 500	.98
501 – 600	.96
601 – 700	.94
701 – 800	.92
801 – 900	.90
901 – 1,000	.88
1,000+	.88

### S3 – OBXF 1,000 Base

Size	Factor
< 250	1.10
251 – 400	1.08
401 – 600	1.06
601 – 800	1.04
801 – 999	1.02
1,000 – 1,200	1.00
1,201 – 1,400	.98
1,401 – 1,600	.96
1,601 – 1,800	.94
1,801 – 2,000	.92
2,001 – 2,400	.90
2,401 – 2,800	.88
2,801 – 3,200	.86
3,201+	.84

**S4 – OBXF 2,500 Base**

Size	Factor
< 500	1.08
501 – 1,000	1.06
1,001 – 1,500	1.04
1,501 – 2,000	1.02
2,001 – 2,500	1.00
2,501 – 3,000	.98
3,001 – 4,000	.96
4,001 – 5,000	.94
5,001 – 7,500	.92
7,501 – 10,000	.90
10,001+	.88

**S5 – OBXF 2,500 Base**

Size	Factor
< 1,000	1.08
1,001 – 2,000	1.06
2,001 – 3,000	1.04
3,001 – 4,000	1.02
4,001 – 5,000	1.00
5,001 – 7,500	.98
7,501 – 10,000	.96
10,001 – 12,500	.94
12,501 – 15,000	.92
15,001 – 20,000	.90
20,001+	.88

**S6 – OBXF Water Tank**

Size	Factor
< 50,000	2.30
50,001 – 100,000	1.80
100,001 – 150,000	1.30
150,001 – 200,000	1.20
200,001 – 250,000	1.09
250,001 – 300,000	1.00
300,001 – 400,000	.94
400,001 – 500,000	.88
500,001 – 750,000	.75
750,001 – 1,000,000	.65
1,000,001 – 1,500,000	.61
1,500,001 – 2,000,000	.56
2,000,001+	.50

**S7 – OBXF Res Pool**

Size	Factor
< 300	1.33
301 – 450	1.19
451 – 525	1.03
526 – 650	1.00
651 – 800	.89
801 – 1,000	.84
1,001+	.80

**S8 – OBXF Commercial Pool**

Size	Factor
< 2,000	1.10
2,001 – 4,000	1.04
4,001 – 6,000	1.00
6,001 – 8,000	.98
8,001+	.96

### S9 – OBXF Paving

Size	Factor
< 500	1.25
501 – 1,000	1.20
1,001 – 2,500	1.15
2,501 – 5,000	1.10
5,001 – 10,000	1.05
10,001 – 15,000	1.00
15,001 – 20,000	.95
20,001 – 25,000	.90
25,001 – 30,000	.85
30,001 – 50,000	.80
50,001+	.75

### Outbuilding Grade Index Factors

To be used wherever grade is applied unless otherwise noted.

#### Adjustment Percentage

Letter Grade	Outbuilding Schedule (Method O)
A	+50%
B	+25%
C	BASE
D	-25%
E	-50%

Grades may be entered as just a letter grade or as a letter grade plus or minus a given percentage. If a percentage is specified as a part of the grade, then that percentage is added to from the percentage for the letter grade from the above table.

Example:	Grade	A	-Yields A 50% Increase
		B	-Yields A 25% Increase
		D	-Yields A 25% Decrease

The grading method is based on grade C as the standard of quality and design. A factor multiplier of 100 percent is assigned to the grade C base grade. The relationship between the highest and lowest grade levels is established by means of grade factor multipliers. Since not all outbuildings fall precisely within a particular grade level, but may be slightly better or poorer, the use of grade factors (+ or -) with 5 or 10 percent will accomplish the appropriate adjustment in grades A, B, C, D and E. The only exception would be grade A can be added in 10 percent increments up to A+50.

**Grade Index:**

The following table is used when building grade is applied, unless otherwise denoted.

Grade	Adj. %
A	+50%
B	+25%
C	Base
D	-25%
E	-50%

Grades may be entered as just a letter grade or as a letter grade plus or minus a given percentage in 10% increments. If a percentage is specified as a part of the grade, then that percentage is added to or subtracted from the letter grade from the above table. Example:

Grade	Adj. %
A-	+40%
B	+25%
D+	-15%

The following table is used when building grade is applied for commercial fencing:

Grade	Factor
A	3.80
B	2.59
C	2.12
D	1.62
E	1.11

### Outbuilding 50 Year Life Physical Depreciation Table

Age	G-Good	A-Average	F-Fair	P-Poor	U-Unsound
1	0	1	1	2	90
2	1	2	3	4	90
3	2	3	4	6	90
4	3	4	5	9	90
5	4	5	7	12	90
6	4	6	9	14	90
7	5	7	10	17	90
8	6	8	12	19	90
9	7	10	14	22	90
10	8	11	16	25	90
11	9	12	18	28	90
12	10	13	20	31	90
13	11	15	22	35	90
14	12	16	24	37	90
15	12	17	26	40	90
16	13	19	28	43	90
17	15	20	30	46	90
18	16	22	32	50	90
19	17	24	34	53	90
20	18	25	37	56	90
22	20	28	42	62	90
24	23	31	47	68	90
26	25	35	52	74	90
28	28	39	57	77	90
30	31	44	62	79	90
32	34	47	67	80	90
34	37	51	71	81	90
36	40	55	74	83	90
38	43	59	77	85	90
40	47	63	79	87	90
42	51	66	80	89	95
44	54	69	82	90	95
46	57	69	84	90	95
48	61	75	86	90	95
50+	64	77	90	90	99

### Outbuilding 40 Year Life Physical Depreciation Table

Age	G-Good	A-Average	F-Fair	P-Poor	U-Unsound
1	1	1	2	3	90
2	2	3	4	7	90
3	3	4	6	11	90
4	4	5	9	15	90
5	5	7	12	20	90
6	6	9	14	24	90
7	7	10	17	28	90
8	8	12	19	33	90
9	10	14	22	38	90
10	11	16	25	43	90
12	13	20	31	53	90
14	16	24	37	61	90
16	19	28	43	70	90
18	22	32	50	76	90
20	25	37	56	79	90
22	28	42	62	80	90
24	31	47	68	82	90
26	35	52	74	84	90
28	39	57	77	86	90
30	44	62	79	88	90
32	47	67	80	90	95
34	51	71	82	90	95
36	55	74	84	90	95
38	59	77	86	90	95
40+	63	79	88	90	99

### Outbuilding 30 Year Life Physical Depreciation Table

Age	G-Good	A-Average	F-Fair	P-Poor	U-Unsound
1	1	2	3	3	90
2	3	4	6	7	90
3	4	6	9	11	90
4	5	9	12	15	90
5	7	12	15	20	90
6	9	14	18	24	90
7	10	17	22	28	90
8	12	19	25	33	90
9	14	22	29	38	90
10	16	25	32	43	90
12	20	31	40	53	90
14	24	37	48	61	90
16	28	43	55	70	90
18	32	50	63	76	90
20	37	56	71	79	90
22	42	62	76	80	95
24	47	68	79	82	95
26	52	74	83	85	95
28	57	77	86	88	95
30+	62	79	88	90	99

### Outbuilding 20 Year Life Physical Depreciation Table

Age	G-Good	A-Average	F-Fair	P-Poor	U-Unsound
1	2	3	6	9	90
2	4	7	10	13	90
3	6	11	14	17	90
4	9	15	18	21	90
5	12	20	23	26	90
6	14	24	27	30	90
7	17	28	31	34	90
8	19	33	36	39	90
9	22	38	41	44	90
10	25	43	46	49	90
12	31	53	56	59	95
14	37	61	64	67	95
16	43	70	73	76	95
18	50	76	79	82	95
20+	56	80	83	86	99

### Outbuilding 15 Year Life Physical Depreciation Table

Age	G-Good	A-Average	F-Fair	P-Poor	U-Unsound
1	10	11	16	26	90
2	13	15	18	28	90
3	17	19	22	32	90
4	20	22	25	35	90
5	23	25	29	39	90
6	27	29	35	45	90
7	30	35	38	48	90
8	33	38	43	53	90
9	37	42	47	57	90
10	40	45	50	60	90
11	43	48	53	63	95
12	47	52	57	67	95
13	50	55	60	70	95
14	55	60	65	72	95
15+	60	65	70	75	99

## Classification of Real and Personal Property

In general, machinery and equipment used primarily as part of the manufacturing process should be listed as personal property. Machinery and equipment that is part of the land or building improvement is considered real property. Real property is defined as land, buildings, structures, improvements or permanent fixtures on land (N.C.G.S. 105-273(13)). Business personal property is property used in connection with the production of income that has not been classified as real property. A good rule-of-thumb is to classify all property and investments necessary for the operation of the machinery and equipment as personal property.

One frequent conflict related to the real versus personal property arises when a lessee installs property in a leased space. For example, a barber installs his barbershop in a strip mall; the improvements that make the leased space a barbershop are typically called leasehold improvements and are assessed as personal property. The barber chairs, partitions between the chairs, mirrors, dropped ceiling, and other additions to the real property that were needed to create a barbershop from the leased space would all be considered leasehold improvements. These improvements would be appraised as personal property since they are not appraised as part of the real property and the owner of the real property does not own the improvements.

The following is a list of examples and may not include all personal property types.

<b>Item</b>	<b>Real</b>	<b>Personal</b>
Acoustical fire resistant drapes and curtains		XX
Air conditioning (building, for comfort of occupants)	XX	
Air conditioning (used in data and manufacturing process)		XX
Airplanes		XX
Alarm Systems (security or fire and wiring)		XX
Amusement and recreation equipment		XX
Appliances		XX
Asphalt paving	XX	
Asphalt plants (moveable)		XX
ATM (booth and all equipment)		XX
Auto exhaust system (built-in floor or ceiling)	XX	
Auto exhaust system (flexible tube system, for equipment)		XX
Balers (paper, cardboard, etc.)		XX
Bank teller counters		XX
Bank teller lockers		XX
Bar and bar equipment		XX
Barber/beauty shop equipment		XX
Billboards		XX
Boat docks	XX	
Boats and motors		XX
Boiler (for service of building)	XX	
Boiler (for process)		XX
Bottling plant equipment		XX
Bowling alley lanes		XX
Broadcasting equipment		XX
Cable TV (systems, equipment, wiring)		XX

<b>Item</b>	<b>Real</b>	<b>Personal</b>
Camera equipment		XX
Car wash (equipment, filters, tanks)		XX
Cat walks (for machinery and equipment)		XX
Chairs		XX
Closed circuit TV		XX
Cold storage (equipment, rooms, partitions)		XX
Compressed air/gas systems		XX
Computer (equipment, data lines)		XX
Computer room (a/c, raised flooring)		XX
Concrete plant (electronic mixing, conveyors, tanks, etc.)		XX
Construction and grading equipment		XX
Control systems		XX
Conveyor and material handling systems		XX
Cooking equipment (restaurant)		XX
Coolers (walk-in, free standing)		XX
Cooling towers (building, for comfort of occupants)	XX	
Cooling towers (used in data and manufacturing process)		XX
Counters/reception desks		XX
Dairy processing plants (process items, bins, tanks, etc.)		XX
Dance floors		XX
Data processing equipment		XX
Deli equipment		XX
Desk (office, computer, etc.)		XX
Diagnostic center equipment		XX
Display cases		XX
Dock levels		XX
Drapes, curtains, blinds		XX
Drinking fountains		XX
Drive-thru windows		XX
Drying systems		XX
Dumpsters		XX
Dust catchers, control systems, etc.		XX
Electronic control systems		XX
Elevators	XX	
Escalators	XX	
Farm equipment		XX
Fans (freestanding)		XX
Fencing (exterior)	XX	
Fencing (interior)		XX
Flagpole		XX
Foundation for machinery and equipment		XX
Freight charges		XX
Fuels (not for sale)		XX
Furnaces (steel mill, foundry, etc.)		XX
Furniture and fixtures		XX
Gazebos	XX	
Golf carts		XX
Golf course (drainage, irrigation, etc.)	XX	
Grain bins		XX

Greenhouse (permanently affixed)	XX	
Greenhouse (movable, benches, fans, heating systems, etc.)		XX
Heating systems (building, for comfort of occupants)	XX	
Heating systems (used in data and manufacturing process)		XX
<b>Item</b>	<b>Real</b>	<b>Personal</b>
Hoppers		XX
Hospital systems (oxygen, emergency electric, call system, etc.)		XX
Hot air balloons		XX
Hotel/motel equipment		XX
Humidifiers (used in data and manufacturing process)		XX
Incinerators		XX
Industrial piping		XX
Installation costs		XX
Irrigation equipment		XX
Kiln		XX
Laboratory equipment		XX
Lagoon/settling ponds	XX	
Laundry bins		XX
Law and professional libraries		XX
Leased equipment		XX
Leasehold improvements		XX
Lifts (other than elevator)		XX
Lighting (portable, movable, special, yard)		XX
Machinery and equipment		XX
Medical equipment		XX
Milk handling (milking, cooling, piping, storage, etc.)		XX
Mirrors (other than bathroom)		XX
Mineral rights	XX	
Monitoring systems		XX
Newspaper stands		XX
Night depository		XX
Office equipment		XX
Office supplies		XX
Oil company equipment (pumps, supplies, etc.)		XX
Ovens (processing, manufacturing)		XX
Overhead conveyor system		XX
Package and labeling equipment		XX
Paging systems		XX
Paint spray booths		XX
Partitions		XX
Paving	XX	
Piping systems (process piping)		XX
Playground equipment		XX
Pneumatic tube system		XX
Portable buildings/structures		XX
Power generator systems (auxiliary, emergency, etc.)		XX
Power transformers		XX
Public address systems (intercom, music, etc.)		XX
Railroad sidings (other than railroad owned)		XX
Refrigeration systems (compressors, etc.)		XX

Rental equipment		XX
Repairs (building)	XX	
Repairs (equipment)		XX
Restaurant furniture		XX
Restaurant/kitchen equipment (vent hoods, sinks, etc.)		XX
Returnable containers		XX
Rock crusher		XX
Roll-up doors (exterior walls)	XX	
<b>Item</b>	<b>Real</b>	<b>Personal</b>
Roll-up doors (interior walls)		XX
Roofing	XX	
Room dividers/partitions		XX
Rooms self-contained or special purpose		XX
Safes (wall, self-standing)		XX
Sales and use tax		XX
Satellite dishes (wiring, installation, etc.)		XX
Scale houses (permanently affixed)	XX	
Scale houses (portable)		XX
Scales		XX
Screens (theater)		XX
Security systems		XX
Service station equipment (pumps, tanks, lifts, etc.)		XX
Seats (theater)		XX
Shelving		XX
Signs		XX
Sinks (commercial)		XX
Software (capitalized)		XX
Sound systems and projection equipment		XX
Spare parts		XX
Speakers		XX
Spray booths		XX
Sprinkler systems (fire protection)	XX	
Sprinkler systems (for process)		XX
Supplies		XX
Swimming pools	XX	
Switchboard		XX
Tanks (permanently affixed, bulk plant)	XX	
Tanks (manufacturing, gasoline, etc.)		XX
Telephone systems and wiring		XX
Teller window		XX
Theater screens		XX
Theater seats		XX
Tooling, dies, molds, jigs		XX
Towers (TV, radio, CATV, cellular, two-way radio, wiring, FDN)		XX
Towers (microwave equipment, wiring, foundation)		XX
Transformer banks		XX
Transportation costs		XX
Transformer banks		XX
Tunnels (unless part of process system)		XX
Upgrades to equipment		XX

Utilities (power, water, sewer)	XX	
Vacuum system		XX
Vault	XX	
Vault (door, inner gates, vents, equipment)		XX
Vending machines		XX
Vent fans		XX
Ventilation systems (building, for comfort of occupants)	XX	
Ventilation systems (used in data and manufacturing process)		XX
Video tapes/movies/reel movies		XX
Wallcoverings	XX	
Walls (partitions, room dividers, portable)		XX
Water coolers		XX
<b><u>Item</u></b>	<b><u>Real</u></b>	<b><u>Personal</u></b>
Water lines (for process)		XX
Water tanks (for process)		XX
Wells (pumps, motor, equipment)		XX
Whirlpool/Jacuzzi/hot tub		XX
Wiring(power wiring for machinery and equipment)		XX



2023 Reappraisal

PROPOSED

Schedule of Values, Standards, and Rules

Present Use Value

Macon County, North Carolina



Macon County, North Carolina  
2023 Reappraisal  
Schedule of Values, Standards, and Rules  
Present Use Value

Presented by

Abby Braswell, Tax Administrator

To the

**Macon County Board of Commissioners**

James P. Tate, Chairman

Ronnie Beale

Paul Higdon

Gary Shields

Joshua Young

Adopted:

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Date

Signed:

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Chairman, Macon County Board of Commissioners



## **Foreword**

The purpose of this manual is to describe the methodology and procedures for appraising real property in Macon County at its present use value as of January 1, 2023. The Present Use Value Schedule of Values, Standards, and Rules establishes the base rates for the various types of property that meet statutory requirements to be valued at present use.



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## **Present Use Value**

The present use value program began across North Carolina with reappraisals effective as of January 1, 1974. The original intent of the present use value program was to “keep the family farm in the hands of the farming family”. Primary laws that govern the present use value program are found in North Carolina General Statutes 105-277.2 through 105-277.7.

The present use value schedule values land based on its ability to produce agricultural, horticultural, or forestry products. The land values are based on land rents capitalized as required by North Carolina General Statutes. All improvements to farmland are valued at market value as of January 1, 2023.

The Wildlife Conservation Land Program, North Carolina General Statute 105-277.15, is included in the agriculture base rate.

Property that qualifies for present use value classification is appraised at its present use value, rather than its market value. Present use value is usually much less than market value and qualifying tracts are appraised at this lower value. Market value is also established for the land, and the difference between the market value and the present use value is maintained in the tax assessment records as deferred taxes. When land becomes disqualified from the present use value program, the deferred taxes for the current year and the three previous years with accrued interest will usually become due and payable.

The North Carolina Department of Revenue has developed a Present Use Value Program Guide that provides detailed information concerning the administration and requirements of the Present Use Value Program. This Guide can be downloaded from the Department’s website at <https://www.ncdor.gov/documents/present-use-valuation-program-guide> .

### **Use-Value Advisory Board**

The Use-Value Advisory Board is established under the supervision of the Agricultural Extension Service of North Carolina State University. The Board must annually submit to the North Carolina Department of Revenue a recommended use-value manual. In developing the manual, the Board may consult with Federal and State agencies as needed.

The Use-Value Manual can be downloaded from the Department’s website at <https://www.ncdor.gov/news/reports-and-statistics/use-value-manual-agricultural-horticultural-and-forest-land> .

## Present Use Value Requirements

There are four tests that agricultural and horticultural land must meet in order to qualify for present use valuation. Forestland only has to meet three tests; the income test is not applied to forestland.

1. **Ownership** – All three classifications must meet the ownership requirements. Not all types of ownership qualify. The General Assembly has determined the types of ownership that may qualify, and are generally limited to ownership by individuals, certain trusts, and certain farming-related business entities.
2. **Size** – All three classifications must meet the size requirements. Generally speaking, each qualifying farm unit must have at least one tract that meets the minimum size requirement for the classification being requested by the owner. Agricultural land requires at least one 10-acre tract in actual production. Horticultural land requires at least one 5-acre tract in actual production. Forestland requires at least one 20-acre tract in actual production. Smaller tracts may also be included with the qualifying tract under certain conditions.
3. **Income** – Only agricultural and horticultural classifications must meet the income requirement. Each agricultural and horticultural farm unit must have at least one tract that meets the minimum size requirements and that produced at least \$1,000 average gross income over the three preceding years from the minimum acreage amount. The income generally must be from the sale of agricultural and horticultural products produced from the land. Forestland generally produces income only when timber is harvested, and many years may pass between required harvests. Therefore, it is not feasible to have a yearly income requirement for forestland.
4. **Sound Management** – All three classifications must meet the sound management requirements. Forestland must comply with a written sound management plan for the commercial production of timber. Agricultural and horticultural classifications can meet the sound management requirement by fulfilling one of several possible options.

## North Carolina General Statutes

In North Carolina, laws and procedural requirements are set forth in the *Machinery Act of North Carolina*. The following statutes specifically address the Present Use Value Program.

### North Carolina General Statute 105-277.2, Definitions

- (1) Agricultural land. - Land that is a part of a farm unit that is actively engaged in the commercial production or growing of crops, plants, or animals under a

sound management program. For purposes of this definition, the commercial production or growing of animals includes the rearing, feeding, training, caring, and managing of horses. Agricultural land includes woodland and wasteland that is a part of the farm unit, but the woodland and wasteland included in the unit must be appraised under the use-value schedules as woodland or wasteland. A farm unit may consist of more than one tract of agricultural land, but at least one of the tracts must meet the requirements in G.S. 105-277.3(a)(1), and each tract must be under a sound management program. If the agricultural land includes less than 20 acres of woodland, then the woodland portion is not required to be under a sound management program. Also, woodland is not required to be under a sound management program if it is determined that the highest and best use of the woodland is to diminish wind erosion of adjacent agricultural land, protect water quality of adjacent agricultural land, or serve as buffers for adjacent livestock or poultry operations.

- (1a) Business entity. - A corporation, a general partnership, a limited partnership, or a limited liability company.
- (2) Forestland. - Land that is a part of a forest unit that is actively engaged in the commercial growing of trees under a sound management program. Forestland includes wasteland that is a part of the forest unit, but the wasteland included in the unit must be appraised under the use-value schedules as wasteland. A forest unit may consist of more than one tract of forestland, but at least one of the tracts must meet the requirements in G.S. 105-277.3(a)(3), and each tract must be under a sound management program.
- (3) Horticultural land. - Land that is a part of a horticultural unit that is actively engaged in the commercial production or growing of fruits or vegetables or nursery or floral products under a sound management program. Horticultural land includes woodland and wasteland that is a part of the horticultural unit, but the woodland and wasteland included in the unit must be appraised under the use-value schedules as woodland or wasteland. A horticultural unit may consist of more than one tract of horticultural land, but at least one of the tracts must meet the requirements in G.S. 105-277.3(a)(2), and each tract must be under a sound management program. If the horticultural land includes less than 20 acres of woodland, then the woodland portion is not required to be under a sound management program. Also, woodland is not required to be under a sound management program if it is determined that the highest and best use of the woodland is to diminish wind erosion of adjacent horticultural land or protect water quality of adjacent horticultural

land. Land used to grow horticultural and agricultural crops on a rotating basis or where the horticultural crop is set out or planted and harvested within one growing season, may be treated as agricultural land as described in subdivision (1) of this section when there is determined to be no significant difference in the cash rental rates for the land.

- (4) Individually owned. - Owned by one of the following:
- a. An individual.
  - b. A business entity that meets all of the following conditions:
    1. Its principal business is farming agricultural land, horticultural land, or forestland. When determining whether an applicant under G.S. 105-277.4 has as its principal business farming agricultural land, horticultural land, or forestland, the assessor shall presume the applicant's principal business to be farming agricultural land, horticultural land, or forestland if the applicant has been approved by another county for present-use value taxation for a qualifying property located within the other county; provided, however, the presumption afforded the applicant may be rebutted by the assessor and shall have no bearing on the determination of whether the individual parcel of land meets one or more of the classes defined in G.S. 105-277.3(a). If the assessor is able to rebut the presumption, this shall not invalidate the determination that the applicant's principal business is farming agricultural land, horticultural land, or forestland in the other county.
    2. All of its members are, directly or indirectly, individuals who are actively engaged in farming agricultural land, horticultural land, or forestland or a relative of one of the individuals who is actively engaged. An individual is indirectly a member of a business entity that owns the land if the individual is a member of a business entity or a beneficiary of a trust that is part of the ownership structure of the business entity that owns the land.
    3. It is not a corporation whose shares are publicly traded, and none of its members are corporations whose shares are publicly traded.
    4. If it leases the land, all of its members are individuals and are relatives. Under this condition, "principal business" and "actively engaged" include leasing.
  - c. A trust that meets all of the following conditions:

1. It was created by an individual who owned the land and transferred the land to the trust.
  2. All of its beneficiaries are, directly or indirectly, individuals who are the creator of the trust or a relative of the creator. An individual is indirectly a beneficiary of a trust that owns the land if the individual is a beneficiary of another trust or a member of a business entity that has a beneficial interest in the trust that owns the land.
- d. A testamentary trust that meets all of the following conditions:
1. It was created by an individual who transferred to the trust land that qualified in that individual's hands for classification under G.S. 105-277.3.
  2. At the date of the creator's death, the creator had no relatives.
  3. The trust income, less reasonable administrative expenses, is used exclusively for educational, scientific, literary, cultural, charitable, or religious purposes as defined in G.S. 105-278.3(d).
- e. Tenants in common, if each tenant would qualify as an owner if the tenant were the sole owner. Tenants in common may elect to treat their individual shares as owned by them individually in accordance with G.S. 105-302(c)(9). The ownership requirements of G.S. 105-277.3(b) apply to each tenant in common who is an individual, and the ownership requirements of G.S. 105-277.3(b1) apply to each tenant in common who is a business entity or a trust.
- (4a) Member. - A shareholder of a corporation, a partner of a general or limited partnership, or a member of a limited liability company.
- (5) Present-use value. - The value of land in its current use as agricultural land, horticultural land, or forestland, based solely on its ability to produce income and assuming an average level of management. A rate of nine percent (9%) shall be used to capitalize the expected net income of forestland. The capitalization rate for agricultural land and horticultural land is to be determined by the Use-Value Advisory Board as provided in G.S. 105-277.7.
- (5a) Relative. - Any of the following:
- a. A spouse or the spouse's lineal ancestor or descendant.
  - b. A lineal ancestor or a lineal descendant.
  - c. A brother or sister, or the lineal descendant of a brother or sister. For the purposes of this sub-subdivision, the term brother or sister includes stepbrother or stepsister.

- d. An aunt or an uncle.
  - e. A spouse of an individual listed in paragraphs a. through d. For the purpose of this subdivision, an adoptive or adopted relative is a relative and the term "spouse" includes a surviving spouse.
- (6) Sound management program. - A program of production designed to obtain the greatest net return from the land consistent with its conservation and long-term improvement.
- (7) Unit. - One or more tracts of agricultural land, horticultural land, or forestland. Multiple tracts must be under the same ownership and be of the same type of classification. If the multiple tracts are located within different counties, they must be within 50 miles of a tract qualifying under G.S. 105-277.3(a).

### **North Carolina General Statute 105-277.3, Classifications**

(a) Classes Defined. - The following classes of property are designated special classes of property under authority of Section 2(2) of Article V of the North Carolina Constitution and must be appraised, assessed, and taxed as provided in G.S. 105-277.2 through G.S. 105-277.7.

- (1) Agricultural land. - Individually owned agricultural land consisting of one or more tracts, one of which satisfies the requirements of this subdivision. For agricultural land used as a farm for aquatic species, as defined in G.S. 106-758, the tract must meet the income requirement for agricultural land and must consist of at least five acres in actual production or produce at least 20,000 pounds of aquatic species for commercial sale annually, regardless of acreage. For all other agricultural land, the tract must meet the income requirement for agricultural land and must consist of at least 10 acres that are in actual production. Land in actual production includes land under improvements used in the commercial production or growing of crops, plants, or animals.

To meet the income requirement, agricultural land must, for the three years preceding January 1 of the year for which the benefit of this section is claimed, have produced an average gross income of at least one thousand dollars (\$1,000). Gross income includes income from the sale of the agricultural products produced from the land, grazing fees for livestock, the sale of bees or products derived from beehives other than honey, any payments received under a governmental soil conservation or land retirement program, and the amount paid to the taxpayer during the taxable year pursuant to P.L. 108-357, Title VI, Fair and Equitable Tobacco Reform Act of 2004.

- (2) Horticultural land. - Individually owned horticultural land consisting of one or more tracts, one of which consists of at least five acres that are in actual

production and that, for the three years preceding January 1 of the year for which the benefit of this section is claimed, have met the applicable minimum gross income requirement. Land in actual production includes land under improvements used in the commercial production or growing of fruits or vegetables or nursery or floral products. Land that has been used to produce evergreens intended for use as Christmas trees must have met the minimum gross income requirements established by the Department of Revenue for the land. All other horticultural land must have produced an average gross income of at least one thousand dollars (\$1,000). Gross income includes income from the sale of the horticultural products produced from the land and any payments received under a governmental soil conservation or land retirement program.

- (3) Forestland. - Individually owned forestland consisting of one or more tracts, one of which consists of at least 20 acres that are in actual production and are not included in a farm unit.

(b) Individual Ownership Requirements. - In order to come within a classification described in subsection (a) of this section, land owned by an individual must also satisfy one of the following conditions:

- (1) It is the owner's place of residence.
- (2) It has been owned by the current owner or a relative of the current owner for the four years preceding January 1 of the year for which the benefit of this section is claimed.
- (3) At the time of transfer to the current owner, it qualified for classification in the hands of a business entity or trust that transferred the land to the current owner who was a member of the business entity or a beneficiary of the trust, as appropriate.

(b1) Entity Ownership Requirements. - In order to come within a classification described in subsection (a) of this section, land owned by a business entity must meet the requirements of subdivision (1) of this subsection and land owned by a trust must meet the requirements of subdivision (2) of this subsection.

- (1) Land owned by a business entity must have been owned by one or more of the following for the four years immediately preceding January 1 of the year for which the benefit of this section is claimed:
  - a. The business entity.
  - b. A member of the business entity.
  - c. Another business entity whose members include a member of the business entity that currently owns the land.

- (2) Land owned by a trust must have been owned by the trust or by one or more of its creators for the four years immediately preceding January 1 of the year for which the benefit of this section is claimed.

(b2) Exceptions to Ownership Requirements. - Notwithstanding the provisions of subsections (b) and (b1) of this section, land may qualify for classification in the hands of the new owner if all of the conditions listed in either subdivision of this subsection are met, even if the new owner does not meet all of the ownership requirements of subsections (b) and (b1) of this section with respect to the land.

- (1) Continued use. - If the land qualifies for classification in the hands of the new owner under the provisions of this subdivision, then any deferred taxes remain a lien on the land under G.S. 105-277.4(c), the new owner becomes liable for the deferred taxes, and the deferred taxes become payable if the land fails to meet any other condition or requirement for classification. Land qualifies for classification in the hands of the new owner if all of the following conditions are met:

- a. The land was appraised at its present use value at the time title to the land passed to the new owner.
- b. The new owner acquires the land and continues to use the land for the purpose for which it was classified under subsection (a) of this section while under previous ownership.
- c. The new owner has timely filed an application as required by G.S. 105-277.4(a) and has certified that the new owner accepts liability for any deferred taxes and intends to continue the present use of the land.

- (2) Expansion of existing unit. - Land qualifies for classification in the hands of the new owner if, at the time title passed to the new owner, the land was not appraised at its present-use value but was being used for the same purpose and was eligible for appraisal at its present-use value as other land already owned by the new owner and classified under subsection (a) of this section. The new owner must timely file an application as required by G.S. 105-277.4(a).

(c) Repealed by Session Laws 1995, c. 454, s. 2.

(d) Exception for Conservation Reserve Program. - Land enrolled in the federal Conservation Reserve Program authorized by 16 U.S.C. Chapter 58 is considered to be in actual production, and income derived from participation in the federal Conservation Reserve Program may be used in meeting the minimum gross income requirements of this section either separately or in combination with income from actual production. Land enrolled in the federal Conservation Reserve Program must be assessed as agricultural land if it is planted in vegetation other than trees, or as forestland if it is planted in trees.

(d1) Conservation Exception. - Property that is appraised at its present-use value under G.S. 105-277.4(b) shall continue to qualify for appraisal, assessment, and taxation as provided in G.S. 105-277.2 through G.S. 105-277.7 as long as (i) the property is subject to a qualifying conservation easement that meets the requirements of G.S. 113A-232, without regard to actual production or income requirements of this section; and (ii) the taxpayer received no more than seventy-five percent (75%) of the fair market value of the donated property interest in compensation. Notwithstanding G.S. 105-277.3(b) and (b1), subsequent transfer of the property does not extinguish its present-use value eligibility as long as the property remains subject to a qualifying conservation easement. The exception provided in this subsection applies only to that part of the property that is subject to the easement.

(d2) Wildlife Exception. - When an owner of land classified under this section does not transfer the land and the land becomes eligible for classification under G.S. 105-277.15, no deferred taxes are due. The deferred taxes remain a lien on the land and are payable in accordance with G.S. 105-277.15.

(d3) Site Infrastructure Exception. - When an owner of land classified under this section (i) does not transfer the land and the land becomes eligible for classification under G.S. 105-277.15A or (ii) does transfer the land but the land becomes eligible for classification under G.S. 105-277.15A within six months of the transfer, no deferred taxes are due. The deferred taxes remain a lien on the land and are payable in accordance with G.S. 105-277.15A.

(e) Exception for Turkey Disease. - Agricultural land that meets all of the following conditions is considered to be in actual production and to meet the minimum gross income requirements:

- (1) The land was in actual production in turkey growing within the preceding two years and qualified for present use value treatment while it was in actual production.
- (2) The land was taken out of actual production in turkey growing solely for health and safety considerations due to the presence of Poult Enteritis Mortality Syndrome among turkeys in the same county or a neighboring county.
- (3) The land is otherwise eligible for present use value treatment.

(f) Sound Management Program for Agricultural Land and Horticultural Land. - If the property owner demonstrates any one of the following factors with respect to agricultural land or horticultural land, then the land is operated under a sound management program:

- (1) Enrollment in and compliance with an agency-administered and approved farm management plan.
- (2) Compliance with a set of best management practices.
- (3) Compliance with a minimum gross income per acre test.
- (4) Evidence of net income from the farm operation.
- (5) Evidence that farming is the farm operator's principal source of income.

- (6) Certification by a recognized agricultural or horticultural agency within the county that the land is operated under a sound management program.

Operation under a sound management program may also be demonstrated by evidence of other similar factors. As long as a farm operator meets the sound management requirements, it is irrelevant whether the property owner received income or rent from the farm operator.

- (g) Sound Management Program for Forestland. - If the owner of forestland demonstrates that the forestland complies with a written sound forest management plan for the production and sale of forest products, then the forestland is operated under a sound management program.

### **North Carolina General Statute 105-277.4, Application, Appraisal, Deferred Taxes**

- (a) Application. - Property coming within one of the classes defined in G.S. 105-277.3 is eligible for taxation on the basis of the value of the property in its present use if a timely and proper application is filed with the assessor of the county in which the property is located. The application must clearly show that the property comes within one of the classes and must also contain any other relevant information required by the assessor to properly appraise the property at its present-use value. An initial application must be filed during the regular listing period of the year for which the benefit of this classification is first claimed, or within 30 days of the date shown on a notice of a change in valuation made pursuant to G.S. 105-286 or G.S. 105-287. A new application is not required to be submitted unless the property is transferred or becomes ineligible for use-value appraisal because of a change in use or acreage. An application required due to transfer of the land may be submitted at any time during the calendar year but must be submitted within 60 days of the date of the property's transfer.

- (a1) Late Application. - Upon a showing of good cause by the applicant for failure to make a timely application as required by subsection (a) of this section, an application may be approved by the board of equalization and review or, if that board is not in session, by the board of county commissioners. An untimely application approved under this subsection applies only to property taxes levied by the county or municipality in the calendar year in which the untimely application is filed. Decisions of the county board may be appealed to the Property Tax Commission.

- (b) Appraisal at Present-use Value. - Upon receipt of a properly executed application, the assessor must appraise the property at its present-use value as established in the schedule prepared pursuant to G.S. 105-317. In appraising the property at its present-use value, the assessor must appraise the improvements located on qualifying land according to the schedules and standards used in appraising other similar improvements in the county. If all or any part of a qualifying tract of land is located within the limits of an incorporated city or town, or is property annexed subject to G.S. 160A-37(f1) or G.S. 160A-49(f1), the assessor must furnish a copy of the property record showing both the present-use appraisal and the valuation upon which the property would have been taxed in the absence of this classification to the collector of the city or town. The assessor must also notify the tax collector of any changes in the appraisals or in the

eligibility of the property for the benefit of this classification. Upon a request for a certification pursuant to G.S. 160A-37(f1) or G.S.160A-49(f1), or any change in the certification, the assessor for the county where the land subject to the annexation is located must, within 30 days, determine if the land meets the requirements of G.S. 160A-37(f1)(2) or G.S. 160A-49(f1)(2) and report the results of its findings to the city.

(b1) Appeal. - Decisions of the assessor regarding the qualification or appraisal of property under this section may be appealed to the county board of equalization and review or, if that board is not in session, to the board of county commissioners. An appeal must be made within 60 days after the decision of the assessor. If an owner submits additional information to the assessor pursuant to G.S. 105-296(j), the appeal must be made within 60 days after the assessor's decision based on the additional information. Decisions of the county board may be appealed to the Property Tax Commission.

(c) Deferred Taxes. - Land meeting the conditions for classification under G.S. 105-277.3 must be taxed on the basis of the value of the land for its present use. The difference between the taxes due on the present-use basis and the taxes that would have been payable in the absence of this classification, together with any interest, penalties, or costs that may accrue thereon, are a lien on the real property of the taxpayer as provided in G.S. 105-355(a). The difference in taxes must be carried forward in the records of the taxing unit or units as deferred taxes. The deferred taxes for the preceding three fiscal years are due and payable in accordance with G.S. 105-277.1F when the property loses its eligibility for deferral as a result of a disqualifying event. A disqualifying event occurs when the land fails to meet any condition or requirement for classification or when an application is not approved.

(d) Set Exception. - Notwithstanding the provisions of subsection (c) of this section, if property loses its eligibility for present use value classification solely due to a change in income caused by enrollment of the property in the federal conservation reserve program established under 16 U.S.C. Chapter 58, then no deferred taxes are due and the lien for the deferred taxes is extinguished.

(d1) Variable Exception. - Notwithstanding the provisions of subsection (c) of this section, if property loses its eligibility for present-use value classification because the property is conveyed to a nonprofit organization and qualifies for exclusion from the tax base pursuant to G.S. 105-275(12) or G.S. 105-275(29) or to the State, a political subdivision of the State, or the United States, then deferred taxes are due as follows:

- (1) If the property is conveyed at or below present-use value, then no deferred taxes are due, and the lien for the deferred taxes is extinguished.
- (2) If the property is conveyed for more than present-use value, then a portion of the deferred taxes for the preceding three fiscal years is due and payable in accordance with G.S. 105-277.1F. The portion due is equal to the lesser of the amount of the deferred taxes or the deferred taxes multiplied by a fraction,

the numerator of which is the sale price of the property minus the present-use value of the property and the denominator of which is the true value of the property minus the present-use value of the property.

(e) Repealed by Session Laws 1997-270, s. 3, effective July 3, 1997.

(f) The Department shall publish a present-use value program guide annually and make the guide available electronically on its Web site. When making decisions regarding the qualifications or appraisal of property under this section, the assessor shall adhere to the Department's present-use value program guide.

### **North Carolina General Statute 105-277.5, Notice of Change in Use**

Not later than the close of the listing period following a change which would disqualify all or a part of a tract of land receiving the benefit of this classification, the property owner shall furnish the assessor with complete information regarding such change. Any property owner who fails to notify the assessor of changes as aforesaid regarding land receiving the benefit of this classification shall be subject to a penalty of ten percent (10%) of the total amount of the deferred taxes and interest thereon for each listing period for which the failure to report continues.

### **North Carolina General Statute 105-277.6, Computation of Deferred Tax**

(a) In determining the amount of the deferred taxes herein provided, the assessor shall use the appraised valuation established in the county's last general revaluation except for any changes made under the provisions of G.S. 105-287.

(b) In revaluation years, as provided in G.S. 105-286, all property entitled to classification under G.S. 105-277.3 shall be reappraised at its true value in money and at its present use value as of the effective date of the revaluation. The two valuations shall continue in effect and shall provide the basis for deferred taxes until a change in one or both of the appraisals is required by law. The present use-value schedule, standards, and rules shall be used by the tax assessor to appraise property receiving the benefit of this classification until the next general revaluation of real property in the county as required by G.S. 105-286.

### **North Carolina General Statute 105-277.7, Use-Value Advisory Board**

(a) Creation and Membership. - The Use-Value Advisory Board is established under the supervision of the Agricultural Extension Service of North Carolina State University. The Director of the Agricultural Extension Service of North Carolina State University shall serve as the chair of the Board. The Board shall consist of the following additional members, to serve ex officio:

(1) A representative of the Department of Agriculture and Consumer Services, designated by the Commissioner of Agriculture.

- (2) A representative of the North Carolina Forest Service of the Department of Agriculture and Consumer Services, designated by the Director of that Division.
- (3) A representative of the Agricultural Extension Service at North Carolina Agricultural and Technical State University, designated by the Director of the Extension Service.
- (4) A representative of the North Carolina Farm Bureau Federation, Inc., designated by the President of the Bureau.
- (5) A representative of the North Carolina Association of Assessing Officers, designated by the President of the Association.
- (6) The Director of the Property Tax Division of the North Carolina Department of Revenue or the Director's designee.
- (7) A representative of the North Carolina Association of County Commissioners, designated by the President of the Association.
- (8) A representative of the North Carolina Forestry Association, designated by the President of the Association.

(b) Staff. - The Agricultural Extension Service at North Carolina State University must provide clerical assistance to the Board.

(c) Duties. - The Board must annually submit to the Department of Revenue a recommended use-value manual. In developing the manual, the Board may consult with federal and State agencies as needed. The manual must contain all of the following:

- (1) The estimated cash rental rates for agricultural lands and horticultural lands for the various classes of soils found in the State. The rental rates must recognize the productivity levels by class of soil or geographic area, and the crop as either agricultural or horticultural. The rental rates must be based on the rental value of the land to be used for agricultural or horticultural purposes when those uses are presumed to be the highest and best use of the land. The recommended rental rates may be established from individual county studies or from contracts with federal or State agencies as needed.
- (2) The recommended net income ranges for forestland furnished to the Board by the Forestry Section of the North Carolina Cooperative Extension Service. These net income ranges may be based on up to six classes of land within each Major Land Resource Area designated by the United States Soil Conservation Service. In developing these ranges, the Forestry Section must consider the soil productivity and indicator tree species or stand type, the average stand establishment and annual management costs, the average rotation length and timber yield, and the average timber stumpage prices.

- (3) The capitalization rates adopted by the Board prior to February 1 for use in capitalizing incomes into values. The capitalization rate for forestland shall be nine percent (9%). The capitalization rate for agricultural land and horticultural land must be no less than six percent (6%) and no more than seven percent (7%). The incomes must be in the form of cash rents for agricultural lands and horticultural lands and net incomes for forestlands.
- (4) The value per acre adopted by the Board for the best agricultural land. The value may not exceed one thousand two hundred dollars (\$1,200).
- (5) Recommendations concerning any changes to the capitalization rate for agricultural land and horticultural land and to the maximum value per acre for the best agricultural land and horticultural land based on a calculation to be determined by the Board. The Board shall annually report these recommendations to the Revenue Laws Study Committee and to the President Pro Tempore of the Senate and the Speaker of the House of Representatives.
- (6) Recommendations concerning requirements for horticultural land used to produce evergreens intended for use as Christmas trees when requested to do so by the Department.

#### **North Carolina General Statute 105-277.15, Wildlife Conservation Land**

- (a) Definitions. - The following definitions apply in this section:
  - (1) Business entity. - Defined in G.S. 105-277.2.
  - (2) Family business entity. - A business entity whose members are, directly or indirectly, individuals and are relatives. An individual is indirectly a member of a business entity if the individual is a member of a business entity or a beneficiary of a trust that is part of the ownership structure of the business entity.
  - (3) Family trust. - A trust that was created by an individual and whose beneficiaries are, directly or indirectly, individuals who are the creator of the trust or a relative of the creator. An individual is indirectly a beneficiary of a trust if the individual is a beneficiary of another trust or a member of a business entity that has a beneficial interest in the trust.
  - (4) Member. - Defined in G.S. 105-277.2.
  - (5) Relative. - Defined in G.S. 105-277.2.
- (b) Classification. - Wildlife conservation land is designated a special class of property under Article V, Section 2(2) of the North Carolina Constitution and must be appraised, assessed, and taxed in accordance with this section. Wildlife conservation land classified under this section must be appraised and assessed as if it were classified under G.S. 105-277.3 as agricultural land.

(c) Requirements. - Land qualifies as wildlife conservation land if it meets the following size, ownership, and use requirements:

- (1) Size. - The land must consist of at least 20 contiguous acres.
- (2) Ownership. - The land must be owned by an individual, a family business entity, or a family trust and must have been owned by the same owner for the previous five years, except as follows:
  - a. If the land is owned by a family business entity, the land meets the ownership requirement if the land was owned by one or more members of the family business entity for the required time.
  - b. If the land is owned by a family trust, the land meets the ownership requirement if the land was owned by one or more beneficiaries of the family trust for the required time.
  - c. If an owner acquires land that was classified as wildlife conservation land under this section when it was acquired and the owner continues to use the land as wildlife conservation land, then the land meets the ownership requirement if the new owner files an application and signs the wildlife habitat conservation agreement in effect for the property within 60 days after acquiring the property.
- (3) **(Effective for taxes imposed for taxable years beginning on or after July 1, 2019)** Use. - The land must meet all of the following requirements:
  - a. The land must be managed under a written wildlife habitat conservation agreement with the North Carolina Wildlife Resources Commission that is in effect as of January 1 of the year for which the benefit of this section is claimed and that requires the owner to do one or more of the following:
    1. Protect an animal species that lives on the land and, as of January 1 of the year for which the benefit of this section is claimed, is on a North Carolina protected animal list published by the Commission under G.S. 113-333.
    2. Conserve any of the following priority animal wildlife habitats: longleaf pine forest, early successional habitat, small wetland community, stream and riparian zone, rock outcrop, or bat cave.
    3. Create and actively and regularly use as a reserve for hunting, fishing, shooting, wildlife observation, or wildlife activities, provided that the land is inspected by a certified wildlife biologist at least quintennially to ensure that at least three of the seven activities listed in this sub-sub-division are

maintained to propagate a sustaining breeding, migrating, or wintering population of indigenous wild animals for human use, including food, medicine, or recreation. The Commission shall adopt rules needed to administer the inspection requirements of and activities mandated by this sub-sub-subdivision. [The activities are as follows:]

- I. Supplemental food.
- II. Supplemental water.
- III. Supplemental shelter.
- IV. Habitat control.
- V. Erosion control.
- VI. Predator control.
- VII. Census of animal population on the land.

- b. For land used pursuant to sub-sub-subdivisions 1. or 2. of sub-subdivision a. of this subdivision, it must have been classified under G.S. 105-277.3 when the wildlife habitat conservation agreement was signed or the owner must demonstrate to both the Wildlife Resources Commission and the assessor that the owner used the land for a purpose specified in the signed wildlife habitat conservation agreement for three years preceding the January 1 of the year for which the benefit of this section is claimed.

**(d) (Effective for taxes imposed for taxable years beginning on or after July 1, 2019)**

Restrictions. - The following restrictions apply to the classification allowed under this section:

- (1) For land used pursuant to sub-sub-subdivision 3. of sub-subdivision a. of subdivision (3) of subsection (c) of this section, no more than 800 acres of an owner's land in a county may be classified under this section. For all other land classified under this section, no more than 100 acres of an owner's land in a county may be classified under this section.
- (2) Land owned by a business entity is not eligible for classification under this section if the business entity is a corporation whose shares are publicly traded or one of its members is a corporation whose shares are publicly traded.

(e) Deferred Taxes. - The difference between the taxes that are due on wildlife conservation land classified under this section and that would be due if the land were taxed on the basis of its true value is a lien on the property. The difference in taxes must be carried forward in the records of each taxing unit as deferred taxes. The deferred taxes for the preceding three fiscal years are due and payable in accordance with G.S. 105-277.1F when the land loses its eligibility for deferral as a result of a disqualifying event. A disqualifying event occurs when the property no longer qualifies as wildlife conservation land.

(f) Exceptions to Payment. - No deferred taxes are due in the following circumstances and the deferred taxes remain a lien on the land:

- (1) When the owner of wildlife conservation land that was previously classified under G.S. 105-277.3 before the wildlife habitat conservation agreement was signed does not transfer the land and the land again becomes eligible for classification under G.S. 105-277.3. In this circumstance, the deferred taxes are payable in accordance with G.S. 105-277.3.
- (2) When land that is classified under this section is transferred to an owner who signed the wildlife habitat conservation agreement in effect for the land at the time of the transfer and the land remains classified under this section. In this circumstance, the deferred taxes are payable in accordance with this section.

(g) Exceptions to Payment and Lien. - Notwithstanding subsection (e) of this section, if land loses its eligibility for deferral solely due to one of the following reasons, no deferred taxes are due and the lien for the deferred taxes is extinguished:

- (1) The property is conveyed by gift to a nonprofit organization and qualifies for exclusion from the tax base under G.S. 105-275(12) or G.S. 105-275(29).
- (2) The property is conveyed by gift to the State, a political subdivision of the State, or the United States.

(h) Administration. - An owner who applies for the classification allowed under this section must attach a copy of the owner's written wildlife habitat agreement required under subsection (c) of this section. An owner who fails to notify the county assessor when land classified under this section loses its eligibility for classification is subject to a penalty in the amount set in G.S. 105-277.5.

**Present Use Value Base Rates, per acre**

**Agriculture**  
\$1,200

**Forestry**  
\$380