

## Appraisal and Reappraisal. Just Do It?

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In late 2014, just after joining the SOG, the NCDOR included me in the initial discussions among assessors about North Carolina's reappraisal standards. This blog post includes some of the thoughts and questions that I shared with the group at that time. Please keep in mind that this post is written informally, from my perspective during late 2014. I was discussing with the committee, mainly through emails, whether the assessment system our taxpayers deserve was being delivered. On the other side of an inadequate reappraisal, I wasn't sure our lawmakers in Raleigh would accept an excuse of, "We weren't given the needed resources". I'll refer again back to [this related blog post on ways to request what is needed](#).

# 2014

I'll openly admit that I'm no reappraisal expert....yet, but I want to offer my thoughts. Maybe I'll become an expert after hanging out with you all more.

One of our discussion points was related to staffing and funding. I had a conversation this week with an assessor in a small county with a 2014 reappraisal. It was an outsourced project, but the county has no real property appraisers on staff. They have one less employee now than before the reappraisal. They have one clerk that has met the NCDOR appraiser education requirements, but the board has refused to fund a single appraiser position. After establishing what we mean to be "adequate", I am then comfortable supporting the concept that less than adequate reappraisal and appraisal staff funding should be accompanied by the expectation of less than adequate reappraisals and appraisals. Some of the negative outcomes are beyond the control of even the most qualified assessors. I sense this jurisdiction I spoke with this week might have a person with the function of an appraiser, but they are being paid as a clerk, and unfortunately may not know the difference. What prevents someone with the title and pay of "clerk" from appraising property? I'm aware there were business personal property clerks a few years ago struggling with appraisal issues. I'm guessing the real property arena has its similar problems.

"When data are perceived to be accurate and valuations appear accurate and uniform, acceptance of the property tax tends to increase....Of course, available resources affect the level of quality that can be obtained." IAAO Fundamentals of Mass Appraisal, p.22

I don't know for certain, but I suspect the average salary for an appraiser is more than that of a clerk. Is it just too expensive to pay for appraisers? Isn't that similar to the old saying, "If you think education is expensive, try ignorance?" How much do we reckon it costs to not adequately fund a reappraisal? I can think of two expensive outcomes:

(1) Costly appeals tie up staff and county time and can be a PR nightmare. Costly for the tax office, taxpayers, and elected officials.

(2) A realization that data and/or expertise are not adequate to defend values. So appeals are just met with concession.

Of course both of those could be masked by values that are too low in one or more property classes. Individual and accumulating lower values being the inevitable result of an inadequate reappraisal, either in front or on the back end of value notices going out. Especially on high-end

and commercial/industrial properties. That latter classification will likely be represented by tax-reps and experienced, well-paid, well-educated, qualified appraisers with letters after their names. We can put some numbers behind these predictions of inadequate funding. I do not know what the true rates and thresholds are, but for example, 10% appeal rate on the top 10% valued properties resulting in a 10% reduction in value on all of those properties...what would that cost?

Questions:

1. Does our group know how common it is for a county to have no appraisers? We discussed [NCGS 105-296\(b\)](#) directing that *Within budgeted appropriations, he shall employ listers, appraisers, and....* Note, our law says “shall” as well as “and” when referring to appraisers and clerical assistants. What is the purpose of using the word “and” in the law, if the intent is not to employ at least one appraiser? Also, the language is arguably worthless if everything relies on “within budgeted appropriations”, which is seemingly above the law.
2. In the past, we have accumulated data from surveys on the number of appraisers, number of parcels, etc from counties. This specific county I was speaking with shared they DID present this data to the commissioners, but to no avail.
3. What is adequate staffing? Have benchmarks been established, or is this issue usually addressed case by case when one of the individual office reviews take place?
4. IAAO has published some guidelines, but do they apply in NC?