

MINUTES

**STATE OF NORTH CAROLINA
COUNTY OF HENDERSON**

**BOARD OF COMMISSIONERS
WEDNESDAY, NOVEMBER 10, 2010**

The Henderson County Board of Commissioners met for a special called meeting at 10:00 a.m. in the King Street Meeting Room due to fire alarm complications at the Historic Courthouse on Main Street, Hendersonville.

Those present were: Chairman Bill Moyer, Vice-Chairman Mark Williams, Commissioner Larry Young, Commissioner Charlie Messer, Commissioner Chuck McGrady, County Manager Steve Wyatt, Assistant County Manager Selena Coffey, County Attorney Russ Burrell, and Clerk to the Board Teresa L. Wilson.

Also Present were: PIO Christy DeStefano, Research/Budget Analyst Amy Brantley, and Tax Assessor Stan Duncan.

CALL TO ORDER/WELCOME

Chairman Moyer called the meeting to order and stated the purpose of the special called meeting is for a public hearing in regards to the proposed 2011 Schedule of Values, Standards, and Rules and the 2011 Present-Use Values Schedules.

Tax Assessor Stan Duncan stated this is the third of four required meetings, the last will be held during the regular scheduled meeting of the Board on November 17, 2010 at 9:00 a.m.

Statutory Distinction

- For the Real Property Appraisal Staff – The Schedules of Values, Standards, and Rules are to be “sufficiently detailed to enable those making appraisals to adhere to them in appraising real property.”
- For the Property Owners – A property record be prepared and “maintained in sufficient detail to enable property owners to ascertain the method rules, and standards of value by which property is appraised.”

Market Value vs. Present-Use Value

- All real property must be appraised at Market Value, effective as of 1 January of the reappraisal year.
- Only those parcels approved for Present-Use Value (Agricultural, Horticultural, and/or Forestland), are to be appraised at Present-Use Value on the basis of their individual soil capabilities.

Uniform Appraisal Standard

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.

Market Value is “Value in Exchange”, but not necessarily the most recent price paid in an arms length transaction when competent evidence of a different value is presented, and not the highest or

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lowest value, but the most probable value meeting the requirements of the Uniform Appraisal Standard, and not a “foreclosure” or “short sale”.

Present-Use Value is “Value in Use”, a method for determining the value of land used for the commercial growing of Agricultural and/or Horticultural crops, and commercial forest products, based solely on the capitalization of ground rents for those purposes, applicable only for those parcels approved for Present-Use Value Program, and which meet all other program requirements of ownership, size, income, and sound management.

The affect of the 2011 Reappraisal is that some real property values will go up, and some will go down.

Public Input

1. William Holmes – “I’ve reviewed the new standards and while there is considerable objectivity in house appraisals, I could find no standards to be used in land appraisals. It appears to be an entirely subjective evaluation by the appraiser, and in my community of Carriage Park, I found there is no consistency in its application inside the community. And, it it’s inconsistent within my community, I can only assume it’s equally inconsistent throughout the county. A rising tide is supposed to lift all ships, yet there are major differences in the land appraisals in the newer sections in Carriage Park as compared to the older sections. Using the county’s GIS application, I have observed cases where despite having a lot size only a fourth as much as other older lots, the assessed land value is four times as much in the newer lots. Much of that results from assessments “by the unit” as opposed to assessing by acreage. Another contributing factor to the difference is something called an “influence factor”, usually related to the scenic view from these lots. In Carriage Park, the influence factor is applied only to appraisals of the newer lots. Lots in the older sections have no influence factors despite having equally impressive scenic views. Aside from the inequality of its application, to use these, you are assessing on the basis of a pure intangible, which should not be considered in a tangible, physical real property appraisal.”

Cite Examples – “To cure these problems it is my contention that you need to do the following”:

- A. Level the playing field, lots within a general area should have values that are commensurate in comparison with one another.
 - B. Assess by acreage, assessing “by the unit” disadvantages owners of smaller size lots.
 - C. Either get rid of scenic view influence factors, or define what is a scenic view for appraisal purposes and then apply it equally to all lots in the county that have any sort of scenic view whatsoever.
 - D. Introduce some sort of objectivity in land appraisals so that different appraisers don’t come up with such wide variations in their appraisals of land values for individual properties.
2. Larry L. Rogers – Spoke on behalf of the Partners for Economic Progress -“Due to the economic downturn, our property values are in a high state of flux. The county tax assessor tells us that he is unable to use property values that are sold under stress or discount to determine new values. This leaves our county with few comparables. Our realtors tell us the overall home values are down 16%, with a range of 8% to 32%. Land sales are down about 48%. We have huge inventories of both products. A banker tells us his folks do not rely on average appraised values to determine individual property value. So we have property values that are in great flux, with few legal comparable values available. We ask the Commissioners to consider no reevaluation this year. Many other counties in the state have chosen this route.

3. Steve Dozier – “Basically I want to speak just a moment on market value. We are continuing to see change and I think Mr. Duncan has mentioned that they will continue to evaluate things through the end of the year. But I wanted to give you a market report that I do every month. If you look at October of last year until October of this year there has been a reduction in the number of units sold, by almost 34%. If I simply look at September of this year until October of this year there has been a 24% drop in the number of units sold. Average price has somewhat held the same but...I don't know how many of you seen the article in the paper today about the number of foreclosures that have hit in Henderson County but I suspect that the average price per home is probably going to be reduced through the end of the year, not by huge amounts but it's a never adjusting thing. I will strongly encourage you to put off this decision to go forward until the absolute last minute because I think you need to look at a real picture of what is happening in the community and I don't think we've seen the full impact of the foreclosures, short sales, bank home property in this market and it is ever changing and I think it is going to continue on to at least 2012 more than likely.”

Chairman Moyer noted the Board has continued with the public hearing and placed this item on the agenda in order to allow the new Board maximum flexibility through the end of the year to make the decision that they think is right at that time. If the Board had not continued it would foreclose the new Board from that option.

Stan Duncan stated, with regards to the number of sales, from January 2009 through December 2009 they have a total of 1358 qualified sales. These sales meet the test of the fair market standard in the machinery act in the law, excluding all foreclosures and short sales. Year to date to mid September, there are 908 sales that qualify.

Chairman Moyer stated if the reappraisal is not done, and someone appeals their value, nothing can be done and the value will automatically go to the value as of January 2007 until the next appraisal. There is no remedy that the Board of Commissioners has without doing the reappraisal, it's all or nothing.

Further discussion followed.

ADJOURN

Commissioner McGrady made the motion to go out of public hearing and adjourn at 10:50 a.m. All voted in favor and the motion carried.

Attest:

Teresa L. Wilson, Clerk to the Board

William L. Moyer, Chairman