

# Reappraisal Frequently Asked Questions

## **WHY IS JACKSON COUNTY REAPPRAISING PROPERTY?**

North Carolina law requires counties to reappraise all real property once every eight years but also allows Counties to advance the reappraisal to less than eight years. The effective date of the reappraisal is January 1, 2021. The last reappraisal had an effective date of January 1, 2016.

## **WHY IS THE REAPPRAISAL CYCLE BEING SHORTENED FROM EIGHT YEARS?**

An eight-year cycle creates more opportunity for inequities to grow and usually leads to much larger and unpredictable changes to property values. As the inequities increase, the tax burden on individual property owners becomes unfair. Reappraisal assures every property owner they are only paying their fair share.

## **HOW DOES REAPPRAISAL BENEFIT PROPERTY OWNERS?**

Property taxes are based on property values. Without periodic reappraisals, some property owners would pay relatively more while others would pay relatively less. Reappraisal resets property values to their current market value so that the property tax burden is equalized for all taxpayers.

## **WHAT IS TAXABLE REAL PROPERTY?**

Real property includes land, buildings, structures, improvements, permanent fixtures on land and some manufactured homes.

## **HOW DOES THE ASSESSOR ESTABLISH THE VALUE?**

Jackson County uses a “mass appraisal” process that groups similar properties together based on location, type of construction, age, replacement cost, advantages and disadvantages, zoning and other factors. For property such as apartments or offices, the assessor may base the value on net operating income. The market approach takes into account an arm’s length sale of similar properties.

## **WHAT IS MARKET VALUE?**

Market value is the most probable price a property would bring in an open and competitive market. The Jackson County Property Assessor does not create market value; rather, we analyze the patterns and trends of the local real estate market and use that information to estimate market values for all properties.

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## **DOES THE ESTIMATED MARKET VALUE CHANGE AT THE SAME RATE FOR ALL PROPERTIES?**

No, market value does not change at the same rate on all properties. There are differences between individual properties and neighborhoods located within the County. In one area of the County the sales may indicate a significant decrease in value in a given year, while in another area of the County the sales may indicate a significant increase in value in the same year. Many factors are considered during the appraisal process. Some factors affecting value can be location, condition, size, construction quality, number of bathrooms, finished basements, pools, garages, economic conditions, etc. Market value is determined by buyers and sellers in the local real estate market. It is also possible for properties within the same neighborhood to show different value changes.

## **WHY IS THERE SUCH A BIG CHANGE IN MY VALUE FROM LAST REAPPRAISAL IN 2020?**

Remember that the tax value used for 2020 was actually the appraised value from the last reappraisal in 2016. Over the past five years, some property values have gone up or down significantly.

## **IS THERE A LIMIT ON HOW MUCH MY VALUE CAN CHANGE IN A REAPPRAISAL YEAR?**

No. Whenever a county has a general reappraisal, North Carolina law requires every property to be appraised at its fair market value, even if the value has changed substantially.

## **HOW ARE APPRAISAL AND TAXATION RELATED?**

Appraisal and taxation are separate issues. The County Property Assessor determines the market value, but the county tax rate has no impact on the valuation process. Each taxing jurisdiction—the county commissioners, town boards, etc.—establishes its own tax rate. The final tax bill cannot be determined until these rates are set.

## **WHEN WILL I GET MY VALUE NOTICE?**

The value notices will be mailed on February 1, 2021.

## **WHEN WILL I GET MY TAX BILL?**

The bills are mailed in August and become due on September 1, 2021. Property owners have until Jan. 5, 2022, to pay the property tax bill without interest.

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## **WILL MY TAX BILL CHANGE?**

Not necessarily. The annual tax bill for each property is calculated by multiplying the tax value by the tax rate, which is determined each year by each taxing jurisdiction—the county commissioners, town boards, etc. Some tax bills will go up, some will go down, and some will stay about the same.

## **HOW DO I KNOW WHAT MY TAX BILL WILL BE?**

The Board of County Commissioners will set the tax rate June 2021. Property owners will not know the tax amount due until the tax rate has been established. The tax rate is not set by the Property Assessor. The rate can only be established by the Board of Commissioners. The rate will be established based on the budget and revenue needed to cover that budget.

## **WHAT WAS MY ASSESSMENT LAST YEAR?**

Prior year assessments can be found on your prior property tax bills. You can retain a copy by visiting <https://jacksonntax.com/taxes.html#/>.

## **CAN I APPEAL?**

Yes. The first step is to file an informal appeal using the form included in your Reappraisal Notice. After an appraiser reviews the informal appeal, the Property Assessor's office will mail the result to the property owner. An appeal could result in the value "being left unchanged, reduced or increased." The next step, if the property owner is unsatisfied, is to file a Formal Appeal with the county Board of Equalization & Review.

## **WHAT ARE VALID REASONS TO APPEAL THE MARKET VALUE?**

1. The market value on your notice substantially exceeds the actual market value of the property.
2. The market value is inconsistent with the market value of similar properties within your neighborhood.

## **WHAT ARE INVALID REASONS TO APPEAL THE MARKET VALUE?**

1. The market value increased too much compared to the 2016 market value.
2. The owner cannot afford to pay the taxes.
3. The market value is more than the construction cost.
4. The market value is more than the insurance value.
5. The market value is just too high.

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## WHAT IS THE DEADLINE TO APPEAL?

Requests for informal review should be filed by March 2, 2021.

## WHERE CAN I GET A COPY OF MY PROPERTY RECORD CARD?

By visiting <https://gis.jacksonnc.org/rpv/>.

## WHY DOES MY VALUE DIFFER FROM THAT SHOWN ON INTERNET SITES LIKE ZILLOW?

Our appraisers spend a substantial amount of time qualifying all sales used to develop property values. Automated valuation models, such as those used by sites like Zillow or Trulia, do not research sales to determine if they meet requirements for qualification. These sites also do not have knowledge of local market variations.

## ARE THERE EXCEPTION OR SPECIAL PROGRAMS AVAILABLE?

Under specific circumstances, property owners may be eligible for reduced taxes or participation in other deferment or special programs. To participate in these programs, requirements specified by North Carolina law must be met.

### Property Tax Relief

Available programs include Elderly, Disabled, and Disabled Veteran. Application for property tax relief are accepted by the Tax Assessor by June 1 of each year.

### Exempt Property

North Carolina law allows for certain types of property to be exempt from property taxes if they meet the requirements specified. Application for exemption are accepted by the Tax Assessor during January of each year.

### Present Use Value Program

The North Carolina General Assembly enacted the Present-Use Value Program allowing reduced tax assessments for individually owned property currently in use for agriculture, horticulture or forestry. Property accepted into this program is assessed at its present use value. The present use value is usually less than the market value of the property. The difference between the present use value and the market value is deferred. When the property or a portion of the property is removed from the program for any reason, the deferred taxes for the current year and the previous three years, plus interest, become due. Applications for this program are accepted during January of each year.

Visit <https://www.jacksonnc.org/exemptions> for additional information.