

Buncombe County Agenda Item Information Sheet

<p>AGENDA ITEM:</p> <p>Resolution Advancing The Scheduled Octennial Reappraisal</p>	
<p>MEETING DATE:</p> <p>March 1, 2016</p>	
<p>REQUESTED BY:</p> <p>Gary C. Roberts, Tax Director</p>	
<p>Background information</p> <p>The last reassessment of Real Estate property value was completed on January 1, 2013. By Resolution dated Aug. 7, 2012, and the County is on a cycle for reappraisals every eighth year beginning Jan. 1, 2013.</p> <p>Real Estate property values are measured by a Sales Ratio conducted by the NC Department of Revenue. The Sales Ratio is measurement by dividing the current tax assessment by the true market value.</p> <p>The current level of real estate property values for the 2,600 neighborhoods in the County range from a Sales Ratio of 50% to 85% of the true market value. This creates an inequity in property tax liabilities for citizens in our County. The inequity means some citizens will have a great burden of property taxes than other citizens if all properties were reappraised at 100% of the true market value.</p> <p>This low Sales Ratio of the current appraised value of real property to its true market value will trigger a mandatory advancement of the general reappraisal in accordance with NCGS §105-286. However, the County has always advanced the date for Reappraisal of property values to less than 8 years. This allows the County to better manage the appraised value as close to its true market value as possible, and to maintain fair and equitable tax burdens for our citizens.</p>	
<p>Pro's</p> <p>The Reappraisal of real estate brings all real estate value to 100% of true market value.</p> <p>Allows the County, Municipalities, Fire Departments, and School tax districts to better manage tax values and yearly tax rates.</p> <p>Annual tax bills for citizens normally stay at the same amount, unless improvements are made to their homes.</p>	<p>Con's</p> <p>Citizens have concerns regarding the amounts of what their property taxes might be.</p> <p>Not Advancing the Reappraisal date allows the general statute or the NC Department of Revenue to decide when Reassessment of property values take place.</p>
<p>Funds required in current budget:</p> <p>Yes, \$158,600.00 has been requested in the FY17 Budget. This amount will complete the full amount needed to complete the 2017 Reappraisal process.</p>	

Funds required in future budgets:

The total cost for the 2017 Reappraisal process is \$1,381,075. Roughly \$330,000 of each year's Tax Department's budget is estimated for on-going Reappraisal work completed.

Alternatives

The County can wait until the eighth year of the Octennial process or as otherwise directed by the NC Department of Revenue to complete the Reappraisal of property values in accordance with GS 105-286.

Action recommended:

The Tax Director requests the Board of Commissioners to approve a Resolution to Advance the Octennial Cycle to allow the Tax Department to Reappraise all real estate effective as of January 1, 2017.