

2016 Revaluation

Cleveland County

Frequently asked questions:

- What is Revaluation?
- What type of property is affected?
- What is “market value”?
- Why is Cleveland County revaluing property this year?
- Who does the work?
- How is revaluation done?
- How will revaluation affect my tax bill?
- Will everyone’s value change by the same amount?
- Appealing the value?
- Present Use Value (farm use)?
- Homestead Exclusion?

What is revaluation?

- A process of updating the assessed value of real property to reflect its worth on the open market.
- Required by law.
- Creates equity in assessments.
- Corrects shifts in the tax burden.

What type of property is affected?

- REAL PROPERTY:
- Land
- Buildings
- Other structures / improvements
- ❖ **EXCEPTION: Real property appraised annually by NC DOR (State Board Property)**



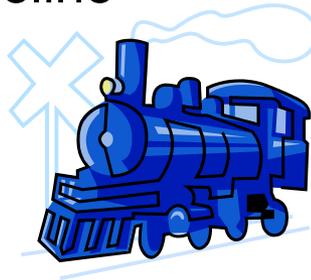
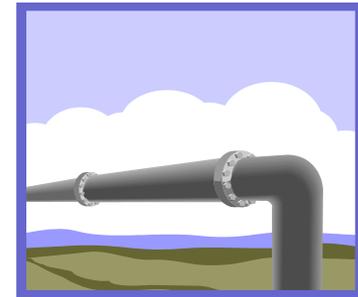
What is not affected?

- PERSONAL PROPERTY:
- Motor Vehicles
- Watercraft
- Airplanes
- Machinery
- Equipment
- ❖ **Personal property appraised annually by NC DOR
(State Board Property)**



State Board Properties

- Duke Energy
- Rutherford EMC
- Colonial Pipeline
- Transcontinental Pipeline
- CSX Transportation
- Norfolk Southern
- AT&T
- Time Warner Cable
- Sprint Communications
- UPS (Motor Freight)
- Greyhound Bus Lines
- (and others)



Minimum Assessment Level

- SALES RATIO = $\frac{\text{ASSESSED VALUE}}{\text{QUALIFIED SALE PRICE}}$
- Below 90% overall: Assessed value of state board properties is reduced by NCDOR.
- Additional burden is placed on private property owners.
- State board property is appraised annually.

What is market value?

N.C.G.S. 105-283:

- “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.”

May be different from:

- Construction Cost
- Actual Cost or Sale Price
- Insurance Value
- Book Value

Why 2016?

- ❖ Required by Law (G.S. 105-286)

Octennial Cycle

Each county in North Carolina must reappraise real property every eight years.

Shift in Tax Burden

For Example:

- My neighborhood: Similar home sales are 5% higher in 2015 than in 2008.
- Your neighborhood: Similar home sales are 5% lower in 2015 than in 2008.
- Assessed values are unchanged since 2008.
- The tax burden has shifted relative to value.
- Your tax burden for 2015 has increased relative to mine.

Who does the work?

- Performed in-house.
- County appraisal staff.
 - Appraisers certified by NCDOR
- No outside firm used.

How is revaluation done?

- Approximately 55,000 separate parcels.
- 700+ “Neighborhoods”.
- Track, verify, and analyze sales data.
- Improved sales, cost guides and local market information.
- Statistical analysis for assessment level, price related differential, and dispersion.
- Review (appeal) process.

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

- NO.
- Change may vary widely.
- Market indications.
- Accuracy of prior assessed value.

What about my tax bill?

- TAX BILL = **ASSESSED VALUE** x TAX RATE
- Re-val determines the assessed value only.
- Tax rate is set by the governing body of each taxing unit.
- Each taxing unit will set their respective rates in June of 2016.

Rates are set by various boards.

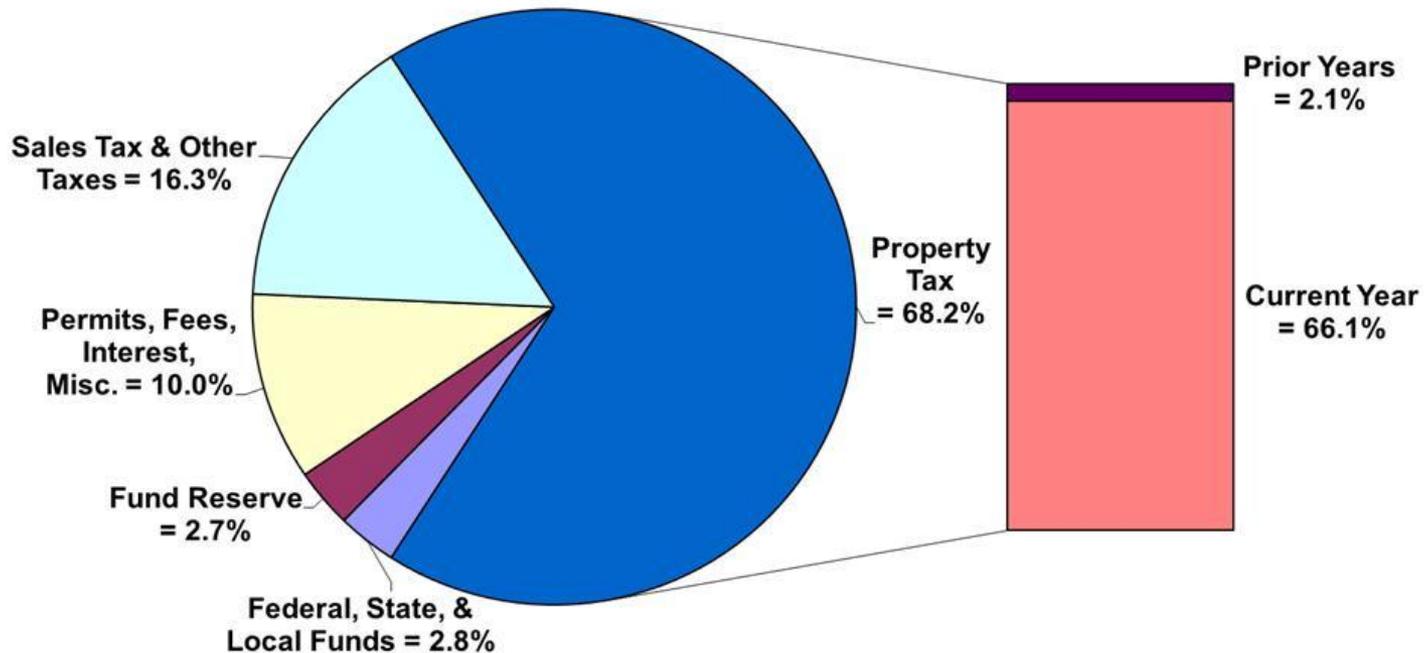
Example: District 6 – City of Shelby

- | <u>DISTRICT</u> | <u>RATE SET BY</u> |
|------------------|--------------------|
| ● County General | (commissioners) |
| ● School | (commissioners) |
| ● Shelby City | (city council) |

The County bills and collects for all taxing units under separate inter-local agreements.

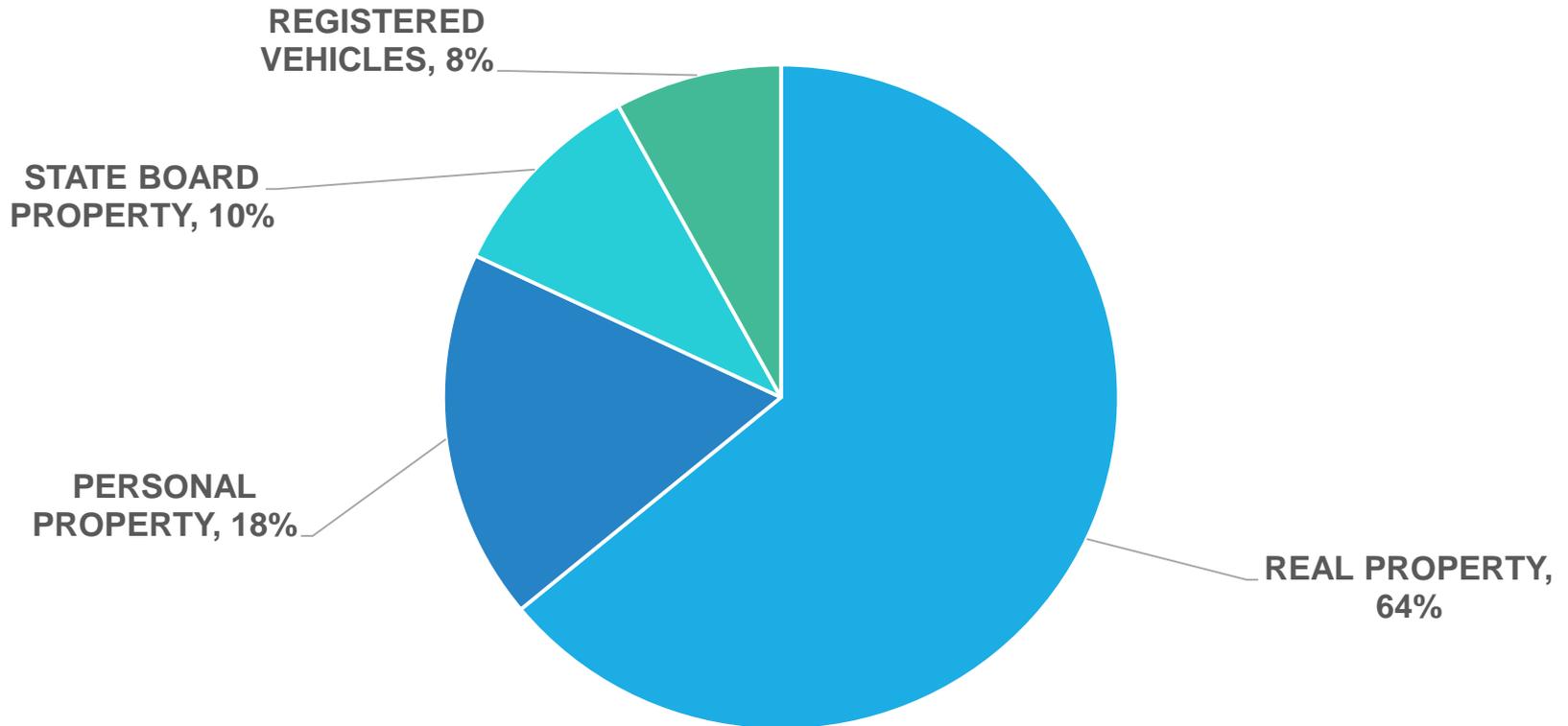
Revenue Sources

Cleveland County Revenues
FY 2014-2015 Primary + Schools Funds By Source



Tax Base by Property Type

(What makes up that 68.2% ?)



How do I appeal the new assessed value?

- Complete and return the lower tear-away portion of the notice. Include any information you wish to be considered.
- You are not required to appear in person.
- Appraiser will do on-site inspection (in most cases).
- You will receive a written response.



**CLEVELAND COUNTY, NORTH CAROLINA
2008 COUNTYWIDE REAPPRAISAL**

Notice of REAL PROPERTY ASSESSED VALUE

THIS IS NOT A BILL

DATE	PROPERTY DESCRIPTION	PARCEL NO.	MARKET VALUE	FARM USE VALUE

In accordance with state law, all real property in the county has been reappraised in order to equalize assessments. Market value represents 100% of fair market value as of January 1, 2008. Taxes on land enrolled on PUV (Farm Use) are based on FARM USE VALUE not market value. Revaluation does not affect eligibility for Farm Use, Elderly/Disabled Exclusion, or other exemptions.

If you wish to appeal your value, please complete and return the appeal form within 30 days of the date of this notice. It is not necessary for you to make a personal visit to the assessor's office. The written information you provide will be reviewed by the appraisal staff and you will be sent written notification of their decision within approximately 12 weeks of the date we receive your appeal.

This notice may not reflect recent construction, change of ownership or other changes in property. Local boards will set tax rates on or before July 1, 2008.

- If your name or address is incorrect please notify the assessor's office •

▼ PLEASE DETACH HERE - ONLY IF YOU WISH TO APPEAL ▼

2008

CLEVELAND COUNTY INFORMAL APPEAL FORM

2008

COMPLETE AND RETURN THIS FORM ONLY IF YOU WISH TO APPEAL

DATE	PROPERTY DESCRIPTION	PARCEL NO.	MARKET VALUE	FARM USE VALUE

THE 2008 VALUE CAN BE APPEALED IF EITHER OF THE FOLLOWING APPLIES:

- The assessed value substantially exceeds the market value of the property.
- Your property has been appraised at a greater percentage of its true value than other similar property.

AN INCREASE IN VALUE, BY ITSELF, IS NOT A BASIS FOR APPEAL. (NC PROPERTY TAX COMMISSION)

A REVIEW OF YOUR ASSESSMENT MAY RESULT IN YOUR VALUE BEING: REDUCED, INCREASED, OR UNCHANGED

Property Owner's Opinion of Value \$ _____ Purchase Price \$ _____ Date of Purchase _____
(Required)

Has a private appraisal been done on this property in the last (12) months? _____ If so, please attach a full copy.

If this is an income producing property (apartments, shopping centers, offices, etc.) please include complete income and expense information for three prior years.

DO YOU WISH TO REQUEST AN ON-SITE INSPECTION OF YOUR PROPERTY? _____ YES _____ NO

NOTE: AN ON-SITE INSPECTION WILL BE REQUIRED IN MOST CASES.

PROVIDE ADDITIONAL COMMENTS ON REVERSE SIDE OR BY INCLUDING SUPPLEMENTAL SHEETS.

DAY-TIME PHONE NO. () _____ OTHER PHONE NO. () _____

OWNER SIGNATURE _____ DATE _____

I HEREBY AFFIRM THAT TO THE BEST OF MY KNOWLEDGE AND BELIEF, THIS AND ANY ACCOMPANYING INFORMATION IS TRUE AND COMPLETE.

SEE REVERSE SIDE FOR ADDITIONAL INFORMATION

Land in PUV (Farm Use)

- Revaluation does not affect eligibility.
- Present use values continue to be well below market.
- Consult our office before buying, selling, or dividing land enrolled in PUV.



Homestead Exclusion For Elderly or Disabled (for permanent residence)

- Re-val does not affect eligibility.
- A new application is not required.
- 65 years of age OR totally and permanently disabled as of January 1.
- Total combined income for prior year cannot exceed \$29,500 from all sources.
- Application must be filed by **June 1, 2016**.

Homestead Exclusion for Disabled Veterans (for permanent residence)

Available to veteran (or their surviving spouse who has not remarried)

- Honorably Discharged and
- 100% Service Connected Disability
(certified by NCDVA-9)
- Income Limit: None
- Age Limit: None
- Application must be filed by June 1, 2016.

Questions?

