

# CHATHAM COUNTY REAPPRAISAL PROGRAM

**EFFECTIVE 1-1-2025**

**PRESENTED BY**

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# TOPICS OF TODAY

- **WHAT IS A REAPPRAISAL**
- **WHAT DOES “TAX VALUE” REALLY MEAN**
- **WHERE DOES “TAX VALUE” OR “MARKET VALUE” COME FROM**
- **EQUALIZATION**
- **SHOW REAL EXAMPLES OF THE MARKET**
- **THE NEW VALUATION NOTICES AND THE APPEAL PROCESS**

# Reappraisal Cycle

- **NCGS 105-286 – Each county must reappraise all real property every eight years**
- **February 1998 a resolution was adopted to establish a four-year reappraisal cycle**
- **Mandatory Advancement – A county whose population is 75,000 or greater must conduct a reappraisal of real property when the county's sales ratio is less than .85 or greater than 1.15. A reappraisal must become effective no later than January 1 of the earlier of the following years:**
  - **The third year following the year the county receives the notice from NCDOR**
  - **The eighth year following the year of the county's last reappraisal**



# Sales Ratio

- **Sales Ratio is calculated by dividing the assessed value by the sales price**
  - **2021 – 98.23**
  - **2022 – 82.53**
  - **2023 – 67.49**
  - **2024 – 65.54**

# WHAT IS A REAPPRAISAL ?

## PROCESS OF:

### ✓ VALUING ALL REAL ESTATE AT FULL MARKET VALUE

❖ Real Estate	????
➤ Registered Motor Vehicles	100%
➤ Personal Property	100%
➤ Business Personal Property	100%
➤ System Property (Utilities)	100%

### ✓ ENSURING ALL PROPERTIES ARE TREATED EQUITABLY

### ✓ FOLLOWING NC GENERAL STATUTES AS REQUIRED



# WHAT TAX VALUE REALLY MEANS

THE CONFUSION IN  
TAX VALUES ???

# HOW OWNERS VIEW THEIR PROPERTY



# HOW OWNERS WANT POTENTIAL BUYERS TO VIEW THEIR PROPERTY





# HOW OWNERS WANT TAX OFFICE TO VIEW PROPERTY



# WHAT TAX VALUE REALLY MEANS

- ✓ **NORTH CAROLINA IS MARKET VALUE STATE**
- ✓ **100% MARKET VALUE AS OF REAPPRAISAL DATE**
- ✓ **SAME VALUE EXPECTED IF EXPOSED TO MARKET FOR PURCHASE**

# WHERE DOES TRUE VALUE OR MARKET VALUE COME FROM?



# MARKET VALUE

- **MARKET VALUE IS SET BY;**
  - **BUYERS / SELLERS FOR RESIDENTIAL**
  - **RENTS / LEASES / SALES FOR COMMERCIAL**
  - **BASICALLY-----PROPERTY OWNERS / TAXPAYERS**
- **REVALUATION ONLY INTERPRETS MARKET DATA OF SOLD PROPERTIES, THEN DEVELOP MODELS WHICH WILL IMITATE OR REPRODUCE TRUE VALUE OF UNSOLD PROPERTIES**

# SAMPLE MARKET SALES



***CENTER***

**SALES PRICE--\$725,000**

**RATIO .6897**

**SALE DATE-JUNE-24**

**2021 VALUE--\$499,986**

# SAMPLE MARKET SALES



***CENTER***

**SALES PRICE--\$355,000**

**RATIO .7568**

**SALE DATE- JUN-24**

**2021 VALUE--\$268,677**

# SAMPLE MARKET SALES



***CENTER***

**SALES PRICE--\$470,000**

**RATIO .5704**

**SALE DATE-JAN-24**

**2021 VALUE--\$268,103**

[www.chathamcountync.gov](http://www.chathamcountync.gov)

# SAMPLE MARKET SALES



***CENTER***

**SALES PRICE--\$975,000**

**RATIO .6208**

**SALE DATE-JAN-24**

**2021 VALUE--\$605,276**

[www.chathamcountync.gov](http://www.chathamcountync.gov)



# SAMPLE MARKET SALES



***CENTER***

**SALES PRICE--\$375,000**

**RATIO .6484**

**SALE DATE-JUL-24**

**2021 VALUE--\$243,156**

[www.chathamcountync.gov](http://www.chathamcountync.gov)

# SAMPLE MARKET SALES



***CENTER***

**SALES PRICE--\$475,000**

**RATIO .8195**

**SALE DATE-JUN-24**

**2021 VALUE--\$389,255**

[www.chathamcountync.gov](http://www.chathamcountync.gov)

# SAMPLE MARKET SALES



***CENTER***

**SALES PRICE--\$440,000**

**RATIO .7856**

**SALE DATE-MAY-24**

**2021 VALUE--\$345,818**

# **NOTE OF IMPORTANCE**

## **---EQUALIZATION---**

- **STATUTES REQUIRE EQUALIZATION FOR UTILITY COMPANIES**
- **TRIGGER IS WHEN RATIO FALLS BELOW 90%**
- **TIMING IS 1<sup>ST</sup>, 4<sup>TH</sup> AND 7<sup>TH</sup> AND EACH YEAR FOLLOWING REAPPRAISAL**
- **SIGNIFICANT LOSS OF COUNTY REVENUE**
- **NO EXCEPTION, STATUTORILY REQUIRED**

# VALUATION NOTICES

- **PROJECTED TO BE MAILED FEBRUARY/MARCH TIME FRAME**
- **WILL STATE THE NEW ASSESSED VALUE AS OF JANUARY 1, 2025**
- **WILL CONTAIN ALL INFORMATION REGARDING THE APPEAL PROCESS AND INSTRUCTIONS**
- **IF VALUE IS REASONABLE AND FAIR, NO ACTION BY THE TAXPAYER IS REQUIRED**

# **FILING AN APPEAL TAXPAYER OPTIONS**

- ✓ **ELECTRONIC APPEAL PROCESS**
- ✓ **MAIL COMPLETED APPEAL FORM INCLUDED WITH VALUATION NOTICE**
- ✓ **CONTACT OUR OFFICE TO SCHEDULE AN APPOINTMENT**
- ✓ **VISIT OUR “TAXPAYER APPEAL ASSISTANCE AREA” LOCATED AT OUR OFFICE**

# APPEAL PROCESS

- ✓ **INFORMAL APPEALS THROUGH CHATHAM COUNTY REAPPRAISAL OFFICE**
- ✓ **FORMAL APPEALS BEFORE CHATHAM COUNTY BOARD OF EQUALIZATION AND REVIEW**
- ✓ **N.C. PROPERTY TAX COMMISSION**
- ✓ **N.C. COURT OF APPEALS**
- ✓ **NORTH CAROLINA SUPREME COURT**

# INFORMATION USEFUL FOR APPEAL

- ✓ RECENT SALES OF COMPARABLE PROPERTIES
- ✓ DAMAGE THAT MAY NOT BE KNOWN, VISIBLE OR AVAILABLE TO TAX OFFICE STAFF
- ✓ PROPERTY CHARACTERISTICS THAT MAY BE INCORRECT
- ✓ RECENT FEE APPRAISAL FOR COMPARISON
- ✓ RECENT SALE, LISTING INFORMATION OR OFFER TO PURCHASE OF SUBJECT PROPERTY



# RESULTS OF AN APPEAL

- ✓ **ALL APPEAL DECISIONS WILL BE MAILED INCLUDING INFORMATION REGARDING NEXT LEVEL OF APPEAL**
  
- ✓ **RESULTS OF APPEAL ARE;**
  - ✓ **VALUE CAN BE REDUCED**
  - ✓ **VALUE CAN BE INCREASED**
  - ✓ **VALUE CAN BE LEFT UNCHANGED**

# Terminology

- **COD – coefficient of dispersion is used to measure uniformity. A high COD shows that there is a large variance between the highest ratios and the lowest ratios and the lowest ratios compared to the median. A low COD represents conformity amongst the county. In a reappraisal year, we would expect the COD to be lower than in non-reappraisal years.**
- **Our COD is currently 37.87**
- **COD range for newer or more homogenous areas should be between 5.0 to 10.00 for single family residential.**
- **COD range for older or more heterogeneous areas should be between 5.0 to 15.00 for single family residential.**



## Terminology

- **Median** – Arrange the sales ratio from highest to lowest and select the middle value. The median is chosen over other central tendencies because it is affected less by outliers.
- **PRD** – price related differential is a measure of uniformity between high and low value properties. The PRD should be between .98 and 1.03.
  - Our PRD is 1.01
- **PRB** – price related bias is an index of vertical equity that quantifies the relationship between assessment, sales ratios and value in percentage terms. The PRB is less sensitive to outliers than the PRD. The PRB should be between -.05 and .05.
  - Our PRB is .009

# THE END-----QUESTIONS?

- **THIS IS HOW THE TAX MAN FEELS WHILE REVIEWING ALL 50,000 PARCELS IN THE COUNTY.**
- **CONTACT INFORMATION**
- **JENNY WILLIAMS**
- **JIMMY TANNER**

