

# Roane County Reappraisal

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Presentation to the Roane County Commission

August 10, 2015





# The Goal

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To ensure a fair and accurate reappraisal for the citizens of Roane County.

# The Process

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- ◆ August 2010 – SBOE approves former assessor Teresa Kirkham’s reappraisal plan to be completed in 2015
- ◆ August 2012 – David Morgan elected Assessor
- ◆ 2013-2014 – The Division of Property Assessments holds 24 meetings with the assessor’s office to discuss reappraisal and other assessment-related issues

# The Problem

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- ◆ October 7, 2014 – Assessor David Morgan submits a Reappraisal Quarterly Progress Report to DPA which raises serious questions

# Quarterly Progress Report

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- ◆ Personnel needs are not adequate to meet deadlines
- ◆ Replies “no” to 11 specific questions regarding the progress of the reappraisal

# Quarterly Progress Report

- ◆ Concludes with a “no” to the question: “Is the revaluation program on schedule as required by the current Plan of Reappraisal?”

14. Is the revaluation program on schedule as required in the current Plan of Reappraisal?  Yes  No  
(If No, please explain)

# A Call to Action

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- ◆ DPA notifies the Assessor of its serious concerns about the ability of the Assessor to complete an acceptable reappraisal in 2015
- ◆ DPA asks for a variety of documents and reports, and a completion timeline

# Noncompliance

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- ◆ December 2014 – DPA meets with Assessor
  - Rates and sales analyses were not complete
  - Sales maintenance was six weeks behind and no new construction had been picked up in months
  - Reappraisal activity is nowhere near completion
  - December 29, 2014 – SBOE is notified of noncompliance

# State Board of Equalization

- ◆ February 26, 2015 – SBOE directs DPA to take all necessary steps to ensure Roane County complies with the reappraisal requirements set forth in law and the reappraisal plan previously approved by the Board

# DPA Arrives in Roane County

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# Property Problems

13FA 6.00



539 Blair Road

- Building Permit in 2012
- Built in 2013
- Not on Tax Roll in 2014

<b>APPRAISED VALUES</b>	
<b>IMPROVEMENTS</b>	<b>0</b>
LAND	12,500
<b>TOTAL APPRAISAL</b>	<b>12,500</b>
USE VALUE APR	0
ASSESSMENT	5,000
ASSESSED @	40%
APPROACH	NO MAJ IMP

# Property Problems



Gateway Ave., Rockwood

- Built in 2013
- Building Value \$753,312
- Not on Tax Roll in 2014

<b>APPRAISED VALUES</b>	
<b>IMPROVEMENTS</b>	<b>0</b>
LAND	299,300
<b>TOTAL APPRAISAL</b>	<b>299,300</b>
USE VALUE APR	0
ASSESSMENT	119,720
ASSESSED @	40%
APPROACH	NO MAJ IMP

# Built in 2012 and 2013



# Property Problems



366 Barnard Narrows Rd.

- Built in 2012
- Building Value \$156,900
- Not on Tax Roll in 2014

APPRAISED VALUES	
IMPROVEMENTS	
LAND	20,300
TOTAL APPRAISAL	20,300
USE VALUE APR	0
ASSESSMENT	5,075
ASSESSED @	25%
APPROACH	NO MAJ IMP

Year Receipt	Tax Amount
2014-0015594	111.00
2013-0015601	111.00
2012-0015566	111.00

# 2014 New Construction

086 - 157.00



# 2014 New Construction

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046-096.13



046-096.09



# Roane Medical Center

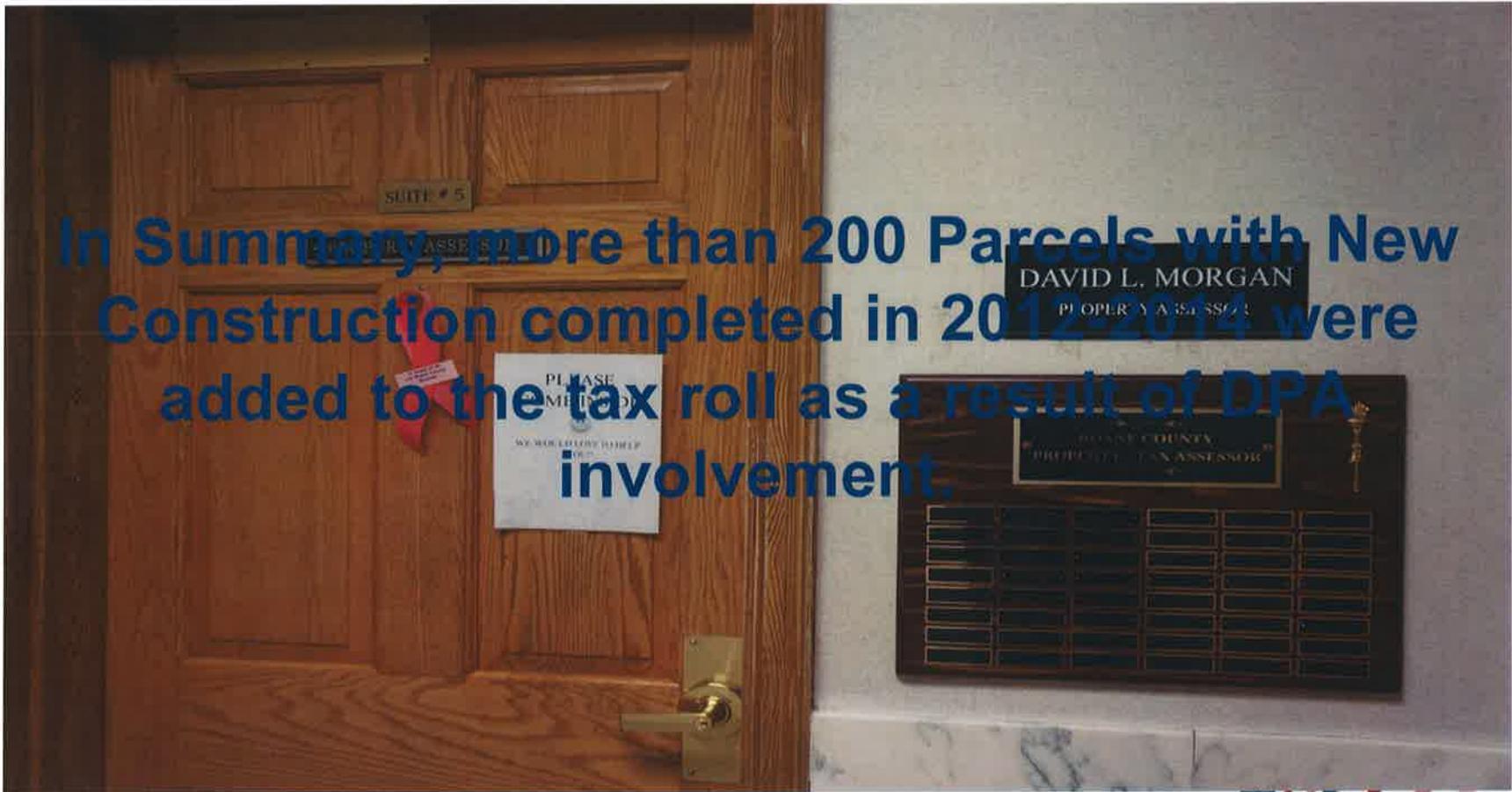


## Roane State Highway

- Entire Building Listed as Exempt
- \$2,038,700 Building was not exempt
- DPA made correction

Use Code	Land Size	Building Value
CO	0.000	2,038,700
Total Card	0.000	2,038,700
Total Parcel	0.000	2,038,700

# Reappraisal Behind Schedule



# Reappraisal Challenges

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## Visual Inspection

- ◆ This process routinely occurs during the years leading up to a reappraisal
- ◆ The assessor's office fell behind by 4,467 parcels (more than 10% of all Roane County parcels)
- ◆ DPA staff visually inspected nearly 6,000 commercial and residential parcels

# Reappraisal Challenges

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## Staffing Issues

- ◆ Since January 2014 several members of the assessor's staff have left the office
- ◆ Only one employee had more than one year of assessment experience. Employees do not have professional licenses or designations.
- ◆ Lack of experience leaves the assessor's office inadequately prepared for future needs. Day to day operations are possibly at risk.

# Reappraisal Challenges

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## System Issues

- ◆ Almost no one in the office knew how to operate the new CAMA system
- ◆ System was not initially set up to achieve accurate valuation results
- ◆ There continues to be a lack of knowledge and expertise to maintain the new system

# The Stakes

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- ◆ When new buildings are not added to the tax rolls the county loses revenue
- ◆ When property is valued inaccurately everyone suffers. Valuation must be fair and accurate.
- ◆ When the reappraisal process is behind schedule the budget process is impacted and tax billing is delayed

# The Results

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Total Real Parcels	36,249
Total 2014 Assessed Value	\$1,206,934,850
Total 2015 Assessed Value	\$1,165,014,473
Difference	\$41,920,377
Percent Change	-3.47%

# Reappraisal Statistics

## ROANE COUNTY 2015 SALES ANALYSIS

### STATISTICS BY CLASS

CLASS	#OBS	WMEAN	MEAN	MEDIAN	STD	COD	COV	PRD
OVERALL	519	1.0067	1.0229	1.0000	0.1597	10.38	15.61	1.02
IMPROVED	432	1.0070	1.0257	1.0000	0.1630	10.74	15.89	1.02
VACANT	87	1.0029	1.0091	1.0000	0.1425	8.59	14.12	1.01
RESIDENTIAL	463	1.0059	1.0227	1.0000	0.1598	10.40	15.63	1.02
IMPROVED	392	1.0070	1.0261	1.0000	0.1610	10.61	15.69	1.02
VACANT	71	0.9924	1.0037	1.0000	0.1525	9.24	15.19	1.01
FARM	39	0.9987	1.0210	1.0009	0.1228	7.49	12.03	1.02
IMPROVED	25	0.9915	1.0191	1.0009	0.1423	8.77	13.96	1.03
VACANT	14	1.0233	1.0244	1.0000	0.0817	5.21	7.98	1.00
COM & IND	17	1.0147	1.0318	1.0080	0.2308	16.13	22.37	1.02
IMPROVED	15	1.0142	1.0237	1.0058	0.2439	17.18	23.83	1.01
VACANT	2	1.0233	1.0926	1.0926	0.1076	6.96	9.85	1.07

11.00 in

# Tax Neutral Rates

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Roane County	\$2.275
Harriman	\$2.076
Kingston	\$2.222
Rockwood	\$2.222
Oliver Springs	\$2.222
Oak Ridge	\$2.056

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# The Cost

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Total DPA Staff Involved	12
Total Hours Worked	2585.5
Total Cost	\$111,310.01
Final Cost	\$89,048.01

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# Your Reappraisal

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