

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 56

Short Title: Modify Reappraisal Schedule.

(Public)

Sponsors: Senators Sands; Barker, Cobb, Conder, Johnson of Wake, Martin of Pitt, Parnell, and Swain.

Referred to: Finance.

January 25, 1989

A BILL TO BE ENTITLED

AN ACT TO REQUIRE A GENERAL REAPPRAISAL OF REAL PROPERTY WHEN THE LEVEL OF ASSESSMENT IN THE COUNTY IS SIGNIFICANTLY BELOW FAIR MARKET VALUE.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-286 reads as rewritten:

"§ 105-286. Time for general reappraisal of real property.

(a) Octennial Plan. – Unless the date shall be advanced as provided in subdivision (a)(2), below, subsection (a1) of this section, each county of the State, as of January 1 of the year prescribed in the schedule set out in subdivision (a)(1), below, and every eighth year thereafter, shall reappraise all real property in accordance with the provisions of G.S. 105-283 and 105-317.

(+) Schedule of Initial Reappraisals. –

Division One – 1972: Avery, Camden, Cherokee, Cleveland, Cumberland, Guilford, Harnett, Haywood, Lee, Montgomery, Northampton, and Robeson.

Division Two – 1973: Caldwell, Carteret, Columbus, Currituck, Davidson, Gaston, Greene, Hyde, Lenoir, Madison, Orange, Pamlico, Pitt, Richmond, Swain, Transylvania, and Washington.

Division Three – 1974: Ashe, Buncombe, Chowan, Franklin, Henderson, Hoke, Jones, Pasquotank, Rowan, and Stokes.

Division Four – 1975: Alleghany, Bladen, Brunswick, Cabarrus, Catawba, Dare, Halifax, Macon, New Hanover, Surry, Tyrrell, and Yadkin.

1 Division Five – 1976: Bertie, Caswell, Forsyth, Iredell, Jackson, Lincoln, Onslow,
2 Person, Perquimans, Rutherford, Union, Vance, Wake, Wilson, and Yancey.

3 Division Six – 1977: Alamance, Durham, Edgecombe, Gates, Martin, Mitchell,
4 Nash, Polk, Randolph, Stanly, Warren, and Wilkes.

5 Division Seven – 1978: Alexander, Anson, Beaufort, Clay, Craven, Davie, Duplin,
6 and Granville.

7 Division Eight – 1979: Burke, Chatham, Graham, Hertford, Johnston, McDowell,
8 Mecklenburg, Moore, Pender, Rockingham, Sampson, Scotland, Watauga, and Wayne.

9 ~~(2)~~ (a1) Advancing Scheduled Octennial Reappraisal. – A county whose
10 assessment factor, as established by the sales assessment ratio studies of real property
11 conducted by the Department of Revenue pursuant to G.S. 105-289(h), exceeds 50 shall
12 reappraise all real property as of January 1 of the second year after it is notified of the
13 assessment factor by the Department of Revenue pursuant to G.S. 105-289(h).

14 Whenever a county's assessment factor exceeds 50, the Department of Revenue shall
15 review and study the appraised values of the county's tax base. If the Department
16 determines that the assessment factor exceeds 50 because of inequitable appraised tax
17 values within defined types or categories of real property within the county or within
18 defined geographic areas of the county, it may authorize a one-year delay for the
19 reappraisal of all real property within the county if the county agrees to correct the
20 appraised values of the defined properties within the upcoming year under the
21 guidelines of G.S. 105-287. If the Department finds that the county's assessment factor
22 does not exceed 50 in the following tax year, the county may resume the octennial
23 schedule it was following prior to the adjustment it made under the guidelines of G.S.
24 105-287, subject to the advancement procedure outlined in this subsection. If the
25 Department finds that the county's assessment factor still exceeds 50 in the following
26 tax year, the county shall reappraise all real property in accordance with the provisions
27 of G.S. 105-283 and G.S. 105-317 as of January 1 of the second calendar year after the
28 Department notifies the county that its assessment factor still exceeds 50.

29 In addition, a ~~Any~~ county desiring to conduct a reappraisal of real property earlier
30 than required by this subsection or by subsection (a) may do so upon adoption by the
31 board of county commissioners of a resolution so providing. A copy of any such
32 resolution shall be forwarded promptly to the Department of Revenue. If the scheduled
33 date for reappraisal for ~~any a~~ county is advanced as provided ~~herein, in this subsection,~~
34 real property in that county shall thereafter be reappraised every eighth year following
35 the advanced date ~~unless, in accordance with the provisions of this subdivision (a)(2), an~~
36 earlier date shall be adopted by resolution of the board of county commissioners, in which
37 event a new schedule of octennial reappraisals shall thereby be established for that county.
38 ~~unless the date is advanced again in accordance with this subsection.~~

39 ~~(b) Fourth-Year Horizontal Adjustments. – As of January 1 of the fourth year~~
40 ~~following a reappraisal of real property conducted under the provisions of subsection~~
41 ~~(a), above, each county shall review the appraised values of all real property and~~
42 ~~determine whether changes should be made to bring those values into line with then~~
43 ~~current true value. If it is determined that the appraised value of all real property or of~~
44 ~~defined types or categories of real property require such adjustment, the assessor shall~~

1 ~~revise the values accordingly by horizontal adjustments rather than by actual appraisal~~
2 ~~of individual properties: That is, by uniform application of percentages of increase or~~
3 ~~reduction to the appraised values of properties within defined types or categories or~~
4 ~~within defined geographic areas of the county.~~

5 (c) Value to Be Assigned Real Property When Not Subject to Appraisal. – In
6 years in which real property within a county is not subject to appraisal or reappraisal
7 under subsections (a) or ~~(b)~~, (a1), above, or under G.S. 105-287, it shall be listed at the
8 value assigned when last appraised under this section or under G.S. 105-287.”

9 Sec. 2. G.S. 105-289(h) reads as rewritten:

10 "(h) To make annual studies of the ratio of the appraised value of real property to
11 its true value and to establish for each county the median ratio and the coefficient of
12 dispersion as determined by the studies for each calendar year. Based upon the studies,
13 the Department shall calculate for each county an assessment factor by adding together
14 the reciprocal of the county's median ratio and the county's coefficient of dispersion.
15 The studies for each calendar year shall be completed by April 15 of the following
16 calendar year. The Department shall notify each county of its assessment factor not
17 later than April 30 of the year the study is completed. The studies shall be conducted in
18 accordance with generally accepted principles and procedures for sales assessment ratio
19 studies."

20 Sec. 3. This act shall become effective for taxable years beginning on or after
21 January 1, 1990.