

November 20, 2012

Table of Contents

Public Input Meetings	2
Random Individual Property Reviews	6
Neighborhood Reviews	13
Reports utilized during Neighborhood Reviews	14
Random Neighborhood Review	15
Land Increase Neighborhoods Review	23
Summary of Findings of the Revaluation Review	28
Documents Pertaining to Statutory Compliance	38
Questions from Pearson’s Appraisal Service Answered by Revaluation Management.....	53
Recommendations for Future Revaluation Cycles.....	69
Exhibits on Findings	80

November 20, 2012

Public Input Meetings

As part of our Scope of Work for the 2011 revaluation review, Pearson's Appraisal Service conducted six meetings with concerned citizens prior to beginning the neighborhood and individual property reviews. A meeting location was selected in each Commissioner's district. Attendance for each meeting was not restricted to property owners from only those districts. There was a fair amount of representation at each district by property owners from other districts. The meetings were conducted between July 30, 2012 and August 9, 2012.

Date	District	Location	# Attended	# of Speakers
July 30	6	Matthews Town Hall	97	22
July 31	1	Cornelius Town Hall	170	50
August 2	3	Beattie's Ford Library	17	8
August 6	4	Government Center	17	6
August 7	5	Marion Diehl	76	30
August 9	2	First Baptist-West	20	10

Our primary intent for holding these meetings was to gain insight into common concerns with the revaluation process. We provided a survey for attendees to fill out and return to us. We also accepted additional documentation in an effort to supplement our review in the neighborhoods that were selected randomly or due to ratio of land value increase. We also reviewed the property record cards for all of those who returned questionnaire forms to us.

A large majority of the public input we received was from property owners who appealed their 2011 valuations. Many of the input forms we received also indicated or made reference to Board of Equalization and Review appeals.

Of the 164 citizens that responded to the question regarding public relations, 139 rated the County's public relations effort as poor. Although we did expect this response to be relatively high, we did not anticipate an almost 85% rating of poor among those who responded. We anticipated a level of dissatisfaction due to the inherent nature that those we were hearing from felt strongly enough about the revaluation process to come to our meetings. We do speculate that some of this dissatisfaction does indeed point to shortcomings in customer service and delays in the appeals process.

Of the 135 citizens responded to the question regarding explanation of appeal decision, 107 indicated that they did not receive an explanation for the outcome of their appeal decision. Many of those who did indicate they received an explanation also had appealed to the Board of Equalization and Review. In

November 20, 2012

retrospect, our feedback form should have differentiated among B.E.R. and the informal process to more accurately gauge the differences in responses between these levels of appeal.

Of the 135 citizens who responded to the question regarding instructions for further action in the appeals process, 70 responses indicated that the instructions were insufficient. We regard this as related to the concerns over confusing correspondence pertaining to appeal decisions issued by the County.

The following list contains common responses attendees cited regarding the 2011 revaluation process:

- Assessor's staff had a defensive attitude
- Fee appraisals disregarded
- Need for more transparency
- Hire an independent appraisal firm
- Lack of ability to meet with someone for informal appeal
- Having to wait all day at Board of Equalization
- No explanation of informal appeal decision
- County needs to review property information
- Review appeal documentation submitted by appellants
- Reflect market value
- Account for individual differences in land

As indicated in our Scope of Work, Pearson's will also conduct follow-up public input sessions at the end of our review project. The primary emphasis at these meetings will be to discuss findings of our review with attendees. The information presented at each district meeting will be tailored to the district but will also include information on our review of Mecklenburg County as a whole. We will also field questions from attendees and attempt to answer them to the best of our ability.

November 20, 2012

August 6, 2012

2011 Reval Review

Pearson's Appraisal

Citizen Input Form

I would like to speak tonight (Time permitting) Yes____ No____

Please fill out this form with as much information as applicable. Be sure to fill out your name and contact information in the event that we need additional information. Please be advised; filling out this form does not constitute or initiate a property value appeal. The information you submit will be considered by Pearson staff during the revaluation review.

Name:_____ Tel. #:_____ Email:_____

Primary Concern with 2011 Revaluation: (Please circle or fill in the blank)

- A) Accuracy of property data B) Overall percent of increase C) Accuracy of market analysis
D) Overall value not consistent with similar properties E) Lack of sales in my neighborhood F) Appeals process
G) Public information/Public relations H) Other:_____

If your primary concern is your property value please indicate which component: (Please circle)

- A) Land Value B) Improvement (Building) Value

What type of property?

- A) Residential B) Commercial C) Industrial D) Vacant Land E) Other:_____

Property Address:_____ Parcel ID (if known):_____

Have you reviewed your Property Information Record? Yes____ No____

Is the Property Information Record correct? Yes____ No____ (If no, please answer next question)

What information is incorrect?_____

Did you attend any County presentations on the revaluation? Yes____ No____

How do you rate the County's overall public information/public relations plan? (Please circle one)

- A) Poor B) Adequate C) Good D) No opinion

TURN OVER FOR MORE QUESTIONS

November 20, 2012

What was your source for information concerning the revaluation? (Please circle all that apply)

A) Newspaper **B)** Website **C)** Local TV news **D)** Family/Friends **E)** County Presentations

F) I was not aware of any information prior to receiving my new value **G)** Other: _____

How can Mecklenburg County make future revaluations better?

Additional Comments

Did you appeal your property value? Yes_____ No_____ (If no, disregard remaining questions)

Did the appeal officer explain your reassessment? Yes_____ No_____

Were you notified of a decision? Yes_____ No_____

Were the instructions for further action sufficient? Yes_____ No_____

How can the County better improve the appeal process? _____

November 20, 2012

Random Individual Property Reviews**Process**

375 properties in total were reviewed during this phase of the revaluation review. Our initial plan was to review at least 200 random individual properties. We made an adjustment before beginning this phase to randomly select 75 parcels and then include the four closest adjoining properties to the random selected property. This decision was made to better account for subjective characteristics of property data such as effective age and grade. It also allowed us to make comparisons between land values of neighboring properties.

The 75 properties were chosen by utilizing a random number generator. The input parameters for the range on the random number generator were 1 to 385252. This represents the first and last account numbers in the 2011 AssessPro database. Each property has a unique account number. Account numbers were excluded from being selected if they were associated with tax exempt properties. Our randomized results produced various property classes including, detached single family residential, townhomes, condominiums, and commercial properties.

Pearson staff routed record cards and printed maps associated with the immediate surroundings of the randomly selected properties. Property characteristics were reviewed on location at the property. Pearson staff worked from well-marked vehicles with magnetic vehicle signage stating "Mecklenburg Revaluation Review".

The first procedure when arriving on a property was to attempt to make contact with the property owner to inform them of the purpose for our visit. Owners were given the option on whether or not to participate in this process. Pearson staff would review interior information, such as bed and bath count as well as primary interior floor coverings. If owners were not home, a flier was left in a visible location to inform the owner of our visit and provide them with contact information if they needed to contact our staff.

From the exterior of the home, Pearson staff verified measurements associated with the sketch on the property record card. This was conducted to ensure accuracy of the square footage associated with a property's main building. Exterior siding type and quality grade were also reviewed. Pearson appraisers reviewed the associated depreciation/condition assigned to the main dwelling. SFYI items were also reviewed where applicable. Photos were taken of the main improvement when possible and permitted by the owner. All of the data reviewed was noted on the printed property record card and the property review form we designed specifically for this phase of the project.

November 20, 2012

Findings

Result	Count	Percentage
Acceptable	280	76
Major	44	12
Minor	45	12

The International Association of Assessing Officers (IAAO), a leading authority on mass appraisal, recommends that property be maintained to a confidence level of at least 90 percent on subjective data (quality grade, effective age) and a confidence level of 95 percent on objective property characteristics (exterior siding, roof cover, etc.). Based on our conversations with Tax Office staff, it has been 17 years since the countywide property data was reviewed in the field. While our sample size is small in relation to the overall parcel count in Mecklenburg County, we are confident based on this phase, as well as instances of data inaccuracies in the neighborhood review phases, that on-site field inspections will be necessary prior to any future revaluations. The IAAO recommends that all properties receive “a physical review at least every four to six years... including an on-site verification of property characteristics.”

Accurate property data is essential in the analysis of sales. Accuracy of this data is also extremely important when attempting to assign weight to various property characteristics when building and modifying replacement cost schedules.

November 20, 2012

Random Individual Review Instructions used by Pearson staff

These properties were RANDOMLY selected to review the accuracy of property record information used to revalue property during the 2011 revaluation.

Keep in mind:

- Make sure your signs are on vehicle before arriving to the property
- Before doing anything else on property, knock on door. If no one is home, leave the information flyer near the front door.
- Clearly note on the review form and the PRC whether or not the owner was interviewed.
- Attempt to take photos of all 4 sides of a property if possible
- You don't need to take every measurement of the property; just make sure you take enough to be confident in the overall accuracy of the sketch
- ALWAYS be courteous to the property owner- if they ask us to leave just note that on the PRC and property review form. Thank them for any information they provide if they are interviewed.
- No interior inspections- even if invited in.

Items to ask property owner:

- # of baths- half and full
- # bedrooms
- type of floor coverings
- # fireplaces
- last time home had any significant remodel (what and when)
- Any finished basement or finished upstairs area (use your judgment on when and where to ask this)
- Ask about heating and cooling systems

Items to include in summary of visit:

- Any property characteristic discrepancies
- After completing a review of the 5 properties in each set, review the subjective qualities such as grade, effective age, and any depreciation. Also review the land values.
 - Include any discrepancies you see between the properties in the overall summary.

November 20, 2012

Random Individual Property Review Form

Parcel ID: _____

Visited by: _____

Street Address: _____

Date Visited: _____

NBH #: _____

Time Visited: _____

NBH Common Name: _____

District #: _____

Property Type: Single Family Detached, Condo, Townhouse, Office, Retail, Apartments, Other
Commercial, Industrial

Owner Information

Spoke with owner/occupant? Yes _____ No _____

Interior information provided? Yes _____ No _____

Interior information correct on PRC? Yes _____ No _____

Latest remodel?: _____

Additional

Comments: _____

Was main building measured during this visit? Yes _____ No _____

If no, why not?: _____

Photographs Taken:

Front: _____ Image # _____

Rear: _____ Image # _____

Sides: _____ Image # _____

_____ Image # _____

November 20, 2012

Informational flyer left at property:

With Owner: _____ At front door: _____ Did not leave (provide
reason): _____

Commentary on Property Visit:

November 20, 2012

Random Individual Property Review Flier

Property ID: _____

This notice is to inform you of our recent review of your property or neighborhood for accuracy of property characteristics. Pearson's Appraisal Service is in the process of conducting a review of the 2011 Real Property Revaluation. Our firm was selected on July 3, 2012 by the Mecklenburg County Board of Commissioners to conduct this review.

Our Scope of Work includes an on-site review of **randomly selected** properties and neighborhoods. In order for the review to be most effective, we respectfully request that you allow your property to remain in our list of randomly selected parcels. No personal information will be made public as a result of our review. We intend to use the sampling of 300+ properties to develop trends and statistics on the accuracy of Mecklenburg County's records. In order to achieve a statistically significant data set, it is important to include all properties that were randomly selected.

What you should expect from our on-site visit of your property:

-Our qualified appraisers will attempt to make contact with the home or business owner/occupant upon arriving on the property. We would like a few moments of your time to verify information concerning the interior of your home. We **will not** ask to enter the interior of your property. If no one is home at the time of our visit, you may contact our review team at the telephone number or email address below to review details about the interior of your home.

-Verification of measurements: As part of our review of property information we would like to review the measurements of your home or business. The measurements are taken from the outside.

-Photographs of your home or business: We will take photographs of your property to verify our visit and to prevent us having to make a second visit to your home during our review. The photographs we take **will not** be updated to Mecklenburg's real estate website.

Contact Information

Telephone: xxx-xxx-xxxx

Email: xxxxxxxxxxxxxx@PearsonsAppraisal.com

For more information on the review project please visit:

November 20, 2012

<http://charmeck.org/mecklenburg/county/AssessorsOffice/Pages/RevaluationReview.aspx>

Thank you for your cooperation on this important phase of our 2011 Revaluation Review

November 20, 2012

Neighborhood Reviews

Throughout the course of our revaluation review, Pearson personnel analyzed over 200 individual tax neighborhoods. This number constitutes roughly 15 percent of the overall neighborhood count for the 2011 revaluation. While our review of these neighborhoods was detailed and multi-faceted, it was not conducted in a manner comparable to a revaluation. Our primary purpose in reviewing tax neighborhoods was to gauge the overall equity in a neighborhood, determine the relationship between assessed market values and qualified market sales, and identify any anomalies or inconsistencies in appraisal methodology.

We developed a grading system for our findings to aid in categorizing and assessing the overall level of confidence in appraisal work. The grade assigned does not imply or insure that every parcel in that neighborhood is accurately valued. Our grade assignment was based on a perspective from the neighborhood's valuation as a whole. This includes both equity and accuracy of assessed values to actual market value.

Determination Grades

Acceptable: The County's overall valuation of the subject neighborhood is satisfactory based on the scope and procedures of our review. The overall equity of the parcels is reasonable and acceptable for January 1, 2011. Any errors we may have discovered were infrequent and limited to the individual parcel level.

Minor Issues: During the review, instances of inequity or erroneous data were discovered. These instances of inequity or incorrect information, by our determination, did not have a major effect on the overall valuation of the neighborhood as a whole. Issues pointed out as minor could be addressed by County staff in a reasonable manner as we attempted to pinpoint the inequities or inaccuracies.

Major Issues: During the review, instances of inequity or erroneous data were discovered that have a significant impact on the valuation of the neighborhood as a whole. Examples of this type of issue may include; significant erroneous data on sales used to determine market value for the neighborhood, widespread misapplication of grades/lot values/ neighborhood modifiers, or any other issue that, in our opinion, significantly affects the market value as of January 1, 2011 or the parcel-by-parcel equity of the neighborhood.

November 20, 2012

Reports utilized during Neighborhood Reviews

Pearson staff utilized reports generated from the Patriot CAMA 2011 file of the property tax database for reviewing property data and assessed values. The reports were exported from the CAMA system in a format recognizable by Microsoft Excel. Converting the data to Excel files allowed our staff to sort, filter, and perform calculations on the property data contained in the reports.

Reports produced from the Patriot CAMA system include:

- a. **Parcel Improvement Reports-** used to review improved property characteristics in a neighborhood. Vacant parcels are not listed in this report. Data elements in this report include Parcel Identification Number, Building Value, Street Address, Building Type, Heated Square Footage, Actual Year Built, Effective Year Built, Primary Exterior Siding Type, Grade, Story Height, Bed Count, Bath Count, and any obsolescence depreciation applied to the improvements
- b. **Detailed Land Line Reports-** used to review land values for all parcels in a neighborhood. Data elements in this report include Parcel Identification Number, Street Address, Unit Type (lot, acreage, square footage, etc.), Unit Count, Land Use Code, Neighborhood Modifier, Base Unit Price, Land Adjustment Factors, Assessed Land Value, Previous Land Value, and Percent Change in Land Value.
- c. **Appeals Report-** used to review the number and level of appeal for all parcels in a neighborhood. Parcels that did not appeal are not listed in this report. Data elements in this report include Parcel Identification Number, Land Use Code, Appeal Level, County Notes on Appeal, B.E.R. Date (where applicable), Reason (No Change or Reason for Change), Pre-appeal Total Value, Post-appeal Total Value, and Appeal Status.
- d. **Sales Report-** used to review transactions for all parcels in a neighborhood. This report was limited to the sales date utilized in the 2011 revaluation study: 2009 & 2010 sales. This report was not restricted to County qualified sales. All transactions, including those that did not contain deed stamps, were included in this report. Data elements in this report include Parcel Identification Number, Situs Address, Quality Grade, Heated Area, Year Built, Effective Year Built, Sale Price, N.A.L. Code, and Date of Sale.

November 20, 2012

Random Neighborhood Review**Process**

150 neighborhoods in total were selected at random for inclusion in our review. The primary emphasis in these neighborhoods concerned equity among parcels.

Each of the 1333 tax neighborhood numbers and descriptions in the 2011 property database were imported into Microsoft Excel. In Excel we utilized the random number function to assign each neighborhood a random number between 1 and 1333. We used a random number generator to produce 150 results between the range of 1 and 1333. This was the methodology utilized to produce the random sample of neighborhoods.

Pearson staff reviewed neighborhood reports for each random neighborhood. The report descriptions detailed on the previous page were the primary reports utilized in this phase of the review. These reports were used in conjunction with the GIS viewer interface of the AssessPro CAMA software. Additional resources utilized included the POLARIS real estate lookup system and Virtual Charlotte for aerial data and street-view imagery.

Review forms were filled out for all neighborhoods reviewed. These forms will be submitted to Mecklenburg County in an electronic format as soon as all of the forms are scanned and cataloged by Pearson staff.

Findings

NBH #	Common Name	Determination
A131	PENINSULA	Major
A135	CROWN LAKE	acceptable
A140	MCKENZIE	acceptable
A301	DAVIDSON AREA	acceptable
A324	VICTORIA BAY	acceptable
A330	FAUST	acceptable
A511	OAKHURST	acceptable
A517		acceptable
A527	PRESERVE AT ROBBINS PARK	acceptable
A726	SUMMERS WALK	acceptable
A732	PARK PLACE @ DAVIDSON	acceptable
A904	GILEAD RIDGE	acceptable

November 20, 2012

A936		acceptable
AP01	MF - DOWNTOWN SUBMARKET	acceptable
B509	CAMBRIDGE/ALSTON FOREST	acceptable
B518	SAO PAULA	acceptable
B704	ALEXANDER PLACE	acceptable
B715	MELBOURNE/NEW	acceptable
B917	VERMILLION III	acceptable
C110	MCGINNIS VILLAGE	acceptable
C723	SWEETBRIAR	acceptable
C741	MALLARD RIDGE/PLOVER	acceptable
C752	AVALON FOREST	acceptable
C755	FOX GLEN/RED TAIL	acceptable
C761	TOWERING PINES	acceptable
C908	TURNBERRY / STONEY CREEK / PROSPERITY VILLAGE	acceptable
C914	STONEY CREEK I	acceptable
C923	MAPLELEAF	acceptable
C928	DOMINION GREEN	acceptable
C934	STONEY CREEK / GARRISON	minor
C938	ACORN CREEK	acceptable
C943	BALSAM TREE	acceptable
CC07	CONDO, COMMERCIAL - NORTH	Major
CR32	CONDO, RESIDENTIAL - WEST - AVERAGE	minor
CR76	CONDO, RESIDENTIAL - SOUTH - CUSTOM	acceptable
CW05	CONDO, WAREHOUSE - NORTHWEST	minor
D116	MERRILY LANE	acceptable
D122	STRATFORD POND	acceptable
D321	PRIMROSE	acceptable
D520	FOX CROSSING	acceptable
D713	SOUTHMINSTER	acceptable
D719	POINT AT OAKDALE	acceptable
D728		acceptable
D733	SILVER GARDEN	minor
E501	I-85 / STATESVILLE RD	acceptable
E515	FAIRSTONE	minor
E715	HEMBY WOODS	acceptable
E910	OWEN / FARMFIELD	Major
F301	MT HOLLY RD AREA	minor
F713	SUMMIT HILLS (NEW)	acceptable
HOTE	HOTEL - ECOMOMY	Major
I002	HAWTHORNE	acceptable

November 20, 2012

I712	HUNSLET	acceptable
J102	BEVERLY HILLS-MIDWOOD LITE	minor
J311	PLAZA LITE	acceptable
J513	MIDWOOD II	minor
J710	HUNTERS CROSSING / NEWELL ACRES	acceptable
J914	PLAZA PARK	acceptable
K111	WINDSOR PARK	acceptable
K511	WILLOWS CREEK	acceptable
K519	FARMINGTON WOODS	acceptable
K722	BOULDER CREEK	acceptable
K802		acceptable
K902	PENCE ROAD II	minor
K913	NATHANIEL GREEN / MALLARD EASTLAKE	acceptable
K917	LYNTON PLACE / EDINBOROUGH WOODS	acceptable
K928	IVERNESS	acceptable
L112	WOODLAND FARM	acceptable
L116	STEWART CROSSING	acceptable
L131	ASHBY@WOODBERRY	acceptable
M301		acceptable
M314	DILWORTH IV	minor
M911	WOODLAND HILLS	minor
N502	RAVENSCROFT	acceptable
N512		acceptable
N525	ELLINGTON FARM	minor
N714	WILSON WOODS	Major
N902	GLENCROFT	minor
N911	MEADOW HOLLOW	acceptable
N920	CLEAR CREEK ESTATES	acceptable
N927	SUMMERWOOD	acceptable
O506	REVOLUTION PARK	acceptable
OF02	OFFICE - MIDTOWN SUBMARKET	Major
OF07	OFFICE - NC 51 / SOUTHWEST SUBMARKET	acceptable
OF11	OFFICE - CROWN POINT / MATTHEWS SUBMARKET	major
P331	MYERS PARK I	Major
P709		acceptable
Q311	MONROE RD AREA	acceptable
Q502	STRIDER RIDGE	acceptable
Q718	GREENBRIAR WOODS	minor
Q911	ARCHDALE	acceptable
R120	PARK RD EXT AREA	minor
R311	HUNTINGTOWNE AREA	minor

November 20, 2012

R505	Park Road	minor
RE08	RETAIL - NORTHEAST SUBMARKET	Major
S320	GOVERNOR'S SQUARE GOVERNOR GOVERNOR'S SQUARE	Major
S323	SHARON RD AREA	acceptable
S702	CARMEL RD / SHARON VIEW RD	minor
S721	BENTLY OAKS	acceptable
S741	PELLYN WOODS	Major
S912	CHARING PLACE	minor
T111	WOODBERRY RD AREA	minor
T302	SARDIS ROAD NORTH AREA	minor
T318	SOUTHWOOD / BRANDYWINE	acceptable
T342	OSAR SUB	acceptable
T503	MAYHEW FOREST	acceptable
T522	STILWELL / SHANAMARA / MAYHEW	acceptable
T701	EAST OF MINT HILL	acceptable
T901	LAKE WYLIE/CATAWBA RIVER	minor
T910	PINE HARBOR RD	minor
TH12	TOWNHOUSE 12 - SOUTH	acceptable
TH1M	Townhouses South Ave	acceptable
TH4A	Townhomes North Ave	acceptable
TH8V	Townhomes East Custom	minor
U113	SANDY PORTER	acceptable
U301	ARROWOOD RD / I-77	minor
U505	KINGS CREEK	acceptable
U713	OBERBECK FARM / BRANDON FOREST	minor
U913	CARMEL VALLEY	acceptable
U920	BEVERLY WOODS / MOUNTAINBROOK / KINGSWOOD	acceptable
U930	SHARON WOODS	Major
V111	SHADOW LAKE	minor
V116	WESSEX SQUARE	acceptable
V138	STONECROFT	minor
V174	PROVIDENCE SPRINGS	acceptable
V313	SARDIS FOREST	acceptable
V333	Stratfordshire	acceptable
V503	NEW	acceptable
V510	WINDING TRAIL	acceptable
V703	MONTREUX	minor
V912	MALLARD LANDING	acceptable

November 20, 2012

W101	URBAN 221	acceptable
W110	CARMEL / 485	minor
W310	HERSHAM MEWS @ TOUCHSTONE	acceptable
W323	ELMSTONE @ THORNHILL	acceptable
W330	KENSINGTON	acceptable
W354	GLENFINNAN / BRIDLESTON	acceptable
W510	TIMBERIDGE @ RT	minor
W516	LAKE PROVIDENCE	Major
W522	BERKELEY	minor
W536	OLD ST ANDREWS	acceptable
W542	THE GREENS @ PG	acceptable
W732	PROVIDENCE PLANTATION	Major
W736	PROVIDENCE GLEN	acceptable
W906	OXFORD AT SOUTHAMPTON	minor
W919	RAEBURN II / PARKS FARM	minor
W926	BLAKENEY HEATH	acceptable
W932	GLYNDEBOURNE	Major
W937	SUNDANCE/SILVERADO	acceptable
W955	WESTON GLEN	acceptable
X121	PROVIDENCE ARBOURS	acceptable

November 20, 2012

Random Neighborhood Review Form

NBH # _____ **Commonly Known As:** _____

Reviewer Name: _____ **District #** _____

Review Date: _____

Total Parcels: _____ **Total Parcels Improved:** _____

Neighborhood Factor/Adjustment applied? _____

Main Improvements

Predominate structure type (SFR, Condo, TH, etc): _____

Bldg. Value Range: _____ **to** _____

Age Range: _____ **to** _____

EYB Range: _____ **to** _____

Heated SF: _____ **to** _____

Grade Range: _____ **to** _____

Depreciation Range: _____ **to** _____

Any special depreciation applied to buildings (if any describe): _____

In your opinion, are the main improvements homogeneous? _____

Appeals

Informal: _____ **# BER:** _____

Opinion on Treatment of appeals: _____

November 20, 2012

Land

Land typically priced by (AC, FF, Lot, SF): _____

Typical lot size range: _____ to _____

Land Value Range: _____ to _____

Adjustment Range: _____ to _____

Land Modifiers used in NBH?: _____

Sales

Total # 2009 Sales: _____ # County Qualified 2009 Sales: _____

Total # 2010 Sales: _____ # County Qualified 2010 Sales: _____

Are sales representative of neighborhood? _____

Sales valued/treated similar to non-sales? _____

Do you agree with the sales qualification? _____

Overall Summary (Narrative response – attach additional info if necessary)

November 20, 2012

November 20, 2012

Land Increase Neighborhoods Review**Process**

52 neighborhoods in total were reviewed in this phase of our review. The primary emphasis in these neighborhoods was equity among like and similar properties and also the validity of the sales analysis that resulted in the increases to land values. A report was generated from the 2011 property database that compared the 2011 values for each neighborhood to the prior land values. A ratio was produced and the list was sorted by neighborhood ratios from the highest to the lowest. Only neighborhoods with 100 parcels or more were considered during this phase of the review.

Pearson staff reviewed neighborhood reports for each of the largest land increase neighborhoods. The same reports as those utilized in the random reviews were utilized in this phase of the review. These reports were used in conjunction with the GIS viewer interface of the AssessPro CAMA software. Additional resources utilized included the POLARIS real estate lookup system and Virtual Charlotte for aerial data and street-view imagery. Neighborhoods were site visited where warranted by Pearson staff.

Multiple Listing Service was also utilized during this phase of our review. We attempted to gather property listings for all County qualified sales, as well as transactions County staff qualified as "Other" and "Forced". The listings were reviewed to research marketing time of properties and to verify the property characteristics the County had on record for these parcels.

Findings

NBH Number	NBH Name	Determination of Review
A101	LAKE NORMAN	Major
A109	BLUESTONE HARBOR	Minor
A118	BAHIA BAY	Major
A121	LAGOONA/RAINBOW	Major
A132	PLAYERS RIDGE / SPRINGWINDS	Major
A323	MCCONNELL	Minor
A514	MAGNOLIA ESTATES	Acceptable
A551	THE GREENS @ BIRKDALE	Major
A724	DAVIDSON COLLEGE AREA	Minor
A733	CORNELIUS TOD	Minor
A738	BAILEY'S GLEN	Acceptable
A913		minor
A926	BIRKDALE EAST	Acceptable
B302	PAMELA	Major

November 20, 2012

B713	NOTTINGHAM	Minor
B901	HUNTERSVILLE-EAST	Acceptable
C101	HUNTERSVILLE / CONCORD RD	Minor
G905	BEATTIES FORD RD AREA	Major
H105	WESLEY HEIGHTS	Major
H301	THIRD WARD	Acceptable
H906	SYLVANIA AV AREA	Major
I106	VILLA HEIGHTS I	Major
J112	ACADEMY ST AREA	Minor
J113	THE ARTS DISTRICT	Major
J502	SABLEWOOD	Acceptable
M110	DILWORTH SOUTH	Major
M510	CHERRY NEIGHBORHOOD	Acceptable
N110	NORLAND RD AREA	Minor
N711	BAINVIEW	Acceptable
N713	PINE GROVE	Acceptable
N910	CLEAR MEADOW	Acceptable
O510	REVOLUTION PARK / WILMORE / S. TRYON	Major
O707	MARSH/POINDEXTER	Acceptable
O709	SCALEYBARK NORTH	Minor
O710	MARSH RD	Minor
O711	PARK RD	Minor
O911	SCALEYBARK SOUTH	Minor
OF10	OFFICE - NORTH SUBMARKET	Major
R111	SENECA PL AREA	Major
R112	STARMOUNT	Major
R303	SPRING VALLEY/ BRANDON	Acceptable
R919	FAIRMEADOWS / BEVERLY WOODS	Major
R922		Minor
RE07	RETAIL - NORTH SUBMARKET	Major
S701	CARMEL RD	Major
S710	MAMMOTH OAKS	Major
S725	WANDERING WAY	Minor
U909	OLDE GEORGETOWN / SHARON HILLS 2	Minor
U911	MONTIBELLO CROSSING	Minor
U923	SHARON HILLS I	Minor
V701	YORK RD / YOUNGBLOOD RD	Acceptable
W120	THE COTTAGES	Acceptable

November 20, 2012

Land Increase NBH Review Form

Pearson's Appraisal Service Inc.
Mecklenburg 2011 Reval Review

NBH # _____ Commonly Known As: _____

Reviewer Name: _____ District # _____

Review Date: _____

Total Parcels: _____ Total Parcels Improved: _____

Describe location of neighborhood: _____

Main Improvements

Predominate structure type (SFR, Condo, TH, etc): _____

Bldg. Value Range: _____ to _____

Age Range: _____ to _____

EYB Range: _____ to _____

Heated SF: _____ to _____

Grade Range: _____ to _____

Depreciation Range: _____ to _____

Any special depreciation applied to buildings (if any describe): _____
_____In your opinion, are the main improvements homogenous? _____
_____**Appeals**

Informal: _____ # BER: _____

Opinion on Treatment of appeals: _____

November 20, 2012

Land Increase NBH Review Form

Pearson's Appraisal Service Inc.
Mecklenburg 2011 Reval Review

Land

Land typically priced by (AC, FF, Lot, SF): _____

Typical lot size range: _____ to _____

Current Land Value Range: _____ to _____

Prior Land Value Range: _____ to _____

Adjustment Range: _____ to _____

Land Modifiers used in NBH?: _____

Neighborhood Factor/Adjustment applied? _____

Sales

Total # 2009 Sales: _____ # County Qualified 2009 Sales: _____

Total # 2010 Sales: _____ # County Qualified 2010 Sales: _____

Qualified Land Sales: _____

Are sales representative of neighborhood? _____

Sales valued/treated similar to non-sales? _____

Do you agree with the sales qualification? _____

Is the property data accurate on qualified sales? (explain) _____

November 20, 2012

Land Increase NBH Review Form

Pearson's Appraisal Service Inc.
Mecklenburg 2011 Reval Review

Overall Opinion of NBH Assessment

Are the neighborhood boundaries justified? _____

Are nearby neighborhoods treated similarly? _____

Based on the available sales and your own opinion, was the overall assessment for this neighborhood representative of 2009-2010 market conditions?

Describe any equity issues, misallocation of value (improvement vs. land), inaccuracy of market analysis, etc. that you found during your review. Include recommendations for corrective action if necessary.

Additional documentation attached? Yes _____ No _____

Please label additional documentation with what you are providing evidence of/illustrating

November 20, 2012

Summary of Findings of the Revaluation Review

Based on our overall findings from the performance of our Scope of Work, Pearson's Appraisal Service recommends that the neighborhoods we reviewed and found major issues be addressed by Mecklenburg County. We recommend that the parcels that are included in these neighborhoods receive a parcel-by-parcel review to resolve issues of inequity. Neighborhoods we have deemed to have minor issues should also be addressed but may not require site visits. Under current North Carolina state statutes (G.S. 105-287 c), any changes to properties in these reviewed neighborhoods would be effective for the current year and forward but would not be retroactive.

It is important to note that approximately 15 percent of the tax neighborhoods were included in our review. Based on similarities between the neighborhoods that were deemed as having major inequities, it will be necessary to determine additional neighborhoods where significant issues may exist. We believe neighborhoods of a heterogeneous makeup of improvements with a significant portion of the total property value attributable to land are the most likely neighborhoods where significant issues may exist. It is our recommendation that Mecklenburg County review land to building ratios by neighborhood, overall 2011 appeal rates by neighborhood, and improvement reports for neighborhoods to try to pinpoint the areas that may be problematic.

Key Findings**Application of Neighborhood Modifiers**

2011 Mecklenburg Schedule of Values definition for Neighborhood Modifier:

"This may be used to adjust the weight of the neighborhood factor to account for influences like property that is assigned to a wealthy neighborhood but borders on a poor neighborhood. The Neighborhood modifier has associated factors for land, building, and SFYI".

2011 Mecklenburg Schedule of Values definition for influence code:

"Select a category to give a positive or negative adjustment for the land based on an influence that is not represented elsewhere on this screen. For example, there may have waterfront or view influence codes"

November 20, 2012

“These codes refer to any influences - positive or negative - the appraiser judges to have an effect of the property’s value and for which adjustments need to be made. These Land Influence Types may be found in the AssessPro table of the same name and include access (AC), shape (SH), size (SZ), topography (TO) and many others. They are expressed as percentages.”

During the course of our review, we found no examples where neighborhood modifiers produced any modifications to building or SFYI (Special Features & Yard Items) values. We regard that part of the aforementioned definition to be non-applicable in the valuation process. That part of the definition is presumably boilerplate material from the software vendor.

Use of neighborhood modifiers in residential neighborhoods

In residential neighborhoods, neighborhood modifiers were often used to account for characteristics specific to an individual property. Instead of using “influence code” adjustments such as shape, size, and topography with clearly expressed percentages for each adjustment, appraisers would use the neighborhood modifier. The use of neighborhood modifiers in this manner, results in a lack of transparency in land appraisal.

It is difficult to ascertain what particular land characteristics were taken into account in producing the neighborhood modifier for a property. If an appraiser did not record a note in the property record card as to what characteristics were specifically factored into the resulting neighborhood modifier, a property owner cannot be certain that all characteristics that influence market land values were taken into account.

The use of neighborhood modifiers to reflect individual property characteristics makes the review of land line reports much more difficult. The Patriot AssessPro system has a detailed land line report that contains columns for influence adjustments. A staff appraiser’s ability to review this report for parcel-by-parcel consistency on adjustments for influences is a vital part of the revaluation process. Errors in application of characteristics to properties like and similar are harder to recognize when neighborhood modifiers are the primary method are adjusting for individual characteristics in land values.

The mixing of influence code adjustments with neighborhood modifiers also hinders an efficient review of neighborhood values through the use of the GIS viewer interface of the Patriot CAMA system. It is our understanding that this was a primary tool the Tax Office staff utilized to produce the values for the 2011 revaluation. The GIS viewer allows certain fields of the CAMA database to be viewed spatially on a map. By turning on and off data layers, one can readily determine where adjustments are and are not applied. If properties in a particular neighborhood are not adjusted consistently among properties, the spatial analysis of the GIS viewer is much less of an effective tool in gauging equity among properties.

November 20, 2012

In some instances neighborhood modifiers were used in a manner that was in keeping with the spirit of the definition as listed in the 2011 Schedule of Values. Certain sections or streets in neighborhoods may have received adjustments for factors such as traffic or consistently smaller lot sizes. For these uses of neighborhood modifiers, we found no inherent problems with their use. Under these circumstances, the neighborhood modifier was typically “blanketed” across a particular area which did not result in inequity on a parcel-by-parcel basis on properties both like and similar. Even though equity was maintained in these circumstances, we are of the opinion that the best way to account for these variations in market value is through the use of influence codes applied to the individual properties that clearly define the purpose and extent of adjustments to land values.

Use of Neighborhood Modifiers in Commercial Neighborhoods

Most commercially zoned land in Mecklenburg County was valued by the square foot method for the 2011 revaluation. This is a common approach to valuing commercial land. The typical rate used throughout the County was 10 dollars per square foot. Utilizing neighborhood modifiers to adjust both up and down from this 10 dollar per square foot rate was found to be a common practice in many of the commercial neighborhoods we reviewed. In these neighborhoods, the neighborhood modifiers simply served as a mechanism for altering the base per square foot rate for a given geographic area without actually changing the 10 dollar rate in the unit price field of the property record. Additionally, influence codes were applied to individual properties for factors such as access, location, topography, and corner influence. All of these influence adjustments are typical considerations that should be factored into the land valuation process for commercial property.

In some commercial neighborhoods, we discovered the application of neighborhood modifiers was used in a way to account for both the modifications to the base square foot rate and as a substitute for the influence factors that would be accounted for individually on each property. Under this method of application, the use of neighborhood modifiers results in a lack of transparency in the land appraisal process. Much like the residential misapplication, it is difficult to determine what individual factors were considered in the land valuation of the property. Property owners cannot readily determine if nearby commercial properties also received the same base square foot rate or were adjusted for similar influences such as location or limited access.

The inconsistency by which the neighborhood modifiers were utilized on a county-wide basis makes quality control and analysis of land reports in commercial neighborhoods extremely difficult. It is our opinion that base per square foot land rates be developed for each separate commercial neighborhood in Mecklenburg County. These base lands rate should be displayed in the “unit price” field of the land line section of the property record. Differences in individual properties within a neighborhood should be accounted for in the influence code adjustments where each adjustment can be appropriately described and factored accordingly. This is a matter of improving transparency that would better serve both the Tax Office staff and the taxpayers.

November 20, 2012

Contributory Value of Improvements

The inclusion of Standard 6 of USPAP in the Mecklenburg Schedule of Values for the 2011 revaluation references this issue that must be considered when valuing properties:

“In developing a mass appraisal, an appraiser must observe the following specific appraisal requirements: ... recognize that land is appraised as though vacant and available for development to its highest and best use and that the appraisal of improvements is based on their actual contribution to the site;”

During the course of our review, we found a correlation between areas with significant issues of inequity and areas where assessed land values represent a substantial portion of the total property value. We attribute this correlation to inaccuracies in the value attributable to the improvements. In areas where property values have risen at a much more dramatic pace than the overall regional real estate market, properties have the potential to contain misimprovements. Homes that may have been built 30 years ago and may still have economic life under different circumstances are considered functionally or economically obsolete due to the changes in demand in the neighborhood.

The highest and best use of some improved properties may be a reversion to vacant land. Areas where this scenario is likely to be present can most often be identified by in-fill and teardown practices. In these areas the properties that are currently improved have to be reviewed to determine the contributory value of the improvements.

During the course of our review, we found that certain neighborhoods were given consideration for these market forces. County staff applied additional depreciation to certain dwellings in neighborhoods such as S321 and S110. It is our opinion that these same methodologies should have been employed in additional areas of Mecklenburg County to best reflect market value and account for the potential obsolescence of improvements due to the amount of total property value assigned to the land.

Neighborhood Factors

Definition from 2011 Schedule of Values:

“Display of the standard price per unit based on the neighborhood code as defined in the Price Data Calculation Table.”

November 20, 2012

Not to be confused with neighborhood modifiers, neighborhood factors were a frequently used valuation mechanism in many of the neighborhoods we reviewed in both our random sample and land increase neighborhoods. Although not listed in the definition, the application of neighborhood factors results in adjustments to the land, main building, and special features and yard item values for all properties in a particular neighborhood. Unlike neighborhood modifiers, which can be applied on a parcel-by-parcel basis, neighborhood factors affect every property assigned to a neighborhood.

The neighborhood factor is the valuation tool that we believe was comingled with the term “stigma adjustment”. As previously mentioned, we encountered the use of these factors in neighborhoods that increased in overall value as well as in neighborhoods that decreased in value. The primary manner in which these neighborhood factors were used was to produce a downward adjustment to a neighborhood’s overall values.

Virtually all CAMA appraisal software systems begin with a cost approach model for assigning value to improvements on a property. This approach involves assigning an accurate quality of construction grade and depreciation to an improvement to produce a replacement value. A reasonable land value is assigned to the property and added to the total replacement value of the improvements. In most cases, this practice of using the cost approach works remarkably well in reflecting market value as determined by actual sales occurring in the marketplace.

Market adjustments have become common occurrences in jurisdictions across North Carolina due to current economic conditions. Market adjustments have served as a way to reconcile differences in value between the cost approach and sales comparison approach to value. Market adjustments should not be applied to reduce properties below their true market value or raise them above true market value. The adjustments should only be applied to bring the actual valuations to a level in which the resulting assessed values reflect actual market sales in a neighborhood. During the course of our review we discovered very few incidents in which neighborhood factors produced results that we believed were inappropriate based on the sales data available. Neighborhoods in which we questioned the resulting assessed values have been marked on the corresponding review forms.

Variance of Improvement Grading

Mecklenburg County 2011 Schedule of Values definition for Grade:

“Here the appraiser identifies the overall quality of construction, including such things as architectural design and market appeal that may positively or negatively influence the market value of a property. See Chapter 11 for a detailed listing of these grades.”

November 20, 2012

Any County as large and populous as Mecklenburg will have an inherent amount of variation in improvement grading due to the subjective nature of characterization and the number of people required to maintain a property database of 350,000+ properties. During our review we found a wider than expected range of quality grades assigned to improvements, including single family residences. The correlation of quality grades assigned to actual quality of construction is important, especially when using an allocation or abstraction method for computing land values. The exhibits section of this report demonstrates that the quality grade assigned to an improvement did not always correlate to the quality of construction of the improvement. Mecklenburg County utilizes 36 quality grades for detached single family residences. Higher numbers represent higher quality grades. While variances among two or three grade levels are to be expected in any jurisdiction, much wider ranges may signify misallocation of value between land and buildings.

Improvement grading is an important criterion in establishing equity in tax neighborhoods. Tract built and other builder developed neighborhoods tend to contain narrower ranges of quality of construction of improvements. Many newer subdivisions have architectural covenants that are in place to maintain a certain level of similarity among dwellings. Older, established neighborhoods tend to have wider ranges of grades. As older homes are remodeled, enlarged, or replaced, the quality grades in a neighborhood may vary significantly. It is our opinion that in these heterogeneous neighborhoods, on-site physical inspections are necessary to ensure accurate quality grades and effective ages are assigned to improvements.

Listing of SFYI Items

During the course of our review we encountered multiple methods for accounting for secondary structures such as detached garages. Detached garages were found listed and sketched as part of the main improvement, as a separate line item in the SFYI section of a property record, or as a separate record card for the parcel. Each of these methods produces a different replacement cost due to variations in rates and factors utilized under the different listing methods.

Variances in methods may be appropriate depending on the overall contributory value of the secondary structure. What is most important is that secondary structures of similar utility and contributory value be equitably assessed. Detailed instructions and methodologies for the listing of secondary structures should be incorporated in a staff appraiser manual to ensure proper and consistent listing of these structures. During the next revaluation cycle there should be an emphasis on accounting for these structures in a consistent manner. Field visits of properties should include a review of these items whether they are associated with SFYI items or the main improvement.

November 20, 2012

Use of Land Sales for 2011 Revaluation

Mecklenburg County experienced a low volume of land sales during the study period for the 2011 revaluation. In the neighborhoods we reviewed, a majority of them had no land sales activity from 2009-2011. Overall, Mecklenburg County has a low volume of unimproved parcels. During the course of our neighborhood reviews, we did find some land sales that were disqualified even though the marketing time suggests that they should have been included as qualified sales. An example of this is included in the exhibits on findings section of this report.

The overall methods utilized during the revaluation by necessity were the allocation and abstraction methods. As previously mentioned, the overall lack of land sales in areas we reviewed placed limitations on the application of the direct sales comparison approach. The lack of land sales should also be regarded as an indication of the sluggishness of the real estate market during the study period of this revaluation. Both the allocation and abstraction methods of developing land values dictate that proper contributory value be assigned to improvements. While the majority of areas we reviewed did have proper allocations of land and building values, some of the neighborhoods we reviewed did, in our opinion, have improper allocations of value between land and improvements. This was either through missing or inaccurate building data or, in our opinion, inaccurate grading of improvements. Examples of each of these scenarios are included in the exhibits on findings section of this report.

Project Management Quality Control Improvements Needed

Many of the issues of inequity that we discovered during the course of this review could have been mitigated through better overall project management. Reappraisal efforts, especially in jurisdictions the size and complexity of Mecklenburg County, require a strict adherence to quality control standards and well defined appraisal methodologies employed countywide.

Although some of the major issues discovered during our review were created during the appeals process, many of the inequities were in existence at the time of the mailing of the 2011 notices of new values. Stricter supervisory review of the work of staff appraisers could have improved consistency of appraisal methodologies including items such as application of neighborhood modifiers and neighborhood factors.

Missing improvements from tax records that were discovered during our review support our belief that quality control measures performed by project management could have been more robust. In excess of 40 single family homes, condominiums, and commercial improvements were discovered countywide. Many of these improvements have been unlisted for 10 or more years. These were discovered both

November 20, 2012

through our use of the same appraiser tools that were utilized during the revaluation process, and also through querying of the AssessPro database.

Despite statements made by Tax Office staff, we do not believe edit reports such as Improvement Reports and Land Line Reports were reviewed for all neighborhoods. This was most evident in heterogeneous neighborhoods and neighborhoods with large land increases. We believe that the neighborhoods that experienced large amounts of increases should have been reviewed in a more thorough manner to ensure the changes were applied equitably and accurately. Our exhibits on findings contain examples of incorrect property data that should have been corrected had the proper reports been reviewed prior to the release of 2011 values.

Schedules of Value Errors Concerning Sub-Sections of Improvements

The 2011 Schedule of Values utilized during the revaluation, initially contained discrepancies in the pricing of certain improvement sub-sections. The valuation process listed in the Schedule of Values called for certain sub-sections to be valued at a flat rate price per square foot.

From Page 11-35 of the Schedule of Values

“@ - THESE SUB AREAS ARE NOT VALUED AS A PERCENTAGE OF THE BASE RATE, BUT RATHER ARE VALUED AT A FLAT RATE PER SQUARE FOOT, REGARDLESS OF BUILDING GROUP. THE FOLLOWING LIST DISPLAYS THE RELATED SQUARE FOOT PRICING FOR THESE SUB AREAS:...”

The 2011 AssessPro CAMA system did not price the referenced sub-sections by the flat rate listed in the Schedule of Values. This matter of discrepancy was brought to the attention of the Tax Office staff during tax year 2012 and has since been corrected in the 2012 AssessPro database to accurately reflect the valuation schema as outlined in the Schedule of Values. These corrections were made to all properties containing the sub-sections valued in violation of the schema listed in the Schedule of Values. Legal opinion provided to Tax Office staff instructed these matters of error to be corrected under G.S. 105-287 for the current year (2012) and forward.

Informal Appeals Process

The appeals process was cited as a major area of concern from those who attended the citizen input meetings. We also received similar negative responses regarding the informal appeals process from many real estate professionals we met with throughout this revaluation review project.

November 20, 2012

Value notices were mailed to residential property owners during February 2011. In total, more than 42,000 properties were appealed at the informal level for the tax year 2011. Appeal decisions were released in batches with the first notices of appeal decisions sent out in Spring/Summer of 2011. According to our information, the last of the 2011 appeal decisions were mailed to property owners in the December 2011 to January 2012 timeframe. This delay in appeal decisions resulted in frustration among property owners and caused a back log for the formal review process for 2011.

One of the primary concerns among citizens we met with during the course of this revaluation review was not having an option on the part of a taxpayer to meet with a representative from the Tax Office to discuss their new property value. Our firm regards face-to-face appeals as a critical option for any jurisdiction, even jurisdictions as large as Mecklenburg County. Some appellants prefer to meet with someone in person as opposed to submitting data via mail or online sources. This option is particularly advantageous to elderly residents and people with limited access to online resources. Commercial property owners and managers we met with during the course of this review also cited the lack of face-to-face informal hearings as a major weakness in acceptance of the 2011 revaluation.

Another primary concern among citizens was that the information submitted with their appeal was not given consideration by the appeal review officer. We were informed of incidents in which appellants submitted data that verified property characteristics different than those listed on the tax record, but upon receipt of appeal decision, these individuals discovered their values and erroneous property characteristics were left unchanged.

In our meetings with revaluation project management, we were informed that there were significant issues on the management of documentation submitted by appellants during the informal review process. According to Tax Office staff, the data submitted by mail was initially collated with data submitted by email or hand delivery sources. The information was categorized by the date the tax office received it instead of a more appropriate schema such as by Parcel Identification Number for the associated property under appeal. Significant time and effort was spent matching up documentation to the correct property.

AssessPro CAMA system's appeal module was in development at the time of the release of 2011 values according to project management. Appeal data was maintained in both the AssessPro CAMA system (valuation side) and NCPTS system (billing side). Due to limited testing of the appeals module in the CAMA system, double data entry was sometimes required because, procedurally, a protocol had not been established for the transfer of appeal data from AssessPro to NCPTS.

Project management informed us that 27 people, all permanent staff, were assigned to work the 42,000+ informal appeals. Approximately 13,000 properties were summarily dismissed for lack of evidence or documentation to support a different market value. The remaining properties under appeal that were determined as warranting a review would have totaled approximately 29,000. At the stated staffing levels of 27 employees working appeals, 11 months for 29,000 appeal decisions is, in our opinion, inadequate response time on behalf of the County staff to inform appellants of informal appeal decisions.

November 20, 2012

The overall informal appeal rate of approximately 12 percent of properties is not alarming considering the economic climate as of January 1, 2011. Reports we generated from the 2011 AssessPro CAMA database indicate that approximately 70% of all informal appeals filed resulted in a No Change decision by Tax Office staff. In our experience of conducting revaluation projects in multiple jurisdictions across North Carolina, we typically expect the number of No Change decisions to be closer to 50-60 percent of all appeal decisions.

Changes to value, both to individual properties and groups of like and similar properties, are a common practice in even the most successful and accurate revaluation cycles. It is normal for appellants to share relevant information that was not initially considered during the valuation process. During our review we found no evidence of a procedure for initiating mass changes during the informal appeals process. We found no evidence of an appeal decision producing values changes for all properties like and similar to the property under appeal even where mass adjustments were warranted. If information provided by an appellant warranted a change in value, adjustments were typically made only to the valuation of that individual parcel. This is an example of a lack of procedural process that results in inequity in a neighborhood of like and similar properties. It is our opinion that the informal appeal process was largely ineffective at addressing the concerns of the appellants, and in many cases resulted in greater numbers of inequities among similar properties due to a lack of protocol over what triggers mass changes in the appeals process.

Statutory Compliance to the Machinery Act

Based on our review of the statutory requirements as listed in the Machinery Act, we regard the procedures carried out in regard to the 2011 Mecklenburg Revaluation to be in compliance other than in the areas possessing significant levels of inequity among like and similar properties. During our presentation to the Board of County Commissioners on November 13, 2012, we raised an issue of potential non-compliance with G.S. 105-317 (b) (7) concerning the duty of the Assessor to inform property owners in writing of their right to an on-site inspection of their property. Since our presentation, we have received from Tax Office legal representation a copy of the 2011 informal notice of value that, in our opinion, clearly addresses G.S. 105-317 (b) (7). A copy of the informal notice is included in the following pages as well as other documentation pertaining to additional statutory compliance matters.

Mecklenburg County Assessor's Office
Real Estate Appraisal Division
PO Box 31127 Charlotte NC 28231
<http://tax.charmeck.org>

Date: 02/08/2011 Last Date to Appeal: 03/10/2011
Property Desc: 5711 TUFTON BRAE CT CHARLOTTE
Legal Desc: 0.572AC L3 M46-979



Historic/Use Value: 0

0011-8976(199609)18:03<0251::AID-JEPM251>3.0.CO;2-L

DAYTIME PHONE

November 20, 2012

STANDARDS FOR APPRAISAL AND ASSESSMENT

North Carolina General Statute 105-283 Uniform Appraisal Standards: All property, real and personal, shall as far as practicable be appraised or valued at its true value in money...the words "true value" shall be interpreted as meaning market value, that is, the price estimated in terms of money at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or 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.

Informal Review Process: Mecklenburg County will make available personnel to review your real estate values. A CHANGE IN VALUE WILL BE CONSIDERED ONLY IF THE OWNER CAN DEMONSTRATE THAT THE ASSESSED VALUE IS MORE THAN MARKET VALUE, OR IS INCONSISTENT WITH VALUE PLACED ON LIKE OR SIMILAR PROPERTY. A request for review must be made in writing by completing the attached Informal Review Form in its entirety and returning it to the County Assessor. If you disagree with the value on this notice, and the notice date is prior to the convening of the Board of Equalization and Review, you have 30 days from the date of the notice to appeal. If the notice date is after the convening of the Board you have 15 days in which to appeal the value. If this notice is the result of a Countywide Revaluation you may request an actual visitation. The Informal Review process takes many months to complete in a year in which a Countywide Revaluation has taken place. Your right to appeal to the Board of Equalization and Review is protected during the time we are considering your Informal Appeal.

Board of Equalization and Review: If you disagree with the results of your Informal Appeal, you have a right to file a formal appeal to the Board of Equalization and Review (BER). You may request an appeal any time prior to the adjournment of the BER, or within 15 days of your last Notice of Assessed Value. All requests for appeal must be made in writing and on the proper form. Appeal forms are available at the County Assessor's Office. Actual times and dates will be advertised in the local newspaper. The first meeting of the Board must be held no earlier than the first Monday in April and no later than the first Monday in May.

PLEASE DETACH HERE ONLY IF YOU WISH TO APPEAL. RETAIN TOP PORTION FOR YOUR RECORDS

INSTRUCTIONS TO REQUEST AN INFORMAL REVIEW

If you wish to appeal the value on this notice, carefully complete the informal review form on the reverse side and return by mail or fax no later than the last date to appeal listed on the front of this notice. Mecklenburg County will make personnel available to review your real estate values. A change in value will be considered only if the owner can demonstrate that the assessed value is more than market value as of 1/1/2011, or is inconsistent with the value of similar property.

A review of assessed values may result in assessments being: (1) left unchanged, (2) reduced, or (3) increased in value. By law you cannot appeal your property value based on either (1) its percent of increase, or (2) your ability to pay the tax.

If you maintain a mortgage escrow account with an institution, you may want to discuss this new value as it relates to your escrow account with that institution.

Additional information _____

Tax Representative Name, (If Applicable): _____

Tax Representative Contact Information: _____

ALL REQUESTS FOR REVIEW MUST BE MADE PRIOR TO THE DATE OF ADJOURNMENT OF THE BOARD OF EQUALIZATION AND REVIEW OR WITHIN 15 DAYS OF THE LAST NOTICE OF ASSESSED VALUE. RETURN THIS FORM ONLY IF YOU WISH TO APPEAL THE ASSESSED VALUE TO:

MECKLENBURG COUNTY ASSESSOR'S OFFICE
REAL ESTATE APPRAISAL DIVISION
PO BOX 31127, CHARLOTTE NC 28231
E-Mail: revalappeals@mecklenburgcountync.gov
FAX NUMBER: 1-888-292-6859

November 20, 2012

Gmail - Notice of Adoption of Uniform Schedules

Page 1 of 2



Emmett Curl <emmett2004@gmail.com>

Notice of Adoption of Uniform Schedules

1 message

Alexander, Garrett <Garrett.Alexander@mecklenburgcountync.gov>

Wed, Oct 24, 2012 at
12:35 PM

To: Emmett Curl <emmett2004@gmail.com>

Emmett,

I am going to send you an email with all the documents attached. This is the confirmation email from the Clerk to the Board that the Schedules were adopted.

Regards,

Garrett

704-336-2976 (Office #)

704-807-5069 (Cell #)

704-336-6366 (Fax #)

Garrett.Alexander@MecklenburgCountyNC.gov

Mecklenburg County, NC

From: Paige, Janice

Sent: Tuesday, November 09, 2010 11:58 AM

To: Bradshaw, Karen; Alexander, Garrett

Cc: Bethune, Marvin; Edwards, Tracy R; Spears, Tonette

Subject: RE: Notice of Adoption of Uniform Schedules

Importance: High

<https://mail.google.com/mail/?ui=2&ik=a5ea2c147f&view=pt&cat=mecklenburg%20folde...> 11/7/2012

November 20, 2012

Gmail - Notice of Adoption of Uniform Schedules

Page 2 of 2

The meeting date should be November 16, 2010 but it reads

TAKE NOTICE that, at the regularly scheduled meeting of the Mecklenburg County Board of Commissioners held on December 21, 2010, an Order was issued adopting and approving the Uniform Schedules of Values, Standards and Rules to be used in reappraisal of real property in Mecklenburg County at its true and at its present-use value beginning January 1, 2011.

I've reviewed the other dates and everything appears to be in order with the timetable. I don't like changing notices without the consent of the submitter. Since you're out of the office, I can change it per your authorization to do so. This way I can move forward with getting it to the newspaper in ample time. This is the notice that will need to be published four consecutive weeks, starting with Nov 17th. Please advise.

Janice S. Paige

Clerk to the Board

Janice.Paige@mecklenburgcountync.gov

704-336-2659

Fax: 704-336-5887

<https://mail.google.com/mail/?ui=2&ik=a5ea2c147f&view=pt&cat=mecklenburg%20folde...> 11/7/2012

November 20, 2012

EXHIBIT B-2

ORDER ADOPTING FINAL UNIFORM SCHEDULES OF VALUES, STANDARDS AND RULES FOR 2011 COUNTY-WIDE REAPPRAISAL FOR PRESENT USE VALUE

WHEREAS, pursuant to *G.S. 105-286*, Mecklenburg County will reappraise all real property in accordance with the provisions of *G.S. 105-283* and *G.S. 105-317*; and

WHEREAS, pursuant to the provisions of *G.S. 105-317*, the Assessor for Mecklenburg County has submitted proposed Uniform Schedules of Values, Standards and Rules to the Board of Commissioners, which proposed Schedules have been considered at public hearing; and

WHEREAS, a notice has been published in The Charlotte Observer and The Mecklenburg Times of the submission to the Board of Commissioners of the proposed Schedules and the Notice of Public Hearing; and

WHEREAS, the Board of Commissioners has adopted the final Schedules, pursuant to the provisions of *G.S. 105-317*;

NOW, THEREFORE, IT IS ORDERED that the final Uniform Schedules of Values, Standards and Rules attached to this Order are approved for use in appraising real property at *its present-use value* as of January 1, 2011. A notice of the adoption of this Order shall be published once a week for four successive weeks in The Charlotte Observer and The Mecklenburg Times; and the final Schedules shall be available for public inspection at the Office of the Director of Property Assessment and Land Records Management, Room 300, Robert L. Walton Plaza, 700 East Stonewall Street, Charlotte, North Carolina.

This ____ day of _____, 2010.

Jennifer Roberts, Chairman
Mecklenburg County Board of Commissioners

November 20, 2012

EXHIBIT B-1

ORDER ADOPTING FINAL UNIFORM SCHEDULES OF VALUES, STANDARDS AND RULES FOR 2011 COUNTY-WIDE REAPPRAISAL

WHEREAS, pursuant to *G.S. 105-286*, Mecklenburg County will reappraise all real property in accordance with the provisions of *G.S. 105-283* and *G.S. 105-317*; and

WHEREAS, pursuant to the provisions of *G.S. 105-317*, the Assessor for Mecklenburg County has submitted proposed Uniform Schedules of Values, Standards and Rules to the Board of Commissioners, which proposed Schedules have been considered at public hearing; and

WHEREAS, a notice has been published in The Charlotte Observer and The Mecklenburg Times of the submission to the Board of Commissioners of the proposed Schedules and the Notice of Public Hearing; and

WHEREAS, the Board of Commissioners has adopted the final Schedules, pursuant to the provisions of *G.S. 105-317*;

NOW, THEREFORE, IT IS ORDERED that the final Uniform Schedules of Values, Standards and Rules attached to this Order are approved for use in appraising real property at *its true value* as of January 1, 2011. A notice of the adoption of this Order shall be published once a week for four successive weeks in The Charlotte Observer and The Mecklenburg Times; and the final Schedules shall be available for public inspection at the Office of the Director of Property Assessment and Land Records Management, Room 300, Robert L. Walton Plaza, 700 East Stonewall Street, Charlotte, North Carolina.

This ____ day of _____, 2010.

Jennifer Roberts, Chairman
Mecklenburg County Board of Commissioners

November 20, 2012



MECKLENBURG COUNTY
ASSESSOR'S OFFICE

Garrett Alexander, Assessor

TO: Mecklenburg County Board of Commissioners

FROM: Garrett Alexander, Assessor

DATE: September 2, 2010

SUBJECT: Uniform Schedules of Values, Standards and Rules for 2011 Revaluation

In preparation for the 2011 Revaluation, the Assessor is required to prepare Uniform Schedules of Values, Standards and Rules to be used in appraising real property at its true value and at its present-use value. These Schedules should be adopted separately. G.S. 105-317 requires the Assessor to submit the proposed Schedules to the Board of Commissioners not less than 21 days before the meeting at which the proposed Schedules will be considered, and requires that a copy of the proposed Schedules be filed in the Assessor's Office where it will remain available for public inspection.

The Board of Commissioners, upon receipt of the proposed Schedules, is required to publish a statement in a newspaper having general circulation in the County stating that the proposed Schedules are available for public inspection in the Assessor's Office and stating the time and place of a public hearing for considering the proposed Schedules. The adoption of the final Schedules shall be made by the Board not less than seven days after the public hearing.

When the Board approves the final Schedules, it is required to issue an Order adopting them, and the Order must be published once a week for four successive weeks in a newspaper having general circulation in the County, with the last publication being not less than seven days before the last day for challenging the validity of the Schedules by appeal to the Property Tax Commission.

Copies of the proposed schedules will be submitted for your consideration at the September 21, 2010 Board of County Commissioners meeting. The timetable on the following page is proposed in connection with the final adoption of the Schedules.

PEOPLE • PRIDE • PROGRESS • PARTNERSHIPS

700 E. Stonewall Street • Suite 300 • Charlotte, North Carolina 28202 • (704) 336-2976 • Fax (704) 336-6366

November 20, 2012

Gmail - FW: Notice for Publication on Nov 17, 24 & Dec 1 & 8, 2010

Page 2 of 2

- **November 17, 2010**
- **November 24, 2010**
- **December 1, 2010**
- **December 8, 2010**

Please furnish two affidavits evidencing publication on each of the above dates.

Please acknowledge receipt of request and confirm publication on November 17, 2010, November 24, 2010,

December 1, 2010, & December 8, 2010. This notice must be published on the above dates in order to be in compliance with state law.

Thanks for your assistance and let me know if you have any questions.

Janice S. Paige

Clerk to the Board

Janice.Paige@mecklenburgcountync.gov

704-336-2659

Fax: 704-336-5887



Notice of Adoption of Uniform Schedules Nov 2010.docx
12K

<https://mail.google.com/mail/?ui=2&ik=a5ea2c147f&view=pt&cat=mecklenburg%20folde...> 11/7/2012

November 20, 2012

Gmail - FW: Notice for Publication on Nov 17, 24 & Dec 1 & 8, 2010

Page 1 of 2



Emmett Curl <emmett2004@gmail.com>

FW: Notice for Publication on Nov 17, 24 & Dec 1 & 8, 2010

1 message

Alexander, Garrett <Garrett.Alexander@mecklenburgcountync.gov>

Wed, Oct 24, 2012 at
12:45 PM

To: Emmett Curl <emmett2004@gmail.com>

FYI

Regards,

Garrett

704-336-2976 (Office #)

704-807-5069 (Cell #)

704-336-6366 (Fax #)

Garrett.Alexander@MecklenburgCountyNC.gov

Mecklenburg County, NC

From: Paige, Janice

Sent: Tuesday, November 09, 2010 1:31 PM

To: 'publicnotices@charlotteobserver.com'

Cc: Bradshaw, Karen; Alexander, Garrett; Bethune, Marvin; Edwards, Tracy R; Spears, Tonette

Subject: Notice for Publication on Nov 17, 24 & Dec 1 & 8, 2010

Importance: High

Please publish the attached Notice of Uniform Schedules of Values, Standards and Rules for the 2011 County-wide Reappraisal for four consecutive weeks on the following dates:

<https://mail.google.com/mail/?ui=2&ik=a5ea2c147f&view=pt&cat=mecklenburg%20folde...> 11/7/2012

November 20, 2012

Public Notice
UNIFORM SCHEDULES OF VALUES,
STANDARDS AND RULES FOR THE
2011 COUNTY-WIDE REAPPRAISAL

TAKE NOTICE that, at the regularly scheduled meeting of the Mecklenburg County Board of Commissioners held on November 16, 2010, an Order was issued adopting and approving the Uniform Schedules of Values, Standards and Rules to be used in reappraisal of real property in Mecklenburg County at its true and at its present-use value beginning January 1, 2011. The Schedules are open to examination in the Assessor's Office, Room 300, Robert L. Walton Plaza, 700 East Stonewall Street, Charlotte, North Carolina. Any property owner who asserts that the Schedules are invalid may except to the Order and appeal therefrom to the Property Tax Commission no later than December 17, 2010, which is 30 days after the first publication of this Notice.

This 17th day of November, 2010.

Jennifer Roberts, Chairman
Mecklenburg County Board of Commissioners

November 20, 2012

EXHIBIT A

NOTICE OF SUBMISSION TO THE MECKLENBURG BOARD OF COMMISSIONERS OF PROPOSED UNIFORM SCHEDULES OF VALUES, STANDARDS AND RULES AND PRESENT USE VALUE FOR THE 2011 COUNTY-WIDE REAPPRAISAL

TAKE NOTICE that the proposed Uniform Schedules of Values, Standards and Rules to be used in appraising real property in Mecklenburg County at its true value and at its present-use value have been submitted to the Mecklenburg County Board of Commissioners and are available for public inspection in the Office of the Director of Property Assessment and Land Records Management, Room 300, Robert L. Walton Plaza, 700 East Stonewall Street, Charlotte, North Carolina. A public hearing will be held by the Board of County Commissioners at _____ p.m. on November 3, 2010, at the Charlotte-Mecklenburg Government Center, 600 East Fourth Street, Charlotte, North Carolina, for the purpose of considering the proposed Schedules. The final Schedules will be adopted by the Board of County Commissioners no earlier than seven days following the public hearing.

This ____ day of _____, 2010.

Jennifer Roberts, Chairman
Mecklenburg County Board of Commissioners

November 20, 2012

Mecklenburg Board of Commissioners**Action Item****September 21, 2011**

Subject: Uniform Schedules of Values, Standards and Rules and the Use Value Schedule for the 2011 Reappraisal

- ACTION:** 1) Receive the Uniform Schedules of Values, Standards and Rules for 2011 Reappraisal;
 2) Receive the Uniform Schedule of Values, Standards and Rules for 2011 Reappraisal for Use Value;
 3) Set a public hearing on the Uniform Schedules of Values, Standards and Rules and Schedule and Procedures for Use Value Assessments for 2011 Reappraisal for November 3, 2010 and direct the Clerk to publish the notice of public hearing.

Staff Contact: Garrett Alexander, Assessor

Presentation: Yes X No

BACKGROUND/JUSTIFICATION: See attachments; Please note, both Schedules of Values are available for public inspection in the Assessor's Office @ 700 E. Stonewall St., Charlotte, NC

PROCUREMENT BACKGROUND:

POLICY IMPACT: To comply with *North Carolina General Statute 105-317* regarding the procedure for adoption of Schedules

FISCAL IMPACT:

	Current Fiscal Year Impact	% Funding	Next Fiscal Year Impact	% Funding	New Positions FT PT
Federal	\$ 0		\$ 0		
State					
Other					
County	\$ 0		\$ 0		
Capital Project					
TOTAL					

MUST BE COMPLETED IF FUNDING IS INVOLVED

ATTACHMENT(S): Cover Memorandum from the Assessor regarding reappraisal and timetable in compliance with statutory requirements and attached Exhibits A, B-1, B-2 and C.

November 20, 2012

The Charlotte Observer Publishing Co.
Charlotte, NC
North Carolina) ss Affidavit of Publication
Mecklenburg County)
THE CHARLOTTE OBSERVER

MECKLENBURG COUNTY PROP
STE#300
700 E STONEWALL ST
CHARLOTTE NC 28202

REFERENCE: 40509333 C. WALLACE
029529/6561986 BOARD OF EQUALIZATION

Before the undersigned, a Notary Public of said County and State, duly authorized to administer oaths affirmations, etc., personally appeared, being duly sworn or affirmed according to law, doth depose and say that he/she is a representative of The Charlotte Observer Publishing Company, a corporation organized and doing business under the laws of the State of Delaware, and publishing a newspaper known as The Charlotte Observer in the city of Charlotte, County of Mecklenburg, and State of North Carolina and that as such he/she is familiar with the books, records, files, and business of said Corporation and by reference to the files of said publication, the attached advertisement was inserted. The following is correctly copied from the books and files of the aforesaid Corporation and Publication.

PUBLISHED ON: 04/21 04/27 04/28

AD SPACE: 128 LINE
FILED ON: 01/27/12

NAME: Judith Melius TITLE: Accty Clerk
DATE: 01/27/12

In Testimony Whereof I have hereunto set my hand and affixed my seal, the day and year aforesaid.

Notary: [Signature] My Commission Expires: 1/1

My Commission Expires May 27, 2016

**NOTICE OF MEETINGS
OF THE MECKLENBURG COUNTY BOARD
OF EQUALIZATION & REVIEW**

Pursuant to the provisions of North Carolina General Statute 105-322, the Mecklenburg County Board of Equalization and Review will meet as required by law.

PURPOSE OF MEETINGS
To hear upon request, any and all taxpayers who own or control taxable property assessed for taxation in Mecklenburg County, with respect to the valuation of such property, or the property of others, and to fulfill other duties and responsibilities required by law.

TIME OF MEETINGS
The Board will convene for its first meeting on Monday, May 2, 2011 promptly at 9:00 a.m. The Board will meet from time to time as it deems necessary to perform its statutory duties. Meetings will begin at 9:00 a.m. or at such other time as the Board deems necessary, in Room 302 of the Robert L. Walton Plaza, 700 East Stonewall Street, Charlotte, NC. The Board expects to meet each Tuesday, Wednesday and Thursday of each week following the day it convenes until the adjournment date.

EXPECTED ADJOURNMENT DATE
THE EXPECTED ADJOURNMENT DATE FOR THE PURPOSE OF RECEIVING NOTICES OF APPEAL AND REQUESTS FOR HEARING IS Thursday, June 30th, 2011. IN THE EVENT OF AN EARLIER ADJOURNMENT DATE, NOTICE TO THAT EFFECT WILL BE PUBLISHED IN THE CHARLOTTE OBSERVER ONE TIME AT LEAST FIVE DAYS PRIOR TO THE EXPECTED ADJOURNMENT DATE. IN THE EVENT OF A LATER ADJOURNMENT DATE, NOTICE TO THAT EFFECT WILL BE PUBLISHED IN THE SAME NEWSPAPER PRIOR TO Saturday, June 25th, 2011.

**FILING REQUIREMENTS AND MAILING ADDRESS
FOR NOTICES OF APPEAL AND REQUESTS FOR HEARING**
A notice of appeal or request for hearing must be made in writing to, or by personal appearance before the Board of Equalization and Review on or before the adjournment date of the Board. A notice submitted by mail is considered to be filed as of the date shown on the postmark affixed by the United States Postal Service. If no date is shown on the postmark, or if the postmark is not affixed by the United States Postal Service, the notice shall be deemed to be filed when received in the Office of the County Assessor. In the event of a dispute as to timely filing, the burden of proof shall be on the person filing the notice to prove that the notice was timely filed.

All Notices should be made as follows:
Mecklenburg County Board of Equalization and Review
c/o Mecklenburg County Assessor
P.O. Box 36819
Charlotte, NC 28236
Telephone: 704-336-6367

Garrett Alexander, Clerk
Board of Equalization
& Review

LP29529

November 20, 2012

Mecklenburg Board of Commissioners**Action Item****November 3, 2010**

Subject: Uniform Schedules of Values, Standards and Rules and the Use Value Schedule for the 2011 Reappraisal

ACTION: Hold a public hearing on the Uniform Schedules of Values, Standards and Rules and Schedule and Procedures for Use Value Assessments for 2011 Reappraisal for November 3, 2010 and direct the Clerk to publish the notice of public hearing.

Staff Contact: Garrett Alexander, Assessor

Presentation: Yes ____ No X

BACKGROUND/JUSTIFICATION: N/A

PROCUREMENT BACKGROUND: N/A

POLICY IMPACT: To comply with *North Carolina General Statute 105-317* regarding the procedure for adoption of Schedules

FISCAL IMPACT:

	Current Fiscal Year Impact	% Funding	Next Fiscal Year Impact	% Funding	New Positions FT PT
Federal	\$ 0		\$ 0		
State					
Other					
County	\$ 0		\$ 0		
Capital Project					
TOTAL					

MUST BE COMPLETED IF FUNDING IS INVOLVED

ATTACHMENT(S): Cover Memorandum dated September 2, 2010 from the Assessor regarding reappraisal and timetable in compliance with statutory requirements.

November 20, 2012

Mecklenburg Board of Commissioners
Action Item
November 16, 2010

***Subject: Uniform Schedules of Values, Standards and Rules and the Use Value Schedule
for the 2011 Reappraisal***

ACTION: Consider adoption of final Uniform Schedules of Values, Standards and Rules, as set forth in Exhibit B-1, B-2 and C and direct the Clerk to the Board to publish notice of adoption as outlined in the Proposed Adoption Timetable.

Staff Contact: Garrett Alexander, Assessor

Presentation: Yes ____ No X

BACKGROUND/JUSTIFICATION: N/A

PROCUREMENT BACKGROUND: N/A

POLICY IMPACT: To comply with *North Carolina General Statute 105-317* regarding the procedure for adoption of Schedules

FISCAL IMPACT:

	Current Fiscal Year Impact	% Funding	Next Fiscal Year Impact	% Funding	New Positions FT PT
Federal	\$ 0		\$ 0		
State					
Other					
County	\$ 0		\$ 0		
Capital Project					
TOTAL					

MUST BE COMPLETED IF FUNDING IS INVOLVED

ATTACHMENT(S): Cover Memorandum dated September 2, 2010 from the Assessor regarding reappraisal and timetable in compliance with statutory requirements; Exhibit B-1, B-2 and C.

November 20, 2012

Questions from Pearson's Appraisal Service Answered by Revaluation Management

The following questions were posed to Tax Office staff during the revaluation review. The questions are framed from the Machinery Act references. All text in italics is direct responses from Mecklenburg County Tax staff.

Statutory Compliance. All North Carolina County's local property taxation is governed by Chapter 105 of the General Statutes referred to as "The Machinery Act". This chapter provides the machinery for local listing, appraising, billing, and collection of property tax. North Carolina is known as a "market value state" meaning the tax value is to be as close to actual market value as possible. The Machinery Act provides guidelines and requirements for conducting general revaluations.

Chapter 105-283 dictates the Uniform Appraisal Standard definition. When a county sets a tax value locally, that county must be prepared to defend that value while meeting the statutory definition of "true value".

Questions:

- 1. How was the market studied to determine "true value" for properties that sold in the 24 months preceding the effective date of the revaluation?**
After completing the neighborhood delineation process, appraisers ran neighborhood sales reports with the new proposed schedule of values applied in the CAMA system. Outliers were identified and investigated by the sales analyst; adjustments were made to grade, effective year, and site value contribution achieve equity and an acceptable sale to assessment ratio.
- 2. How was the market sales analysis applied to properties that did not sell?**
Using current oblique orthophotos, data, field inspections and feedback from the annual appraisal team, the grade, age and site factors were applied to unsold properties in a relatively uniform manner unless exceptions were noted.
- 3. At what intervals were the sales reviewed to reflect value near the revaluation effective date?**
Sales were reviewed quarterly through January 1, 2011.
- 4. How were sales validated to remove any personal property or other considerations that may have been included in the sales price?**
The sales analysis attached to the revaluation team examined deed records and any listing data to ascertain any personal property.

November 20, 2012

5. How were sales removed from consideration if it was later determined the sale was not an arms' length transaction?

The sales analyst applied NAL codes to affected sales as needed, and notified the appraisal staff.

6. Are you confident that county staff adequately studied the market and used the market sales in an acceptable manner to set the values for the 2011 revaluation?

Yes, the procedure involved continual interface between the sales analyst and the appraisers to ensure that the most updated sales were available for analysis in each neighborhood.

7. Describe how the county used the three approaches to value before setting the final revaluation value.

The primary valuation method for residential properties is market-adjusted cost. Base prices for cost were extracted from local builder surveys compared with Marshall & Swift (same for commercial properties) in establishing a new schedule. The sales comparison analysis involved reviewing neighborhood sales reports and making adjustments based on quality grade, age, and site value. Other depreciation (functional, locational) was considered as needed. The Income Approach module was applied to commercial properties where the county felt that adequate market data based on the commercial market study was adequate to make a credible appraisal.

8. How were sales not deemed to be arms' length used in the 2011 revaluation?

These sales were not directly included in the analysis, but the impact of distressed activity was monitored by running sales reports through the end of the review period and making neighborhood adjustments as necessary.

W105-283. Uniform appraisal standards.

All property, real and personal, shall as far as practicable be appraised or valued at its true value in money. When used in this Subchapter, the words "true value" shall be interpreted as meaning market value, that is, 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. For the purposes of this section, the acquisition of an interest in land by an entity having the power of eminent domain with respect to the interest acquired shall not be considered competent evidence of the true value in money of comparable land.

Statutory Compliance. The county has remained on an Octennial Cycle meaning the general reassessments are conducted once every eight years. The County Board of

November 20, 2012

Commissioners has the statutory authority to advance the cycle but is not able to extend the cycle past eight years.

Questions:

1. As County Assessor do you feel the length of the cycle- waiting eight years to conduct the 2011 revaluation – has contributed to the citizens’ reaction to the new market values?

It has, and this was most evident on Lake Norman, where adjacent jurisdictions, having reappraised in 2007 during the height of the speculative real estate bubble, lowered their assessments while Mecklenburg County’s 2011 values captured some of the increase in market value between 2003 and 2007 – enough to offset the downward correction in the market after 2007.

2. Do you feel you are able with staff and technology considerations to shorten the cycle should the County Commissioners decide to do so?

At this point it appears that the County will need more staff in order to complete the ongoing appeals processes while preparing for the next reappraisal. A pending upgrade to the CAMA system is necessary to incorporate multiyear functionality in order perform shorter cycles. This upgrade was slated for 2006-2007, but the Assessor’s Office was not allowed to continue the project in accordance with the strategic plan adopted in 2005 to position the office to conduct reappraisals on a 2-year cycle.

3. What additional resources are necessary to shorten the cycle and would the work be done in house or with the aid of a vendor?

Additional experienced, certified appraisal and administrative staff (temporary or contract) to assist with the annual new construction and informal review processes, as well as continued development of the Spatialtest modeling resource as both a valuation method and quality assurance tool. Additional staff dedicated to performing quality control on an ongoing basis for data integrity, assessment levels, and equity.

§ 105-286. Time for general reappraisal of real property.

(a) Octennial Cycle. – Each county must reappraise all real property in accordance with the provisions of G.S. 105-283 and G.S. 105-317 as of January 1 of the year set out in the following schedule and every eighth year thereafter, unless the county is required to advance the date under subdivision (2) of this section or chooses to advance the date under subdivision (3) of this section.

(1) Schedule of Initial Reappraisals.

Division One – 1972: Avery, Camden, Cherokee, Cleveland, Cumberland, Guilford, Harnett, Haywood, Lee, Montgomery, Northampton, and Robeson.

Division Two – 1973: Caldwell, Carteret, Columbus, Currituck, Davidson, Gaston, Greene, Hyde, Lenoir, Madison, Orange, Pamlico, Pitt, Richmond, Swain, Transylvania, and Washington.

November 20, 2012

Division Three – 1974: Ashe, Buncombe, Chowan, Franklin, Henderson, Hoke, Jones, Pasquotank, Rowan, and Stokes.

Division Four – 1975: Alleghany, Bladen, Brunswick, Cabarrus, Catawba, Dare, Halifax, Macon, New Hanover, Surry, Tyrrell, and Yadkin.

Division Five – 1976: Bertie, Caswell, Forsyth, Iredell, Jackson, Lincoln, Onslow, Person, Perquimans, Rutherford, Union, Vance, Wake, Wilson, and Yancey.

Division Six – 1977: Alamance, Durham, Edgecombe, Gates, Martin, Mitchell, Nash, Polk, Randolph, Stanly, Warren, and Wilkes.

Division Seven – 1978: Alexander, Anson, Beaufort, Clay, Craven, Davie, Duplin, and Granville.

Division Eight – 1979: Burke, Chatham, Graham, Hertford, Johnston, McDowell, Mecklenburg, Moore, Pender, Rockingham, Sampson, Scotland, Watauga, and Wayne.

- (2) Mandatory Advancement. – A county whose population is 75,000 or greater according to the most recent annual population estimates certified to the Secretary by the State Budget Officer must conduct a reappraisal of real property when the county's sales assessment ratio determined under G.S. 105-289(h) is less than .85 or greater than 1.15, as indicated on the notice the county receives under G.S. 105-284. A reappraisal required under this subdivision must become effective no later than January 1 of the earlier of the following years:
- a. The third year following the year the county received the notice.
 - b. The eighth year following the year of the county's last reappraisal.
- (3) Optional Advancement. – A county may conduct a reappraisal of real property earlier than required by subdivision (1) or (2) of this subsection if the board of county commissioners adopts a resolution providing for advancement of the reappraisal. The resolution must designate the effective date of the advanced reappraisal and may designate a new reappraisal cycle that is more frequent than the octennial cycle set in subdivision (1) of this subsection. The board of county commissioners must promptly forward a copy of the resolution adopted under this subdivision to the Department of Revenue. A more frequent reappraisal cycle designated in a resolution adopted under this subdivision continues in effect after a mandatory reappraisal required under subdivision (2) of this subsection unless the board of county commissioners adopts another resolution that designates a different date for the county's next reappraisal.

Statutory Compliance. The General Statutes provide specifics for items to be considered when conducting a revaluation however case law has held that the failure to consider each and every indicia of value does not invalidate the appraisal.

Questions:

November 20, 2012

1. How were the tax records and the data elements contained on the records verified for the 2011 revaluation?

The revaluation team worked in conjunction with the annual field appraisal staff and sales analyst to check the accuracy of listings.

2. If all records were not reviewed due to time or staff restraints, were the records spot checked for accuracy? If so how were they spot checked?

Parcels were spot checked; parcels with data that did not match real estate listings or permit data were revisited and the listings updated.

3. In your opinion, how accurate are the county tax records in relation to structural data elements?

Without a full relist and remeasure process, which hasn't been undertaken since 1997, there is no doubt that there remain some inaccurate listings. Given the number and diversity of the property types in this jurisdiction, the listings are actually fairly accurate.

4. How are you made aware of changes that towns make to zoning or other legal allowable uses? How soon are the tax records updated to reflect those changes?

The Land Records department stays abreast of zoning changes and includes these in the annual land updates. These records and the requisite value changes are made every year.

5. How did the county gather local income and expense data for use in the income approach to value? Was the data gathered supplemented by some other source for income and expense data?

The assessor's office contracted a commercial data study by a local MAI firm. It also consulted with several commercial data sources, e.g. Karnes, RealData, etc. to monitor market trends for income and expense. The valuation study was updated in December 2010 to ensure the most accurate income and expense data prior to the notification of values.

6. What source was used for depreciating improvements? Do you feel the depreciation used for 2011 resulted in the reasonable depreciation of building improvements?

The depreciation schedules for different property types are based on Marshall & Swift data and are believed to be reasonable and sound. An age/life table based on the building type was used uniformly based on the age/condition of the improvements.

7. Were the buildings that were not 100% complete as of January 1, 2011 recorded as a percent complete for 2011? Have those buildings been revisited since that time? If not is staffing or the number of appeals the cause for not revisiting them?

Yes, partially completed structures were appraised with a "UC" (under construction) code. It is normal procedure for field staff to revisit these parcels at the end of the year to determine their state of completion. A "UC" list is developed and reviewed annually for updated completion.

8. Was the Schedule of Values (SOV) presented to the County Commissioners in a timely manner?

Yes, the Schedules were presented to the BOCC in September of 2010 according to the timetable set by the Board, and approved by Board in November. All public hearings and advertisement were completed in accordance with statutory requirement. The Schedules became effective December 18, 2010.

9. Did any citizen challenge any portion of the SOV? If so, what was the outcome and did that challenge affect your ability to complete the project as planned?

November 20, 2012

After adoption by the BOCC the Schedules were available for review until the third week in December 2010. No challenges to the Schedules were made locally or to the State by any member of the public.

10. After using the SOV for the 2011 revaluation have issues come to light that make you feel some changes should have been made to the SOV prior to adoption?

After each revaluation the SOV is reviewed for possible modifications or tweaking. With a changing economy and market each revaluation appeals process brings to light the need for minor adjustments in value or the correction of misapplications of the SOV. Any adjustments to value or correction of misapplications are made utilizing existing tools in the CAMA system.

11. Did you have requests for onsite inspections of properties? How many? How timely did an employee go to the property for the inspection

We received approximately 1,800 requests for field visit during the informal appeal process. Field reviews were performed by staff in May/June of 2011.

12. How were citizens made aware of their right to request an onsite inspection?

That information was provided on the Assessor's web site, through the local media and at public hearings prior to notices being sent. It was also noted on the revaluation notice / request for informal review form.

13. For future revaluations how do you plan to review the accuracy of the tax records?

The staff will continue to review listings based on the procedures mentioned above, as well as utilize Spatialtest as a quality assurance tool. The extent of the review is dependent on the level of resources allocated to the Assessor's Office and an increase in staffing and resources are needed to ensure the proper level of review and accuracy of the records.

§ 105-317. Appraisal of real property; adoption of schedules, standards, and rules.

(a) Whenever any real property is appraised it shall be the duty of the persons making appraisals:

- (1) In determining the true value of land, to consider as to each tract, parcel, or lot separately listed at least its advantages and disadvantages as to location; zoning; quality of soil; waterpower; water privileges; dedication as a nature preserve; conservation or preservation agreements; mineral, quarry, or other valuable deposits; fertility; adaptability for agricultural, timber-producing, commercial, industrial, or other uses; past income; probable future income; and any other factors that may affect its value except growing crops of a seasonal or annual nature.
- (2) In determining the true value of a building or other improvement, to consider at least its location; type of construction; age; replacement cost; cost; adaptability for residence, commercial, industrial, or other uses; past income; probable future income; and any other factors that may affect its value.

November 20, 2012

- (3) To appraise partially completed buildings in accordance with the degree of completion on January 1.
- b) In preparation for each revaluation of real property required by G.S. 105-286, 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.
 - (2) Repealed by Session Laws 1981, c. 678, s. 1.
 - (3) A separate property record be prepared for each tract, parcel, lot, or group of contiguous lots, which record shall show the information required for compliance with the provisions of G.S. 105-309 insofar as they deal with real property, as well as that required by this section. (The purpose of this subdivision is to require that individual property records be maintained in sufficient detail to enable property owners to ascertain the method, rules, and standards of value by which property is appraised.)
 - (4) The property characteristics considered in appraising each lot, parcel, tract, building, structure and improvement, in accordance with the schedules of values, standards, and rules, be accurately recorded on the appropriate property record.
 - (5) Upon the request of the owner, the board of equalization and review, or the board of county commissioners, any particular lot, parcel, tract, building, structure or improvement be actually visited and observed to verify the accuracy of property characteristics on record for that property.
 - (6) Each lot, parcel, tract, building, structure and improvement be separately appraised by a competent appraiser, either one appointed under the provisions of G.S. 105-296 or one employed under the provisions of G.S. 105-299.
 - (7) Notice is given in writing to the owner that he is entitled to have an actual visitation and observation of his property to verify the accuracy of property characteristics on record for that property.

(c) 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. The board of county commissioners may approve the schedules of values, standards, and rules to be used in appraising real property at its true value and at its present-use value either separately or simultaneously. Notice of the receipt and adoption by the board of county commissioners of either or both the true value and present-use value schedules, standards, and rules, and notice of a property owner's right to comment on and contest the schedules, standards, and rules shall be given as follows:

- (1) The assessor shall submit the proposed schedules, standards, and rules to the board of county commissioners not less than 21 days before the meeting at which they will be considered by the board. On the same day that they are submitted to the board for its consideration, the assessor shall file a copy of the proposed schedules, standards, and rules in his office where they shall remain available for public inspection.

November 20, 2012

- (2) Upon receipt of the proposed schedules, standards, and rules, the board of commissioners shall publish a statement in a newspaper having general circulation in the county stating:
 - a. That the proposed schedules, standards, and rules to be used in appraising real property in the county have been submitted to the board of county commissioners and are available for public inspection in the assessor's office; and
 - b. The time and place of a public hearing on the proposed schedules, standards, and rules that shall be held by the board of county commissioners at least seven days before adopting the final schedules, standards, and rules.
- (3) When the board of county commissioners approves the final schedules, standards, and rules, it shall issue an order adopting them. Notice of this order shall be published once a week for four successive weeks in a newspaper having general circulation in the county, with the last publication being not less than seven days before the last day for challenging the validity of the schedules, standards, and rules by appeal to the Property Tax Commission. The notice shall state:
 - a. That the schedules, standards, and rules to be used in the next scheduled reappraisal of real property in the county have been adopted and are open to examination in the office of the assessor; and
 - b. That a property owner who asserts that the schedules, standards, and rules are invalid may except to the order and appeal there from to the Property Tax Commission within 30 days of the date when the notice of the order adopting the schedules, standards, and rules was first published.

Statutory Compliance: NCGS 105-322 provides the citizens an avenue to be heard if they disagree with decisions made by county assessors. This is considered a “formal” appeal while most tax offices across the state also utilize “informal” appeals. Informal appeals are usually heard shortly after the Notices of Revaluation Value are mailed and prior to the statutory date of the Board of Equalization and Review (BOER) meetings. NCGS 105-322 dictates the personnel, compensation, oath, clerk and minutes, time of meetings, powers and duties, and many other particulars for the BOER.

The BOER has proven to be a system that works for the citizens of North Carolina. No fees are paid to be heard nor is legal representation required at this local level. Citizens can be heard in an open meeting setting and the tax office is required to defend the value of the property.

November 20, 2012

In many counties, the BOER only meets after the county has worked as many appeals as possible. The county may correct errors or omissions before the BOER convenes but after the BOER convenes only that Board has the authority to change values.

Questions:

1. Did the county conduct informal appeals prior to the BOER convening for 2011?

Informal reviews began in May 2011 and continued until their completion in January 2012. The BOER began hearing cases August 2011.

2. Did county appraisers conduct the informal appeals?

Yes.

3. What controls were in place to maintain uniformity during the informal appeals process?

Staff worked with the senior appraisers and team leaders in their assigned areas to ensure that decisions were uniform. Data was filed / reviewed by area / location by staff assigned to the areas where possible.

4. How were citizens notified of value changes? How soon after the hearings were they notified?

Notices from informal reviews were sent in batches. Notification from BER hearings were sent within two weeks of the hearing.

5. Who managed the informal appeals process and what was the timeframe planned to hear the appeals?

The real estate division manager managed the appraisal portion of the informal appeal process. The operations division managed the processing and storage of the data, data entry and customer service.

6. Did the informal appeals process take longer than planned? If so, why?

The sheer volume of the work along with technology development caused the process to take longer than expected. All real estate staff was solely dedicated to the appeal process and worked extensive extra hours performing the task.

7. How did the office manage documents brought in by citizens during this process?

The operations division managed the documentation through the NCPTS appeals module.

8. Where any management reports used and how effective were they in completing this task in a timely manner?

There were numerous reports used from both the CAMA system and the appeals module of NCPTS to assist, direct, and track the work.

9. How many informal appeals were heard over how many months?

Approximately 42,000 informal appeals were worked in approximately 9 months from May 2011 thru January 2012.

10. Do you have plans for improvement of the process for the next revaluation?

November 20, 2012

Yes; Improvements in technology, communication and processes. We always strive to improve processes throughout the business unit (Assessor's Office). The upgrade in the CAMA and NCPTS systems will greatly improve our ability to timely and accurately complete high volumes of appeals, our reappraisal processes and future revaluations. Communications will be further enhanced to include but not limited to:

- to better assist stakeholder groups like the elderly and disabled;*
- holding appeals in municipal locations for customer convenience (if provided increased staffing);*
- Stakeholder inclusion in the development of property information access, property record card design; availability of online comparative analysis and valuation reports for the public;*
- working with the legislative delegation for changes in statutory provision which will improve valuation and appeals processes.*
- other communication and outreach programs working with stakeholder groups.*

11. When did the BOER convene to hear 2011 appeals?

May 2, 2011

12. When did the BOER adjourn for hearing 2011 appeals?

June 30, 2011.

13. How many appeals were heard by the BOER for 2011 appeals?

Approximately 10,300.

14. Do you think the method for hearing BOER appeals was adequate and reasonable for the citizen?

Yes, when considering the limitation in resources, but this is not our preferred position. Given resources it could have been better. Time, technology, resources and volume all contributed to the process that was utilized to complete the BOER appeals.

15. Did you have management reports to track the value changes made by the BOER? *Yes.*
How many values were reduced, stayed the same, or increased?

Reduced – 7,367

No change – 2,473

Increased - 484

16. Was the BOER provided data or maps to assist them in tracking their decisions as the meetings progressed?

Yes, the BER was provided with data in many formats, including a an electronic spreadsheet that summarized all the data provided by the appellant and assessor's office, as well as maps, Obliques and other digital images. The BER process is virtually paperless, utilizing video projection of all information as BER members use PC's to

November 20, 2012

access all information. County information included sales analysis, statistical reports, MLS info, etc., to support valuation.

17. When were the appellants notified of the BOER's decision?

In a reasonable time following the appeal, usually within in two weeks of the hearing.

18. Did you provide the appellants with information on appealing to the next level- the Property Tax Commission?

Yes.

19. After reflection on the 2011 appeals, what would you recommend for change going forward?

Add additional staff (contracted or otherwise) to address the increased volume of work, improve customer focus to meet with taxpayers and address concerns. Continue without interruption the key appraisal systems development which will allow greater streamlining of the processes, improving valuations, reduce appeals and achieve greater results. This revaluation involved a lot of people who had never been through a revaluation before who were using newly implemented technologies. We have learned much from the experience that can be used going forward.

Article 21.

Review and Appeals of Listings and Valuations.

§ 105-322. County board of equalization and review.

(a) Personnel. – Except as otherwise provided herein, the board of equalization and review of each county shall be composed of the members of the board of county commissioners.

Upon the adoption of a resolution so providing, the board of commissioners is authorized to appoint a special board of equalization and review to carry out the duties imposed under this section. The resolution shall provide for the membership, qualifications, terms of office and the filling of vacancies on the board. The board of commissioners shall also designate the chairman of the special board. The resolution may also authorize a taxpayer to appeal a decision of the special board with respect to the listing or appraisal of his property or the property of others to the board of county commissioners. The resolution shall be adopted not later than the first Monday in March of the year for which it is to be effective and shall continue in effect until revised or rescinded. It shall be entered in the minutes of the meeting of the board of commissioners and a copy thereof shall be forwarded to the Department of Revenue within 15 days after its adoption.

Nothing in this subsection (a) shall be construed as repealing any law creating a special board of equalization and review or creating any board charged with the duties of a board of equalization and review in any county.

(b) Compensation. – The board of county commissioners shall fix the compensation and allowances to be paid members of the board of equalization and review for their services and expenses.

November 20, 2012

(c) Oath. – Each member of the board of equalization and review shall take the oath required by Article VI, § 7 of the North Carolina Constitution with the following phrase added to it: "that I will not allow my actions as a member of the board of equalization and review to be influenced by personal or political friendships or obligations," The oath must be filed with the clerk of the board of county commissioners.

(d) Clerk and Minutes. – The assessor shall serve as clerk to the board of equalization and review, shall be present at all meetings, shall maintain accurate minutes of the actions of the board, and shall give to the board such information as he may have or can obtain with respect to the listing and valuation of taxable property in the county.

(e) Time of Meeting. – Each year the board of equalization and review shall hold its first meeting not earlier than the first Monday in April and not later than the first Monday in May. In years in which a county does not conduct a real property revaluation, the board shall complete its duties on or before the third Monday following its first meeting unless, in its opinion, a longer period of time is necessary or expedient to a proper execution of its responsibilities. Except as provided in subdivision (g)(5) of this section, the board may not sit later than July 1 except to hear and determine requests made under the provisions of subdivision (g)(2), below, when such requests are made within the time prescribed by law. In the year in which a county conducts a real property revaluation, the board shall complete its duties on or before December 1, except that it may sit after that date to hear and determine requests made under the provisions of subdivision (g)(2), below, when such requests are made within the time prescribed by law. From the time of its first meeting until its adjournment, the board shall meet at such times as it deems reasonably necessary to perform its statutory duties and to receive requests and hear the appeals of taxpayers under the provisions of subdivision (g)(2), below.

(f) Notice of Meetings and Adjournment. – A notice of the date, hours, place, and purpose of the first meeting of the board of equalization and review shall be published at least three times in some newspaper having general circulation in the county, the first publication to be at least 10 days prior to the first meeting. The notice shall also state the dates and hours on which the board will meet following its first meeting and the date on which it expects to adjourn; it shall also carry a statement that in the event of earlier or later adjournment, notice to that effect will be published in the same newspaper. Should a notice be required on account of earlier adjournment, it shall be published at least once in the newspaper in which the first notice was published, such publication to be at least five days prior to the date fixed for adjournment. Should a notice be required on account of later adjournment, it shall be published at least once in the newspaper in which the first notice was published, such publication to be prior to the date first announced for adjournment.

(g) Powers and Duties. – The board of equalization and review has the following powers and duties:

- (1) Duty to Review Tax Lists. – The board shall examine and review the tax lists of the county for the current year to the end that all taxable property shall be listed on the abstracts and tax records of the county and appraised according to the standard required by G.S. 105-283, and the board shall correct the abstracts and tax records to conform to the provisions of this Subchapter. In carrying out its responsibilities under this subdivision (g)(1), the board, on its own motion or on sufficient cause shown by any person, shall:

- a. List, appraise, and assess any taxable real or personal property that has been omitted from the tax lists.

November 20, 2012

- b. Correct all errors in the names of persons and in the description of properties subject to taxation.
 - c. Increase or reduce the appraised value of any property that, in the board's opinion, has been listed and appraised at a figure that is below or above the appraisal required by G.S. 105-283; however, the board shall not change the appraised value of any real property from that at which it was appraised for the preceding year except in accordance with the terms of G.S. 105-286 and 105-287.
 - d. Cause to be done whatever else is necessary to make the lists and tax records comply with the provisions of this Subchapter.
 - e. Embody actions taken under the provisions of subdivisions (g)(1)a through (g)(1)d, above, in appropriate orders and have the orders entered in the minutes of the board.
 - f. Give written notice to the taxpayer at the taxpayer's last known address in the event the board, by appropriate order, increases the appraisal of any property or lists for taxation any property omitted from the tax lists under the provisions of this subdivision (g)(1).
- (2) Duty to Hear Taxpayer Appeals. – On request, the board of equalization and review shall hear any taxpayer who owns or controls property taxable in the county with respect to the listing or appraisal of the taxpayer's property or the property of others.
- a. A request for a hearing under this subdivision (g)(2) shall be made in writing to or by personal appearance before the board prior to its adjournment. However, if the taxpayer requests review of a decision made by the board under the provisions of subdivision (g)(1), above, notice of which was mailed fewer than 15 days prior to the board's adjournment, the request for a hearing thereon may be made within 15 days after the notice of the board's decision was mailed.
 - b. Taxpayers may file separate or joint requests for hearings under the provisions of this subdivision (g)(2) at their election.
 - c. At a hearing under provisions of this subdivision (g)(2), the board, in addition to the powers it may exercise under the provisions of subdivision (g)(3), below, shall hear any evidence offered by the appellant, the assessor, and other county officials that is pertinent to the decision of the appeal. Upon the request of an appellant, the board shall subpoena witnesses or documents if there is a reasonable basis for believing that the witnesses have or the documents contain information pertinent to the decision of the appeal.
 - d. On the basis of its decision after any hearing conducted under this subdivision (g)(2), the board shall adopt and have entered in its minutes an order reducing, increasing, or confirming the appraisal appealed or listing or removing from the tax lists the property whose omission or listing has been appealed. The board shall notify the appellant by mail as to the action taken on the taxpayer's appeal not later than 30 days after the board's adjournment.

November 20, 2012

- (3) Powers in Carrying Out Duties. – In the performance of its duties under subdivisions (g)(1) and (g)(2), above, the board of equalization and review may exercise the following powers:
- a. It may appoint committees composed of its own members or other persons to assist it in making investigations necessary to its work. It may also employ expert appraisers in its discretion. The expense of the employment of committees or appraisers shall be borne by the county. The board may, in its discretion, require the taxpayer to reimburse the county for the cost of any appraisal by experts demanded by the taxpayer if the appraisal does not result in material reduction of the valuation of the property appraised and if the appraisal is not subsequently reduced materially by the board or by the Department of Revenue.
 - b. The board, in its discretion, may examine any witnesses and documents. It may place any witnesses under oath administered by any member of the board. It may subpoena witnesses or documents on its own motion, and it must do so when a request is made under the provisions of subdivision (g)(2)c, above.

A subpoena issued by the board shall be signed by the chair of the board, directed to the witness or to the person having custody of the document, and served by an officer authorized to serve subpoenas. Any person who willfully fails to appear or to produce documents in response to a subpoena or to testify when appearing in response to a subpoena shall be guilty of a Class 1 misdemeanor.
- (4) Power to Submit Reports. – Upon the completion of its other duties, the board may submit to the Department of Revenue a report outlining the quality of the reappraisal, any problems it encountered in the reappraisal process, the number of appeals submitted to the board and to the Property Tax Commission, the success rate of the appeals submitted, and the name of the firm that conducted the reappraisal. A copy of the report should be sent by the board to the firm that conducted the reappraisal.
- (5) Duty to Change Abstracts and Records After Adjournment. – Following adjournment upon completion of its duties under subdivisions (g)(1) and (g)(2) of this subsection, the board may continue to meet to carry out the following duties:
- a. To hear and decide all appeals relating to discovered property under G.S. 105-312(d) and (k).
 - b. To hear and decide all appeals relating to the appraisal, situs, and taxability of classified motor vehicles under G.S. 105-330.2(b).
 - c. To hear and decide all appeals relating to audits conducted under G.S. 105-296(j) and relating to audits conducted under G.S. 105-296(j) and (l) of property classified at present-use value and property exempted or excluded from taxation.
 - d. To hear and decide all appeals relating to personal property under G.S. 105-317.1(c).

November 20, 2012

Project Management. While not required by statute, sound business practice makes careful project management of an undertaking of this magnitude both necessary and prudent. A county revaluation requires adherence to sustained project management. To better understand how the project was managed, please provide a short narrative to the following questions:

1. How was the project plan developed?

The revaluation manager consulted with the Deputy Director of the Real Estate Division in establishing a plan based on past revaluation projects.

2. Who was the overall project manager? Was this in addition to other tax office duties?

The manager was the revaluation manager. Other duties included writing and reviewing the Schedules of values, customer service contact with property owners, personnel reviews, interaction with the local media (newspaper, television) and other tasks as assigned by the Assessor and Deputy Director.

3. How often was the Assessor informed of project progress?

Bi-weekly.

4. Were project milestones identified? If milestone deadlines were missed how was the project adjusted?

These were identified. There were delays due to technology issues, a major drawback being the lack of a multi-year CAMA capability. The manager and staff overcame these difficulties by updating data in the different files.

5. How was team members' project work/production monitored?

The revaluation manager ran edit reports on neighborhoods to monitor sales ratios, dispersion, and statistical bias, and feedback was given to the staff. The manager also became directly involved in updating neighborhoods in order to assist the team with its workload.

6. How many project staff left during the project? Why did you think staff left the project?

No staff left during the project. One member of the revaluation team was absent for four months in 2008 as a result of jury duty on a criminal case. Other staff and the manager filled in during his absence.

7. Was the project completed on time and within budget?

Yes.

November 20, 2012

8. What aspects of the project took longer than expected? Could this have been avoided?

Reconciling data between the production files and the revaluation file was tedious and required parcel to parcel review via spreadsheet. An integrated multi-year capability will alleviate this in the future. Also, the CAMA GIS Viewer experiences slow calculation times in the beginning of the process, and it took a few weeks before the application worked with acceptable speed. The appeals process was slowed by processing issues that were newly developed with scanning data, utilizing email, fax and mail which had to be collated. The appeals module was in development as the appeal process was being performed which delayed the beginning of the informal review process.

9. How were changes to the project plan and appraisal procedures disseminated to staff?

The office arrangement of the revaluation team facilitated daily discussions of the review processes and conversations on specific valuation questions.

10. Was new technology introduced during the project? If so what impact did the implementation have on project outcomes?

1) Spatialist geospatial modeling tool, 2) CAMA GIS Viewer, which, once fully deployed, was key to the small staff reviewing and updating all the residential neighborhoods, and 3) the Income Module in Assesspro, which was used to develop income approach estimates for approximately 2,200 commercial parcels. The viewer was new technology and staff had to work with the vendor to overcome deficiencies and enhance its ability which was time consuming at the outset. The development of the appeals module was a significant hurdle as it was in development ongoing during the process.

11. Was the effectiveness of the project plan determined for use of county time and materials including technology?

The project plan assumed the availability of technology to allow the small staff to complete the reappraisal. Workarounds were developed whenever technology delays were encountered.

12. Did technology whether new or existing hinder the project or project outcomes in any measurable way?

Key business support and technology delays reduced the amount of time available for review of specific details in some neighborhoods and property types. The appeals module is still in development.

November 20, 2012

Recommendations for Future Revaluation Cycles

Public Relations Recommendations

It is our recommendation that the Tax Office provide access to taxpayers to speak to appraisers via phone/walk-ins .

Revaluations are an inherently confusing process due in part to the infrequency in which they are typically conducted. Appraisers, or other appropriately trained personnel, should be available to field questions from concerned citizens. While scheduling an appeal is the appropriate measure for contesting value, often times citizens have questions that need to be addressed that may not concern the actual value assigned to the property during the revaluation. Notices of value mailed to property owners should include a telephone number for the County Tax Department to speak with these trained personnel.

It is our recommendation that the Tax Office clarify what is required of fee appraisals for appeals prior to the release of new values.

While many appellants may submit appraisals that were conducted as a result of refinance applications or loan origination, some appellants chose to have appraisals produced specifically for the January 1, 2011 effective date. This information could be included in the initial revaluation notice of value and included in the public information plan prior to issuing notices. Treatment of fee appraisals should be consistent throughout the appeals process.

It is our recommendation that Mecklenburg County standardize and simplify all correspondence that is mailed to property owners.

We recommend that the County Tax Office have all revaluation correspondence approved by Mecklenburg County public relations personnel. Critical dates and instructions for appeal should be clearly indicated on all notices of value and notices of appeal decisions. It is our hope that coordination will occur at the state level to facilitate more clarity in correspondence across all jurisdictions in the state.

November 20, 2012

It is our recommendation that property record cards be added to the Mecklenburg County Assessor's website.

It is our recommendation that Mecklenburg County progress toward hosting property record card information online. The ability for taxpayers to access record cards allows for greater transparency. Individual adjustment to land values and data that modifies building values is presently not available on the internet. Many counties, especially those of Mecklenburg's population size, choose to make this available to citizens on the internet. It is our understanding that the current version of the CAMA system does not allow for a record card to be available on-line. We encourage the County to host the information on-line as soon as the scheduled update to the CAMA program is accomplished.

It is our recommendation that customer service should be a top priority for entire department.

Poor customer service was a recurring theme we encountered during our interactions with property owners throughout our review process. It is paramount to a revaluation process that taxpayers be treated as customers. While there may be disagreement on property value, it is important to be respectful of property owners and appellants throughout the revaluation process. It is our recommendation that all Mecklenburg County Tax Office staff be properly trained on best practices for dealing with citizens both in-person and over the phone.

Residential Appraisal Process Recommendations

It is our recommendation that economic adjustments be applied uniformly.

Adjustments for economic issues, such as heavy vehicular traffic abutting the property, should be applied uniformly. During the course of our review we found that in certain instances properties receive a land adjustment, others receive an adjustment to the building, and for some properties both components are adjusted. This is a procedural issue where uniformity is best addressed in an appraisal manual produced for office staff use.

It is our recommendation that staff review percent change reports and other edit reports before notices are mailed.

During the course of our review, numerous occurrences of data inaccuracies and inequities led us to believe that the Mecklenburg County Tax Department did not sufficiently review many aspects of

November 20, 2012

the revaluation from a quality control standpoint. The Patriot CAMA system the County uses to maintain property data features a robust database querying tool. We assume based on the revaluation timeline provided by project management, that there was insufficient time to review many aspects of the property data prior to mailing the new notices. Due to a moving target date; originally a 2007 revaluation, then a 2009 effective date, and finally a January 2011 effective date, a majority of the time left was spent in the valuation process. While the technological tools at the disposal of the appraisal staff were sufficient in producing accurate results for homogeneous neighborhoods, more heterogeneous neighborhoods have higher degrees of inequities.

It is our recommendation that the County assign the most difficult neighborhoods to the most competent and experienced staff.

Neighborhoods that are more heterogeneous in nature require more advanced appraisal methodologies and procedures to accurately reflect market value and produce equity among parcels. Revaluation project staff should be structured in a manner that allows for the most competent and seasoned appraisers to work the most complex and challenging properties.

It is our recommendation that each appraiser's work should be sampled by management for consistency in methodology and subjective property characteristics throughout the revaluation cycle.

During the course of our review we saw a range of variances on improvement grading and other methodologies such as the use of neighborhood modifiers to adjust individual properties. While a certain degree of variance is to be expected during a revaluation project in a county as large as Mecklenburg, establishing a process for sampling each appraiser's work throughout the process may aid in producing more standardized appraisal procedures.

It is our recommendation that greater accountability is needed for appraisal neighborhoods.

Each revaluation appraiser should have specific neighborhoods for which they are responsible. The responsibilities would include sales qualification, land pricing, neighborhood boundary delineation, improvement grading, etc. for a particular neighborhood.

It is our recommendation that greater consistency and transparency is needed in land appraisal.

Mixing the use of neighborhood modifiers and influence adjustments makes the appraisal process less transparent. A systematic approach should be utilized by County appraisers to allow for

November 20, 2012

more consistency across neighborhoods. Inappropriate or ambiguous use of land modifiers was one of the main themes we discovered in neighborhoods with significant issues of inequity.

It is our recommendation that modifications are warranted to the sales qualification process.

Review Multiple List Service data to ensure accuracy of property data. Consider all sales with proper marketing time into the overall neighborhood analysis. The data provided on a property listing should be a valuable resource for the Mecklenburg County Tax Office. Staffing should be structured in a manner to remain vigilant in reviewing this data as sales transpire. Accuracy of sales data is paramount to the overall accuracy of a revaluation project. It is important to remember that adjustments to all assessed values in a neighborhood stems from the properties that sold. In order to accurately gauge market value and the overall contribution of the separate components of value, it is paramount to have accurate property data on sales. Instances in which discrepancies exist between MLS listings and the County's property data, staff appraisers should be sent out to the property for a field check.

It is our recommendation that the Mecklenburg County Tax Office should reconsider the dismissal of sales because the seller was "out of state" or the transaction was the result of a "divorce" or "probate".

Proper exposure to the marketplace should be the primary consideration for determining whether or not a sale is qualified. If the marketing time for the property was typical for the location and property type, credence should be given to the sale. We encountered many citizens and property owners that believed these labels were used as a way to get rid of sales the County Tax Office did not want to use because the sale price was lower than the assessed value. During the course of our review we encountered the use of these disqualifiers on sales in which the sale prices were above and below the assessed values. We believe that the sales qualification code list prepared by the Local Government Division of the North Carolina Department of Revenue should be the standard used for validating sales.

It is our recommendation that proper time and resources be allocated to reviewing improvement reports for inconsistencies in improvement characteristics.

Issues such as improper siding types or roof covers have an impact on value. Under the current structure of the CAMA system, detached single family residences are valued using 36 grade factors. Other property characteristics, such as roof cover, exterior siding type, and interior floor coverings contribute towards a construction adjustment for each main improvement. This same process should be conducted on outbuilding structures. A combination of reviewing improvement reports and conducting on-site field visits can significantly improve the data integrity of the property database.

November 20, 2012

It is our recommendation that a new construction cost study be commissioned prior to the next revaluation.

The construction cost study should sample construction costs across a range of construction qualities for all property classes/types. Based on the current structure of the improvement valuation criteria for detached single family residences, we believe the system is incapable of producing accurate replacement costs for homes of the highest qualities. Information obtained from discussions with local builders during the course of our review warrant a deeper investigation into accurate replacement cost schedules for the Schedule of Values for the next revaluation.

It is our recommendation that field visits are needed on all improved properties prior to the next revaluation.

It has been 17 years since the County was field visited as a whole. The International Association of Assessing Officers (IAAO) recommends that property data be verified on-site at least every four to six years. We believe the County is long overdue for a comprehensive on-site review. Based on the conclusions of our neighborhood reviews, data integrity issues are most likely to be found in neighborhoods with older improvements. This is a logical conclusion because as properties increase in age, the variance between neighboring properties tends to be greater. Neighborhoods with older homes tend should have wider ranges of effective year built and adjustments of special depreciation for functionality and obsolescence. Based on our findings in some of the older neighborhoods reviewed, applications of more realistic effective ages and the utilization of obsolescence factors could have greatly improved accuracy of true market value for properties. This is especially true for areas in which the land value accounts for a large percentage of the overall property value.

It is our recommendation that the County update photos of improvements.

New photos of improved properties aid in the valuation process in revaluation cycles. The IAAO recommends that photos be retaken during field visits to “help identify changes” to a property. We recommend that the photos contain a date and parcel identification stamp to better track the maintenance of photo records.

November 20, 2012

Commercial Appraisal Process Recommendations

It is our recommendation that Mecklenburg County include greater reliance on income approach for future revaluations.

Based on information that was part of Mecklenburg County's public relations effort, the County was going to give consideration to a property's income stream in developing a new value for the 2011 revaluation. As the center of a large metropolitan region, Mecklenburg County has a substantial number of commercial properties in the tax base. All income-producing properties should be appraised using the income approach in addition to the cost approach in developing initial values during a revaluation cycle.

It is our recommendation that proper training be conducted for appraisal staff on the application of income metrics to value various classes of commercial property.

If a greater emphasis is to be placed on the income approach for future revaluation cycles, multiple staff members will likely be necessary to produce income-based values for all income-producing commercial properties. It is paramount that all staff involved in this process be trained on the procedures and methodologies employed to produce accurate market values.

It is our recommendation that Mecklenburg County commission a more developed and thorough market analysis report for future revaluation cycles.

By allowing for more detailed delineation of income-producing properties by qualities such as geographic location and investment class, the County could have tighter ranges of income metrics to assist with the valuation process. The reduction of variance in ranges for income metrics will aid in greater equity among properties that are like and similar.

It is our recommendation that the County delineate more commercial neighborhood codes in future revaluation cycles.

It is our opinion that there are too few commercial neighborhoods currently utilized in the CAMA system. Large commercial neighborhoods should be broken down into smaller, more manageable neighborhoods to facilitate better analysis and review of properties. These neighborhoods should be based on geography and other important criteria such as zoning.

November 20, 2012

It is our recommendation that Mecklenburg County provide for greater transparency in land appraisal.

During the course of our review we discovered many incidents of the use of neighborhood modifiers as the primary mechanism for land adjustment on commercial properties. While these types of adjustments may be the easiest to employ utilizing the County's current valuation software tools, the application of these is often vague and ambiguous. Emphasis should be on establishing accurate square foot rates for a particular area and then adjusting for variances unique to the individual parcel.

Informal Appeals Process Recommendations**It is our recommendation that all future notices of appeal decisions include a reason for change or no change.**

In order to accomplish this, the County tax office will need to develop a list of common reasons or change/no change and assign these codes to each appeal. Once these codes have been established and implemented, it is only a matter of including this code as an appropriate database field to include on the forms to be mailed to appellants. Based on our review, the County tax office currently utilizes codes but they are often vague. Examples currently in use include "equalize value" and "no change". Some of the public relations material released by Mecklenburg County prior to the revaluation gave the impression that appellants would be notified of a reason why their appeal was rejected.

It is our recommendation that Mecklenburg County offer three different forms of appeal for future revaluations.

Appeals by mail, by face-to-face appointment, and phone appointments should all be utilized. Notices of value should clearly state all available methods for appeal.

The majority of appellants will find the mail-in approach to be the most convenient and will continue to exercise this method of appeal. The face-to-face appointments give the County and the appellant an opportunity to review pertinent property data, explain appraisal techniques and methodologies, and address any other information that is best handled through dialogue between the appellant and tax office representative.

Based on our experience with informal appeals in jurisdictions across North Carolina, the face-to-face appointment is often the preferred choice of citizens who are not technologically savvy, commercial property owners, and other property owners who feel their property involves a more complex discussion and dialogue. Depending on the availability of resources, the County should explore the possibility of establishing locations throughout the County to hear these informal appeals. This is another measure intended to improve customer service to property owners.

November 20, 2012

Phone appeals should be reserved for appellants who have restricted mobility due to health issues or age. Out of state property owners may also find the phone appeals to be most convenient. Phone appeals should be scheduled in a manner that gives a time window of 30 minutes in which an appellant can expect a call from a tax office representative.

Not having an opportunity to meet face-to-face with taxpayers was a disservice to the taxpayers and reassessment staff. The feedback on the surveys from our initial public meetings confirm that this was a major issue for the 2011 revaluation. There are certain property owners that find a face-to-face meeting with an appraiser or appeal officer as the most advantageous method of appeal. The opportunity to engage in a dialogue allows for the opportunity of tax office representatives to explain property assessments, the methodologies used, and what information may or may not be relevant to the value of the property. These dialogues also allow the opportunity for tax office representatives to receive information they may not have considered during the initial valuation process. Property owners are the most knowledgeable resource when discussing their property.

It is our recommendation that the Tax Office give a more thorough review to fee appraisals.

The submission of fee appraisals allow tax office staff an opportunity to verify property information and to review the sales that a licensed fee appraiser has deemed to be most comparable to the subject property. A fee appraiser's use of distressed property sales should not automatically disqualify the entire fee appraisal. Credence should be given to parts of the appraisal report that use sales that are open market transactions with proper marketing time and exposure to the typical buyers of the particular property type.

It is our recommendation that appeals be reviewed in a neighborhood concept with one appraiser reviewing all appeals in that neighborhood.

During the course of our review we discovered instances of informal appeals in a particular neighborhood being handled by multiple different tax office staff. It is our opinion that consistency in appeal decisions is best maintained by assigning one appeal officer to each neighborhood when rendering decisions.

It is our recommendation that neighborhoods with high percentages of appeals be reviewed by project management to reexamine the support for the assessed values.

Project management should ensure that the decisions rendered on appeals are consistent. While a high volume of appeals does not necessarily indicate that there is a problem in valuation techniques or market analysis, it is a good and wise practice to use the high appeal rate as an

November 20, 2012

opportunity to review the County's support for a neighborhood's new values. By incorporating the opinions and expertise of project management, staff can determine whether or not mass changes are appropriate in resolving the appeals. Issues that are brought to light in the informal appeal process may affect the valuations of more properties than only those that appealed.

It is our recommendation that informal appeals be worked in a timeframe of no more than six months.

Per conversations with County tax office staff, the appeals module of the Patriot CAMA system was not fully functional at the time values were released. It is also our understanding that documentation submitted by appellants was not efficiently categorized for retrieval by County staff. These issues were cited as a major factor in the delay of decisions on property appeals. The matter still remains that many appellants waited almost an entire year before receiving a decision on their appeal. A more timely response to the informal appeals is a strong recommendation for future revaluation cycles.

It is our recommendation that revaluation notices be mailed to property owners in November or December prior to the effective date of revaluation.

By mailing notices to property owners earlier, there is more time for the informal appeals process to be completed prior to the convening of the Board of Equalization.

Board of Equalization and Review Recommendations

It is our recommendation that Board of Equalization procedures remain consistent throughout an appeal cycle.

It is our understanding through discussing the appeal process with multiple appellants that appeared before the 2011 Board of Equalization, that the process was not consistent throughout the cycle of appeals. At some point during the course of hearing appeals, a procedure was implemented that provided certain appellants with "slips" of paper on which a different value was proposed. These "slips" were passed out at the beginning of a day's hearings and appellants were instructed to decide whether or not to accept the offered value prior to the start of hearings. Owners who would accept the values were the first matters to be addressed by the Board. Owners who did not accept the offered value were to remain and would be heard alongside all the other appellants who were not offered the

November 20, 2012

“slips”. It is also our understanding that procedures regarding field visits to properties prior to Board hearings were modified during the 2011 session.

It is our recommendation that County tax office staff make contact with all appellants to the Board of Equalization prior to the scheduled hearing date.

Any newly offered values should be posed to the appellant prior to the date of the hearing. This would save considerable time and effort on the part of the appellant and Board members. This would reduce the docket of appeals scheduled to go before the Board and would allow for both the appellant and the County representatives to gain a better understanding of the other parties’ points of contention and support of valuation.

It is our recommendation that all properties appealed to the Board of Equalization receive a field visit from tax office staff prior to a Board hearing.

This recommendation would help to ensure all physical data about an appealed property has been reviewed by an experienced and competent member of the tax office prior to a Board hearing. Any incorrect data should be corrected and the appellant notified of the updated value to decide whether or not to proceed with the appeal or accept the new value based on the corrected property information.

It is our recommendation that Board of Equalization hearings be scheduled in a manner that is more convenient for both the appellants and Board members.

Hearings should be scheduled in 30 minute or hour-long blocks. Instead of just receiving a hearing date, appellants would also receive a time block in which their appeal is likely to be heard. Structuring a day’s hearings by time block reduces the crowd of people in the meeting facilities at the beginning of the day and the time commitment necessary on behalf of the appellant. Each block of time should be over-booked to allow for those appeals that will be settled without the need of a Board hearing and to account for no-shows on the part of the appellant.

It is our recommendation that Board of Equalization and Review members be given proper time to review appellant and county supplied documentation.

Board of Equalization panel members should be given sufficient time to review all submitted material for an appeal. The sheer volume of 2011 appeals to the Board of Equalization and Review significantly hindered the ability of the Board to review all appellant documentation. By properly

November 20, 2012

addressing the concerns of property owners at the informal level for future appeal cycles, the number of appeals requiring Board action could be reduced. The County should consider the use of paper copies of supporting documentation to better aid Board staff in note-taking and following along with documentation as arguments are presented.

It is our recommendation that the Board of Equalization and Review perform its deliberations without Tax Office representatives present.

By having adequate time to review appeal documentation, Board of Equalization and Review should receive less guidance by tax office representatives. This is in keeping with the spirit of the Board's duty to adjudicate as an independent body. The proper time for County staff to determine appeal outcomes was during the informal process. Any questions the Board may have during deliberations regarding a property or its valuation should be directed to and addressed by the Clerk to the Board. All evidence concerning the property under appeal should have been heard during the allotted hearing.

November 20, 2012

Exhibits on Findings

<Attached following this page>