Reappraisal Recommendations, Questions, & Schedule of Values

Presented by

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Assessment

Agenda

- **Actions Resulting from Reappriasal Recommendations**
  - ✓ Ad Hoc Committee
  - ✓ Keene Study
- **Responses to Public Hearing Questions**
  - ✓ Short-term rentals in mass-appraisal
  - ✓ Public hearing requests
- **Schedule of Values**
  - ✓ Resolution to Approve the Schedule as recommended

Ad Hoc Committee Recommendations

Strategic Direction	Recommendations	Actions
Develop assessment policies to optimize tax revenue	Differentiate short-term rentals, investments and/or secondary home's assessment approach from that of single-family homes used as primary residence	• Statewide legislation would be required to differentiate the assessment process. • Since 2023 we have implemented a Rental Personal Property program. It is the property owner's responsibility to report and list these rental assets. Over 10k accounts created and $50 million in value discovered.
	Allocate short-term rental revenue to fund HHS Homeowner Grant Program	
	Focus lobbying efforts to increase revenue streams(supports the two above)	
Increase capacity in Assessment Department	Develop process to correct the percentage of properties with incorrect attributes	• Sent Property Record Card Mailers in 2023 and 2024. Received over 30k responses and updated data accordingly. • Increased data and appraisal team (5 positions since 2020). • Staff attended additional IAAO trainings. • Built dashboards to improve efficiency and data integrity. • Utilized SAS ML software for value auditing and references
	Increase frequency of property re-assessments	
	Develop key metrics to trigger increase in staff	

Ad Hoc Committee Recommendations

Strategic Direction	Recommendations	Actions Taken
Increase education and outreach	Leverage Social Media, Faith-based organizations, and non-profits to engage and educate the community	• Implemented increased outreach plan with CAPE (pre-Helene); updating new outreach planning w/CAPE for rollout in October • Contracted employee assisting with community leader outreach • Planning with local realtors to provide appeal clinics • Planning in place to provide tax relief and PUV assistance with forms and paperwork • Statewide legislation would be required to expand exemption programs
	Provide expert community ambassador to provide education on the appraisal process	
	Partner with local board of realtors to provide assistance /education with the assessment and / or appeal process	
	Reassess limits on exemptions to expand eligibility and participation	
Enhance permitting compliance	Partner with Real-estate professionals and Builders Association to ensure accurate property attributes are reported by homeowners (enforcement required)	• Discovery process in place for unreported improvements and renovations; use real estate listings to check property data accuracy • Direct communication with listing agents and/ or property owners
	Enhance internal process for communication between Assessment & Permitting Dept's	

Keene Study Recommendations

Short Term (2026 reval)

Recommendations	Actions Taken
Implement process to identify property sales to non-Buncombe County residents to identify outliers and improve data	• In development for ratio studies and models
Create Appraiser position to focus on luxury homes ($1M+)	• Created team - Data analyst, reappraisal analyst, residential manager and two appraisers
Create Appraiser position to focus on manufactured, modular, non-traditional, etc.	• Created team - Data analyst, reappraisal analyst, residential & personal property managers and an appraiser
Create informational videos on the assessment process & display in County owned buildings with public access	• Planning ongoing and will be accomplished by peak season
Create a customer service unit to focus on community inquiries	• Front desk support in place; trained temporary staff fills additional needs
Conduct additional analysis of sale validations	• Appraiser assigned to typical residential sales while two appraisers are assigned to luxury sales. Guidance and QC measures in place by supervisor and reappraisal analyst
Conduct relist of eight Census Blocks of disadvantaged neighborhoods	• Adjustments and data quality issues in place for 2026 reval

Keene Study Recommendations

Long Term (2029 and future revals)

Recommendations	Actions Taken
Develop a more comprehensive toolset for reviewing & revising assessed values	• Once modeling in place this will be accomplished as recommended. • Developed dashboard and GIS measures to assist with value auditing and adjustments.
Lobby the State Legislature to expand options for tax relief	• NCAAO makes these recommendations and is a continuous process
Create a dedicated analysis and modeling team	• Reappraisal Analyst position created, 2 data team members added, and model training planned.
Implement regression models in the assessment process	• Groundwork is in place for residential parcels, additional trainings, and capacity are needed to eventually complete this for all sectors or parcels.
Relist of all properties in the County	• Discussions with vendors ongoing for a full relist
Add spatial data for assessments	• Spatial analytics using dashboards in-place. Enhancements will continue for more informed appraisals based on proximity to amenities and otherwise.
Update market area definitions	• Improvements will be made in current reappraisal surrounding clustering.

Keene Study Recommendations

Long Term (2029 and future revals)

Recommendations	Actions Taken
Partner with local universities to create an Assessment internship Program	• A successful pilot program started this summer with UNCA.
Create a unique set of location definitions for each property class	• Slated for 2029 and beyond.
Create & maintain internal machine learning models	• Slated for 2029 and beyond.
Improve property type and location classifications	• Associated market areas in neighborhoods; will begin this recommendation during this reappraisal and build upon it for 2029.
Evaluate & revise the definition of valid sales transactions to detect & eliminate outliers	• Utilizing dashboards and high-level modeling suggested in the study. • 2029 will include data modeling format as staff skills increase.

Short-Term Rentals

§ 105-283 ***All property, real and personal, shall as far as practicable be appraised or valued at its true value in money.***

- Sales comparison approach is the **only** recommended approach
  - Plentiful data (sales)
  - Like properties must be valued with the same approach
- Property Tax Commission cases support sales comparison approach
- Current rental listing program is the only supported method to treat STR properties differently.
- NC State law must change to treat STRs differently than like residential properties.

Reference: (https://canons.sog.unc.edu/2022/08/appraising-rental-property/)

Public Hearing Requests

1. Publish “unadjusted” and “adjusted” ratio studies
   - **Unadjusted ratio:** assessed value prior to the sale / actual sale price
     - Note: A homeowner builds an addition to their home without pulling permits (ie. the Tax Assessment office is unaware of the improvement) and then sells their home. The unadjusted ratio cannot include the value of the addition as part of the original valuation.
   - **Adjusted ratio:** assessed value after the sale / sale price. Value provided **after** the listing is reviewed.
   - Tax Assessment Office provides the unadjusted ratio data to the State. The State provides the adjusted ratio study annually. Study is based on a random sample, does not include all properties.

Public Hearing Requests (cont.)

2. More frequent reappraisals
   - Cost analysis and research has begun
   - Majority of NC Counties are on 4 year or 8 year cycles
3. Publish the outcomes of the appeals process
   - Tracked internally and enhancements in the data to be made for 2026 and 2029.
   - Can publish data tables for value changes to data portal and/or build reports.

Schedule of Values

§ 105-317(c)(1) ***The values, standards, and rules required by subdivision (b)(1) shall be reviewed and approved by the board of county commissioners before January 1 of the year they are applied.***

§ 105-317(b) ***….each revaluation…it shall be the duty of the assessor to see that:***

(1) ***Uniform schedules of values, standards, and rules*** *to be used in appraising real property at its true value and at its present-use value are prepared and are sufficiently detailed to enable those making appraisals to adhere to them in appraising real property.*

- Acts as a guide or manual for the appraisal team
- Explains the basics and requirements of the appraisal process
- Promotes equity in assessments
- Promotes transparency

If it's not in the schedule, then we cannot do it.

What's Next?

~~08/19/2025~~	~~Formally present to the Board of Commissioners~~
~~08/20/2025~~	~~Advertise the public hearing~~
~~09/02/2025~~	~~Public hearing~~
09/16/2025	**BOC resolution to adopt the schedule**
09/17/2025	**Publish notice of adoption for 4 consecutive weeks**
10/17/2025	**Appeal period ends**

Appendix

What does a “luxury” team do?

Site visits, permits, and neighborhood reviews
More time required to site visit, review permits, and measure homes and determine if the neighborhood qualities and characteristics are consistent.

Detailed sales validation
Uniqueness of property and deals require more time and investigation.

Land sales that include club membership fees and reinvestment to avoid capital gains, etc.

Specialized tasks and adjustments
New luxury designations in the schedule of values that allow the team to fine-tune adjustments.

+/- quality codes introduced, unique grades added, and specific deprecation and size adjustments added





What does a “modest” team do?

Site visits and research
Condition and quality reviews and audits for all property types. Conducting mobile home park reviews prior to listing period.

Sales Validation Research
Careful detail on condition and quality, determination of renovation intention (ie. house flipping)

Personal vs Real Mobile homes
Ensuring the cost valuations for buildings of similar condition is a major concern with high and low assessments



