MACON COUNTY

Tax Presentation 2007 Reassessment



Beyond

Presented By Tax Assessment Office

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WHY REVALUE

MY PROPERTY?







NCGS 105-286 & 105-283

Requires Counties to Establish market values



Values must be at or near 100% of current market

Utility companies requires values to be between 90-100% of Market Values

To reflect changes in the market conditions

Appraisal Process

- Collect & Review Sales
- Map Sales From 2004 2006
- Analyze Construction Cost
- Develop Land Pricing Model
- Develop Schedule of Values
- Apply Schedule of Values to Properties

Appraisal Process Continued

- Visit Properties
- Review Sales to Comparable Properties
- Identify Any Areas of Concern
- Correct any Concern Areas
- Send Notice of Value to Property Owner
- Receive Any Informal Appeals and Review
- Send Notice of Change
- Begin Taking Formal Appeals to Board of Equalization
- Set Hearing Dates and Times
- After all Hearings send Notice of Change from Board of E&R
- Property Owners then have 30 Days to Appeal to Property Tax Commission in Raleigh, NC

Three Approaches to Value

- Comparable Sales Approach: Subject property is compared with similar properties that have recently sold.
- Income Approach: This approach uses income derived from similar properties in the same area. Income is not the value that individual business generate but what similar income producing properties will produce. An Example would be that all Two Bedroom apartments rent for \$500 monthly in a given location thus the value of a 20 unit apartment can be determined.
- Cost Approach: Construction cost less depreciation

MARKET VALUE

Market value is the most probable selling price that a property will bring in a competitive and open market with both the buyer and seller being motivated and well informed.



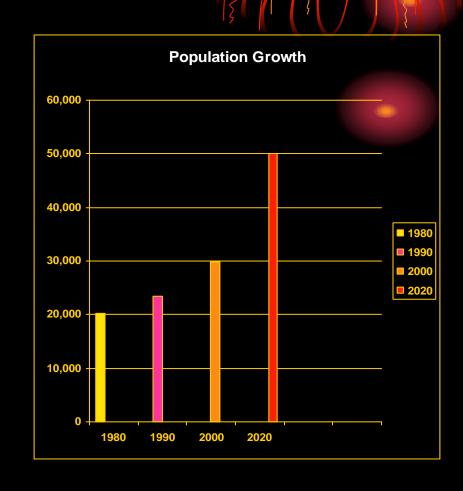
What Affects Market Value?

- The most obvious is an addition or remodeling of a structure.
- Supply and Demand in a particular type of property.
- The local economy and the factors that determine its stability.
- Cost of replacing or building similar structures.

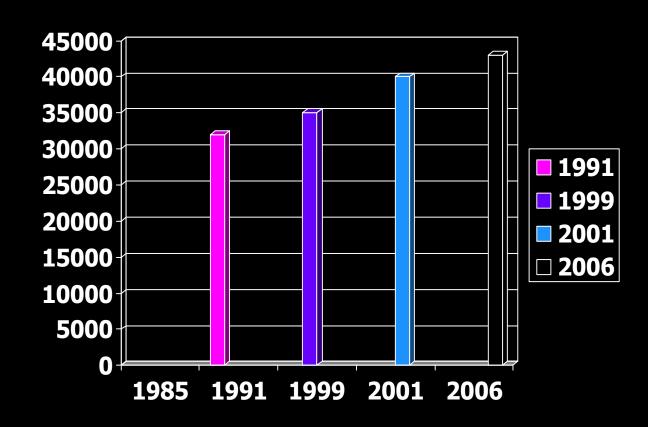


MACON'S GROWTH RATE

- ◆ County's Growth Rate Has Led WNC For Past Twenty Years
- **♦ County Leads WNC In Sales Growth**
- **♦**Population Is Expected To Continue To Rise



Parcel Count Increase



MARKET SALES COMPARED TO 2003 Tax VALUES



2003 Value \$ 214,800

2005 Sale \$ 460,000

Increase of 114%



2003 Value \$1,012,210

2005 Sale \$1,400,000

■ Increase of 38%



2003 Value \$1,769,330

2005 Sale \$2,100,00

Increase of 18%



2003 Value \$1,035,760

2005 Sale \$3,850,000

■ Increase of 272%



■ 2003 Value \$ 111,140

2005 Sale \$ 433,000

■ Increase of 290%



2003 Value \$1,765,980

2004 Sale \$3,100,000

■ Increase of 76%



2003 Value \$ 47,230

2005 Sale \$ 88,000

Increase of 86%



2003 Value \$ 145,240

2005 Sale \$ 179,000

■ Increase of 23%



2003 Value \$ 199,230

<u>2005 Sale \$ 285,000</u>

■ Increase of 43%



2003 Value \$ 585,830

2005 Sale \$1,898,000

■ 83.43 acres

■ Increase of 224%



2003 Value \$ 205,290

2005 Sale \$ 250,000

■ Increase of 22 %



2003 Value \$ 451,500

2005 Sale \$ 737,500

Increase of 63%



2003 Value \$249,850

■ 2005 Sale \$ 330,000

■ Increase of 33%



2003 Value \$ 96,780

■ 2004 Sale \$ 300,000

■ Increase of 213%





2003 Value \$ 158,760

■ 2002 Sale \$ 350,000

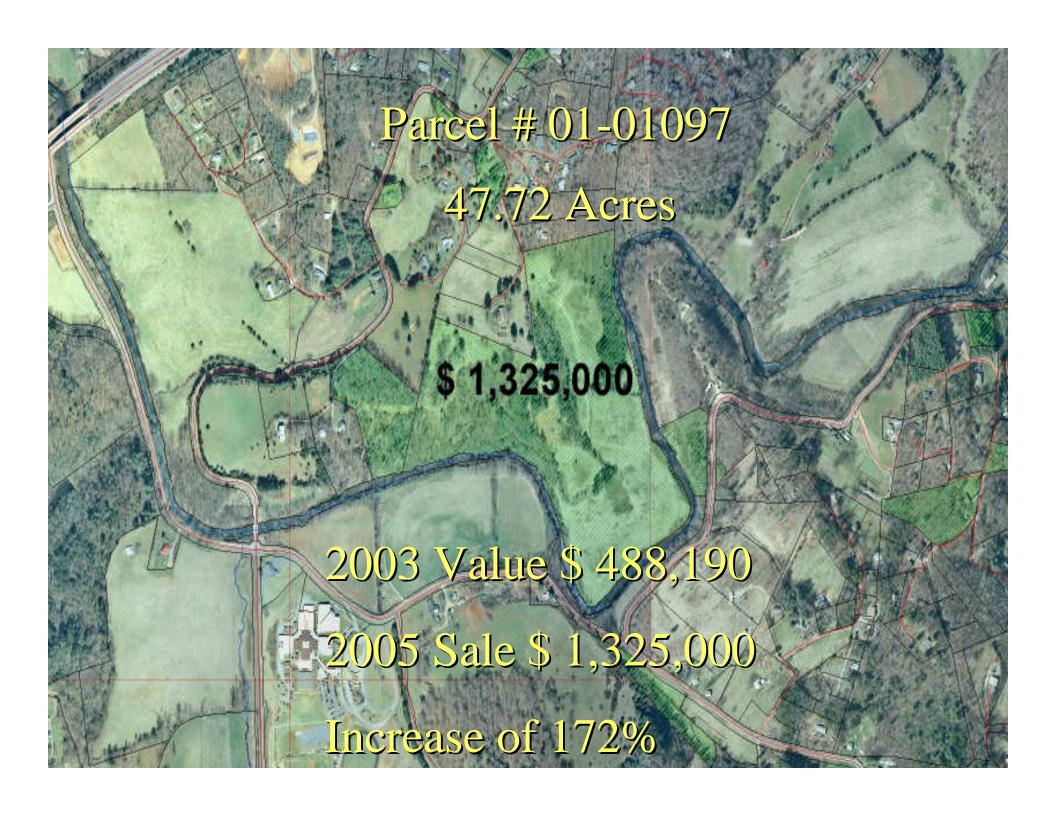
■ Increase of 122%



2003 Value \$ 509,960

■ 2004 Sale \$ 750,000

■ Increase of 47%





2003 Value \$92,140

2006 Sale \$134,000

■ Increase of 46%



■ 2003 Value \$114,800

2005 Sale \$ 164,500

■ Increase of 44%





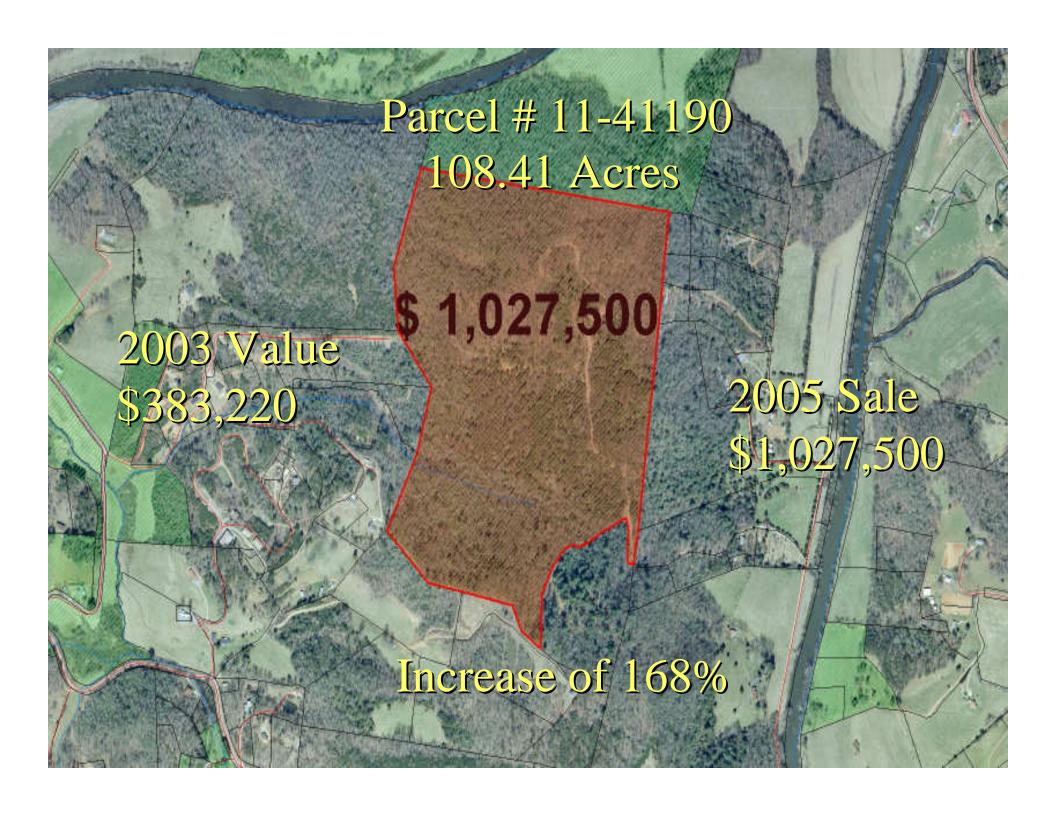
- 2003 Value \$54,000
- 2005 Sale \$ 79,000
- Increase of 46 %



2003 Value \$ 76,700

2004 Sale \$122,000

■ Increase of 60 %





- 2003 Value \$ 1,171,090
 Sold for \$ 1,125,000
- Owner Contended Land was worth \$500,000
 - Sold for 125% greater value than owner said it was worth
- Not Possible to sell at new value
- Owner misrepresented 100% Market Value at Appeal hearing.

2003 Value \$955,860

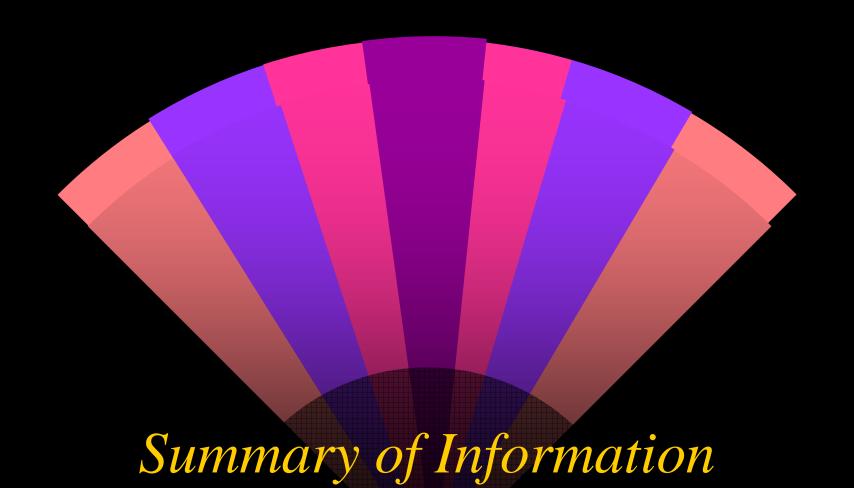
Sold for \$1,050,000

Owner said it was worth \$ 600,000 Sale price is 75% higher than owner declared at appeal hearing.

- 1999 Value \$796,640
 Sold for \$895,000
- Owner said new value was totally unrealistic.
- Sold for 12% higher than price owner was upset over.

- 2003 Value \$433,580
- Owner thought property was not fairly appraised as similar properties.
- Owner said it was worth only \$395,000
- Owner paid \$410,000

- Sold for \$ 600,00
- Sold 52% greater price than the owner wanted to accept in 2003.





Things to Remember

- Values must be set at 100% of Market Value.
- Value may or may not be what the owner has invested in the property.
- Different classes of properties change at different rates.
- Location or demand on certain types of properties will affect values differently depending on the market.

- Percentage of increase is not a reason for an appeal.
- Burden of proof is on taxpayer to show that property is excessively overvalued.
- NC courts have ruled that tax assessments are assumed to be correct and are accepted until proof is provided to the contrary.



Finally

- Reassessments are volatile and established procedures must be followed.
- The established appeal process outlined by the Machinery Act must be adhered to.
- Equality between similar properties must be one of the top priorities.
- Properties will not increase at the same percentage countywide. Location is still very much a factor.