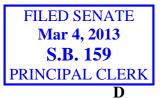
GENERAL ASSEMBLY OF NORTH CAROLINA **SESSION 2013**



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SENATE DRS35077-MCx-25B* (01/23)

Short Title:	Require Certain General Reappraisals.	(Public)
Sponsors:	Senators Tarte and Rucho (Primary Sponsors).	
Referred to:		

1	A BILL TO BE ENTITLED
2	AN ACT TO CORRECT GENERAL REAPPRAISALS RESULTING IN PROPERTY
3	VALUES THAT DO NOT COMPLY WITH THE REQUIREMENTS OF NORTH
4	CAROLINA LAW BY SETTING FORTH THE STEPS REQUIRED TO BRING THE
5	GENERAL REAPPRAISAL INTO COMPLIANCE WITH THE APPLICABLE
6	PROPERTY TAX MANDATES.
7	Whereas, the Great Recession has had deleterious effects on the economy and,
8	especially, on the housing market; and
9	Whereas, valuation data for a calendar year is used to determine market value for a
10	general reappraisal as of January 1 of the following year; and
11	Whereas, there were a total of 3,825,637 foreclosure filings during the 2010
12	calendar year and 2.23% of all households were in some stage of foreclosure during 2010; and
13	Whereas, annual analysis of the housing market in North Carolina in 2011 shows
14	tax assessments in nearly half of the counties in the State were higher, on average, than actual
15	market values; and
16	Whereas, the General Assembly has previously required accelerated general
17	reappraisals when sales values deviated too much from assessed values, but such countywide
18	analyses can fail to properly account for pockets of improperly valued properties or where
19	properties have values that offset improperly valued properties located elsewhere within the
20	county; and
21	Whereas, these unique and extraordinary conditions have increased the difficulty of
22	accurately appraising real property for tax purposes and increased the number of actual errors
23	in conducting reappraisals; and
24	Whereas, independent, corroborating evidence shows instances of high degrees of
25	inequity in valuations among like properties of a type that is not acceptable by widely accepted
26	mass appraisal standards; and
27	Whereas, independent, corroborating evidence shows, among other things, that there
28	exist concrete examples of erroneous valuations, for example, that resulted both from the
29 20	values accepted as initial values and from other inequities produced during the property tax
30	appeals process; and
31 32	Whereas, these examples prove the existence of errors that give rise to significant issues that must be addressed to resolve inequities among like and similar properties; and
32 33	Whereas, the General Assembly recognizes that the confluence of these issues
33 34	arising during the time when general reappraisals of real property were occurring has resulted
34 35	not only in a higher risk but in a higher incidence of assessed values failing to accurately and
55	not only in a inglier risk out in a inglier incluence of assessed values family to accurately and

36 fairly reflect true market values; Now, therefore,



	General Assembly of North Carolina	Session 2013	
1	The General Assembly of North Carolina enacts:		
2	SECTION 1. Notwithstanding G.S. 105-287, G.S. 105-325, or	any other provision	
3	of law restricting the time for which a change in appraisal or valuation may	be made, a board of	
4	county commissioners shall undertake the measures required by this act if	all of the following	
5	conditions are met:		
6	(1) The county has independent, corroborating evidence the	nat the majority of	
7 8	commercial neighborhoods in the county possess signification in the county possess signification of the country possess of the country posses of the country possess of the country posses of the country po	gnificant issues of	
9	(2) The county has independent, corroborating evidence t	hat, for residential	
10	neighborhoods, instances of inequity or erroneous data	a had a significant	
11	impact on the valuation of the neighborhood as a whole.	_	
12	(3) The county's last general reappraisal was performed for	the 2008 tax year,	
13	2009 tax year, 2010 tax year, 2011 tax year, or 2012 tax y	vear.	
14	(4) The independent, corroborating evidence resulted from a	a review performed	
15	by a qualified appraisal company selected and retained	by the county and	
16	registered with the Department of Revenue and had a sar		
17	than 375 properties, the relevant characteristics of which	n were reviewed on	
18	location at the property.		
19	SECTION 2. If all of the conditions of Section 1 of this act		
20	county commissioners shall either (i) conduct a reappraisal, using no le	-	
21	certified by the Department of Revenue for mass valuations per 4,250 g	-	
22	G.S. 105-286 within 18 months, applicable to all tax years from and inc.		
23	when the last general reappraisal was performed pursuant to G.S. 105-		
24	qualified appraisal company conduct a total review of all the values		
25 26	neighborhoods and make recommendations as to the true value of the proper	-	
26 27	of the year of the last general reappraisal performed pursuant to G.S.		
27	reappraisal or review required by this section is complete, the board of coursely and the abstract and tax records to ansure that the	•	
28 29	shall make any change on the abstracts and tax records to ensure that the incorrectly appraised properties in the county reflect the true values of		
29 30	effective for the year of the last general reappraisal performed pursuant to	1 1	
31	shall apply the adjusted values for those properties for each tax year un		
32	reappraisal for real property is performed by the county pursuant to G.S. 10	_	
33	adjusted values are changed in accordance with G.S. 105-287. In making		
34	abstracts and tax records mandated by this act, the board of county commi		
35	adjustments for previous errors, prioritized as follows:		
36	(1) Adjustments to parcels with errors that resulted in th	e parcels having a	
37	significantly overstated value.	1 0	
38	(2) Adjustments to parcels with errors that resulted in th	e parcels having a	
39	significantly understated value.		
40	(3) Adjustments to parcels with errors that resulted in the	parcels having an	
41	overstated value.		
42	(4) Adjustments to parcels with errors that resulted in the	parcels having an	
43	understated value.		
44	In instances of parcels with errors that resulted in an overpay	ment of taxes, the	

In instances of parcels with errors that resulted in an overpayment of taxes, the governing board shall require that notice of refund and the refund amount be sent to the owner of record as of the date the payment was made.

47 **SECTION 3.** Interest on taxes paid on parcels with errors that resulted in the 48 parcels having an overstated value shall be calculated as if there was an order of the county 49 board of equalization and review reducing the valuation of property pursuant to 50 G.S. 105-360(e). Additional taxes levied on parcels as a result of errors causing the parcels to 1 have an understated value shall be treated as taxes on discovered property pursuant to 2 G.S. 105-312.

3 **SECTION 4.** This act is effective when it becomes law. If any provision of this act 4 or its application is held invalid, the invalidity does not affect other provisions or applications

5 of this act that can be given effect without the invalid provisions or application, and to this end

6 the provisions of this act are severable.