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Subject: Mecklenburg's 2011 reval do-over to begin Sept. 18.

The following two articles are reprints from the Charlotte Observer regarding McCrory's signing Senate Bill 159.

Senate Bill 159 is posted on www.haywoodtp.net, <http://haywoodtp.net/pubII/130726NCSB159.pdf> .

The two articles from the Charlotte Observer are:

- Remedy proposed for home values, (The bill would provide refunds, interest to some Mecklenburg taxpayers, but others could get bills for low appraisals), By April Bethea, abethea@charlotteobserver.com, Posted: Tuesday, Mar. 05, 2013,

<http://www.charlotteobserver.com/2013/03/05/3892496/refunds-new-tax-bills-part-of.html>

- Mecklenburg's 2011 reval do-over to begin Sept. 18,
By David Perlmutter, dperlmutter@charlotteobserver.com, Posted: Monday, Aug. 05, 2013

<http://www.charlotteobserver.com/2013/08/05/4215711/reval-redo-set-to-begin-sept-18.html>

Both articles are reprinted here in text form in the following pages.

Monroe A. Miller Jr.

Remedy proposed for home values

The bill would provide refunds, interest to some Mecklenburg taxpayers, but others could get bills for low appraisals

By April Bethea

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Posted: Tuesday, Mar. 05, 2013

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State and local leaders discuss proposed legislation designed to fix problems in the 2011 Mecklenburg County property revaluation. BY APRIL BETHEA, abethea@charlotteobserver.com

Mecklenburg taxpayers whose homes or other properties were overvalued two years ago would receive refunds with interest under new state bills designed to fix problems in the county's 2011 revaluation.

But the legislation also would require the county to send new bills to anyone with property that was improperly appraised too low. No interest would be owed on the back taxes.

The bills – filed jointly Monday in the state House and Senate – follow many months of calls by some residents and leaders for the county to fix the flawed revaluation.

Critics of the process have said any taxpayers who paid too much on incorrect values should get their money back. But county officials have said current state law doesn't give them the authority to issue refunds.

The proposed state legislation would remove that stumbling block by making any new values applied to properties retroactive to Jan. 1, 2011. Bill sponsors said they worked with professors and other experts to ensure the legislation would be constitutional.

Still, even if the bills are approved, changes to tax values won't occur right away.

The proposed bills call on the county to update its property records and conduct a new revaluation within 18 months. A bill sponsor previously said that cleaning up the property records could delay refunds for two to three years.

The county plans to launch a website this month so people can point out errors in the property records. Meanwhile, Mecklenburg's interim assessor said the county may have to add nearly 60 more appraisers, or spend up to \$9 million to contract the work, to comply with the bill's requirements for doing a new revaluation.

Sen. Jeff Tarte, one of a half-dozen bipartisan co-sponsors of the state legislation, said leaders have worked to ensure that "every property owner in Mecklenburg County is entitled to and will get a fair and accurate property value."

But while the prospect of refunds will be welcome news to some taxpayers, the legislation could upset those who would be required to pay back taxes.

Officials said that couldn't be avoided.

"The constitution requires that everyone be treated the same and fairly," said Rep. Bill Brawley. "If they were

undervalued in error that error needs to be corrected as well.”

Cornelius native Bob Deaton was among the homeowners who long challenged the 2011 revaluation. He is still appealing his home’s value, which he said increased his taxes by nearly \$4,000.

Deaton said he knew it would be a “long battle” to get the revaluation fixed.

“Very early, we understood that it was not something that the legislature normally got into,” Deaton said. “But we just had to keep pushing and raising the question, ‘Are you sure you can’t do something?’ And here we are.”

The 2011 revaluation was Mecklenburg’s first in eight years and came as the residential and commercial markets were still in flux after the recession. At the time, the Assessor’s Office said it was continuously slashing values on many properties to account for changes in the market.

Still, complaints about the new values began popping up quickly after the county mailed new values in spring 2011. More than 41,000 appeals were filed contesting values.

County officials initially defended the revaluation. But as complaints grew in the past year, commissioners agreed to bring in an outside firm to review the appraisals.

That firm, Pearson’s Appraisal Service, found that 49 of 151 randomly-picked neighborhoods in the county had at least minor flaws. Of those, 15 had major issues. Problems also were found in some areas that saw the largest increase in land values.

The Pearson’s review did not specify how many of the neighborhoods had been overvalued or undervalued. The county has since hired the firm to do a broader study of the rest of the county.

Updating property records

A major component of the revaluation bill would require the county to update its database that has details on parcels such as the size of a home and the number of bathrooms and bedrooms.

In its initial review, Pearson’s found that it had been 17 years since the county had performed on-site inspections on all parcels, though industry standards recommend they occur every four to six years. The firm said it believed inspections would be necessary before any future revaluations to ensure the accuracy of the new appraisals.

Last month, Tarte said he had been told that 40 percent of the county’s property data was “corrupt.”

County staff is working to figure out how much of the database may be wrong. But General Manager Bobbie Shields said that the entire database is not outdated because the county goes out each year to look at properties where there is new construction, such as renovations.

Shields, who is the county’s interim assessor, said older properties that have not had any renovations may not have been visited by staff over the years. Still, he said the county has a system of considering the depreciation of structures.

Property owners are currently able to request changes to their property records. But the county is working with Pearson's on a website to make it easier to point out errors.

Shields said the site, which officials hope to make available in the next two weeks, will share more data that county appraisers use when setting values. If someone points out an error in a property, an appraiser will be sent to visit the site before any changes are finalized, he said.

The new state legislation does not give the county any additional money to update the property records or conduct the new revaluation.

Commissioner Karen Bentley said the issue with the revaluations were not new, and she expects staff will work to understand what the cost implications of the new legislation would be.

Figuring out how to pay for the work likely will be part of 2013-14 budget discussions later this spring unless commissioners want to act sooner.

Another piece of the bill would require the county to significantly increase the number of appraisers it has before conducting a new revaluation, or allow it to contract with an outside firm.

Currently, the county has 26 appraisers. But the legislation calls on having one appraiser for every 4,250 parcels in the county.

To meet that benchmark, Shields said the county may have to add 58 appraisers, which could cost \$4.5 million. He said hiring a private company could cost \$9 million based on the current rate it is paying Pearson's for its work.

Shields said officials still have more questions about the new legislation. He said they'd welcome the chance to discuss the bill with lawmakers.

The state bills are expected to be discussed in the coming days by House and Senate committees before moving to the full chambers. Brawley said the bills could come up for a vote late next week, and would need to be signed by the governor to become official.

Mecklenburg's 2011 reval do-over to begin Sept. 18

By David Perlmutter

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Posted: Monday, Aug. 05, 2013

It's a law: Meck must redo 2011 revaluation

Mecklenburg County's do-over of the 2011 property revaluation will begin Sept. 18, and interim County Manager Bobbie Shields will ask commissioners Tuesday to release nearly \$1 million to bolster the tax assessor's office with 10 new appraisers and six other staffers.

The additions would boost the stable of appraisers by nearly a third – to 36 – and comes at a time when Mecklenburg is still digging out from under an error-plagued revaluation two years ago.

At Tuesday's meeting, Shields, also the county's interim tax assessor, will lay out a specific timeline for the redo. It began last week when Mecklenburg sent out a request for proposals from companies to review values set on all 356,000 parcels on Jan. 1, 2011.

Refunds to property owners overbilled in 2011 will begin by late October.

Based on Shields' plan:

- The county will hire a new tax assessor on Sept. 3. Shields has stood in as interim since early December after former assessor Garrett Alexander resigned in the fallout from 2011.

The county was ready to hire a candidate in June, but he withdrew, saying the tax office was "too toxic." Some commissioners expressed doubt that a candidate would be found by Sept. 3.

- The board will select a review company on Sept. 17. The redo will officially begin the next day, with parcels reviewed by neighborhood.

- Beginning in October, commissioners will make recommended changes on property abstracts and tax records each second Tuesday. The county manager (a new one could be hired in mid-October) also will notify affected property owners of the board's decisions on corrected values on or before the 20th of each month.

- The county and municipalities will send refund checks by the end of each month, again starting in October. All property owners will have the right to appeal the new values.

Shields said Monday he doesn't need the board's vote to pursue the plan. Yet he will need the commissioners' OK to hire 10 new appraisers for the tax office for \$796,000.

Shields also wants to hire an administrative support supervisor and four assistants for administrative and customer service duty. They'll be paid a total of \$214,000.

"The implementation of the (the redo) will require dedicated administrative support ... to allow for a high level

of customer service,” he wrote in his request.

He’s also asking for a program information technology analyst at \$52,000.

The bigger staff is necessary to carry out the next property revaluation, which the county must do by 2019.

Board Chairwoman Pat Cotham said Monday she thought the new hires should be made by the new assessor.

Shields said he believes they should be hired soon to get prepared for all the work ahead.

“It’s approved money,” Shields said. “We want to move ahead and get people in place so we can be ready to assist whatever company the board hires. But probably more important, we’re getting the office ready for the next revaluation. We want to make sure the records are straight and the right IT system is in place.”

The money was approved in the current budget, but commissioners placed it in “restricted contingency” for a later vote.

The added appraisers would improve the county’s ratio to one appraiser for 10,000 parcels, which Shields described as “best practice.” He said the extra staffing is critical to continue routine activities while resolving 2013 informal appeals and 2012 appeals to the Board of Equalization and Review, which would require some site visits.

In addition to helping with the 2011 revaluation redo, the office will also continue assisting in the ongoing review of neighborhoods found to have “major issues” by county-hired Pearson’s Appraisal Service.

After the review of 5,500 parcels is complete – probably soon – the staff will continue with field reviews of 60,000 remaining parcels, Shields said.