

**CLEVELAND COUNTY BOARD OF COMMISSIONERS**

**February 2, 2004**

The Cleveland County Board of Commissioners met in a **Special Called Meeting** for the purpose of holding a “town meeting” to allow citizens the opportunity to hear an **explanation of the tax revaluation process** for Cleveland County, on this date at the hour of 6:00 p.m., in the Commission Chamber of the Cleveland County Administrative Offices.

**PRESENT:** Mary S. Accor, Chairwoman  
Ronald J. Hawkins, Vice-Chair  
Tom Bridges, Commissioner  
Willie B. McIntosh, Commissioner  
Jerry L. Self, Commissioner  
R. L. Alexander, County Manager  
David Dear, Assistant County Manager/Finance Director  
Wanda Crotts, CMC, County Clerk  
Chris Green, County Tax Assessor  
Jean Mayes, Assistant Tax Assessor  
Duane Brown, Appraiser  
Barbara Greene, Appraiser  
Penny Grigg, Appraiser  
Joey Patterson, Appraiser  
Lee Reel, Appraiser  
Brenda Mellon, Appraiser  
Joy Scott, Star  
Jennipher Hammerstein, Cleveland Headline News  
Other individual names on file in the Clerk’s Office

**CALL TO ORDER**

Chairwoman Accor called the meeting to order.

**CLEVELAND COUNTY 2004 PROPERTY REVALUATION**

Mr. Green reviewed the following written information, which was provided as a handout to those present.

**What is Revaluation:**

Revaluation is a process of updating the assessed value of real property to reflect its current worth on the open market. The purpose is to ensure equitable assessments throughout the county. State law requires that real property be appraised 100% of its market value. The last revaluation was done in 2000.

**Statutory Requirements:**

Cleveland County is charged by the State of North Carolina with the task of determining the market value of all property subject to Ad Valorem (*according to value*) taxes, within its jurisdiction. NCGS 105-286 requires that all real property be reassessed at least every eight years. County boards may, by resolution, adopt a more frequent reappraisal of property if deemed necessary. Currently, 45 of the 100 counties have passed a resolution to adopt a more frequent schedule. Like Cleveland County, most of these are on a four-year schedule.

North Carolina’s Uniform Appraisal Standard (*NCGS 105-283*) requires that: all property, real and personal, shall as far as practicable be appraised at its true value in money. When used in this Subchapter, the words “true value” shall be defined as 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 adapted and for which it is capable of being used.

The Uniform Assessment Standard (*NCGS 105-284*) requires that counties maintain a minimum level of assessment. When the overall assessment ratio for real property drops below 90% in the fourth year after a revaluation, counties are penalized in the form of reduced revenue from the public utilities and other state-valued property. By 2003, the median assessment ratio for Cleveland County had fallen well below 90%. Failure to conduct a revaluation in 2004 would trigger this reduction in tax base. This would add to the burden of private property owners and put greater pressure on local boards to raise their tax rate.

County Commissioners are responsible for:

- County general tax rate
- Fire service district rates
- School tax rate

Individual governing boards are responsible for:

- Municipal tax rates (*cities and towns*)
- Sanitary district rates

The following are mandated by state law:

- Assessment standards
  - Guidelines for exemptions or deferral (*farm use, elderly, disabled, religious, charitable, educational, etc.*)

What Type of Property is Included?

The revaluation will include all land and all residential, commercial, and industrial structures in Cleveland County. The revaluation does not include personal property such as motor vehicles, watercraft, airplanes, machinery and equipment, etc.

Who Conducts the Revaluation?

The project was conducted in-house by the Cleveland County Tax Listing Department, Appraisal Division. No outside firm was used. [Mr. Green explained that some counties elect to contract for revaluation; however, the trend is now shifting to “do this in-house” due to the cost of contracting. He estimated contracting this revaluation would have cost Cleveland County \$1.5 million, as opposed to the approximate \$40,000 it cost for the Tax Listing Appraisal Division staff to prepare the revaluation. He added it is also more beneficial to have people who are familiar with the county prepare the revaluation, and who will be here to answer questions and explain the process used after the revaluation is completed.]

How Will Revaluation Affect My Tax Bill?

$ASSESSED\ VALUE \times TAX\ RATE = TAX\ BILL$ . This revaluation affects only one of the two components of your tax bill. One component is the assessed value. The other component, the tax rate, is set by governing bodies such as the County Commission and city/town officials. It is unknown at this time what the tax rate will be for the county, municipalities, or other entities. Local boards will set their respective tax rates in June 2004. Tax rates are subject to change from year to year; however, barring changes to the property or correction of error, the assessed value will remain the same until the next revaluation (*NCGS 105-287*).

Will Everyone's Value Change By The Same Amount or Percentage?

No. The change in assessed value may vary widely between properties, depending on a variety of market factors and the accuracy of the prior assessed value. The market may indicate a significant change in value for some properties, while others may experience little or no change.

What If My Land Is Enrolled In The Present Use Program (Farm Use)?

Agriculture rates will be unchanged for 2004. Horticulture and Forestry rates will be lower for 2004.

When Is The Revaluation Effective?

The effective date of the revaluation is January 1, 2004. Notices of value were sent out January 12, 2004.

How Do I Appeal The New Assessed Value?

Read carefully all the information provided on the notice of value. If you believe that the assessed value is greater than market value, you can ask for a review. The standard time frame to appeal a change in value is thirty days; however, appeals will be accepted through adjournment of the Board of

Equalization and Review. *It will not* be necessary for you to come into the appraisal office. To request a review, simply fill out and return the tear-away portion of the notice of value. Instructions are included on the form itself. You can also attach any supporting information you provide, and respond to you in writing. This may take several months to complete, as each appeal will be considered individually and most will require an on-site inspection.

Homestead Exemption For The Elderly Or Disabled:

NCGS 105-277.1 provides for a limited exemption of value on the permanent residence of qualified owners. Details are available by contacting the county assessor's office.

Mr. Green encouraged those having additional questions on their specific property, or the 2004 Revaluation in general, to contact the Cleveland County Assessor's Office. He also stated he and his staff would be available following the meeting to discuss individual cases or make an appointment for a formal appeal.

Chairwoman Accor opened the floor to allow citizens the opportunity to ask questions regarding the general revaluation process. Mr. Green explained the department is in somewhat of an ongoing process of revaluation. Appraisers continually track real estate sales, with their current sales file more than 7,000. He said that although the overall economy has suffered in recent years, the real estate market has flourished due to low interest rates. This refinancing has helped his department, as they have benefit of the private appraisals done as a part of the refinancing process. Mr. Green explained, "We don't have perfect information on every property; therefore, the appeal process is an important part of the revaluation process." He said there are approximately 52,000 parcels in the county, which are divided into approximately 700 communities.

He advised public hearings were held in December 2003 to review the same information presented this evening and he has also presented this information at various civic and community groups. He encouraged citizens who still have questions or concerns regarding their property to schedule an appointment to discuss their particular situation.

There was much discussion regarding various aspects of the process, policy and standards used, the tax rate, the different exemptions allowable under the law, and the county budget process. In response to a comment that tax bills had gone up since 2000 despite no increase in the tax rate by the county, Mr. Alexander explained the county tax rate of 62 cents per \$100 has remained the same since 2000; however, other factors that affect the individual tax bills are other taxes collected by the county tax office, such as school taxes, fire service district taxes, municipal taxes and sanitary district taxes - if any of those tax rates increased, then it was reflected on the tax bill even though the county tax rate remained unchanged. Commissioner Jerry Self reviewed a chart he had developed which gave specific examples of how the overall tax bill is affected by these different taxes.

**CLOSING REMARKS**

Chairwoman Accor stated, "I would like to say that the County Commissioners, at their retreat in January of this year, indicated their preference for a tax rate that would be revenue neutral. Revenue neutral does not necessarily mean one that would bring in the same tax dollars. The reason for this is because the tax base for the county grows between \$125,000,000.00 and \$140,000,000.00 annually, so any reduction in the tax rate should consider that annual growth. I can say that Commissioners intend to ask county departments to be as conservative in their budget requests as possible. This conservative approach to our budget is based on our concern over the number of citizens in our county who are unemployed or underemployed. We, as elected officials, must do everything we can to minimize the tax impact on these citizens."

**ADJOURN**

Chairwoman Accor declared this meeting adjourned at 7:35 p.m.

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*Mary S. Accor, Chairwoman*  
CLEVELAND COUNTY BOARD OF COMMISSIONERS

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*Wanda Crotts, CMC, Clerk*  
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