

April 28, 2020

Pike County Residential Valuation Increase 2020

While no one wants to pay taxes, it is a necessity for the county, the schools, and the cities to receive funding.

The Appraisal staff uses different valuation methods to determine the market value of properties within the county.

The county's values are measured for accuracy by a sales ratio study performed by the State of Georgia through the Department of Audits and Accounts on a yearly basis. If the county fails this audit, fines may be levied on a per parcel basis and the county could possibly face the loss of grant monies.

At this time this is not the case for Pike County. We are at a point in time where the decision was made to address these cost (value) issues now thereby avoiding fines and levies.

While in the past there have been attempts to correct some of these issues, not enough or no sales data was compiled to determine the true base cost of a residence per square foot. There was little to no market support for the factor adjustments.

How does this affect me?

If these issues go unresolved, it could increase your tax burden via millage rate increase. The tax burden is unequally distributed, and also could possibly face state enforced fines.

How did these issues get addressed for the 2020 digest?

To correct these issues for 2020, the appraisal staff in conjunction with our third party vendor, Bethesda Appraisal Services LLC, performed a trend analysis and compiled market studies to determine the true base cost dollar per square foot of a residential improvement. These cost schedules must be reflective of the current market trends. The In house study revealed multiple inconsistencies and uniformity issues in 2019 and in prior years. Additionally, the study revealed previous adjustments had only masked the inconsistencies in the residential cost schedules.

In 2020 the Assessor's Office studied the base cost per square foot of a residence, the accessory building cost schedules, and the factor adjustments. With these results the foundation of the property tax digest in Pike County was rebuilt. The base cost dollar per square foot of a residence has increased for 2020. Additionally multiple components in the building and accessory schedules were updated to reflect the current market trends & costs. Factor adjustments no longer masked the components, but were removed or changed to exhibit market

trends within the county. We feel now we are ready for the next study.

Are these changes beneficial for me?

The short answer is yes. However here are some things that must be considered, a value increase Does Not always equal a Tax Increase...but it could. The tax burden is better equalized when the values are in compliance and everyone pays their fair share. It could also result in a millage rate reduction, and most importantly No state levied fines or loss of grant monies.

January 1st of each year the Tax Assessor opens the books for the changes to the properties within the county. The Property Taxes are assessed on the fair market value of the property based upon the best information available to the assessor.

April 1 the Tax Assessor's Books are closed. An owner has the time from January 1- April 1 to file a return to make changes to the property from the previous year.

Tax assessment notices are mailed out to the owners generally no later than July 1st of each calendar year. We typically mail them in late May or early June depending upon the workload. This year our intent to mail these notices in the next couple of weeks.

Prior to the notices being mailed out, the Board of Assessors meets to review the proposed digest, and comment on any changes in the valuation. The Board of Assessors will certify the digest if the ratios are within the tolerance allowed by the State of Georgia (.36-.44). Last year's ratio was .3602 which is very low. Our next scheduled meeting takes place on May 5, 2020 to address the current property tax digest.

After the tax assessment notices have been mailed, owners have 45 days to file an appeal with the Tax Assessor's office. Every appeal is visited and reviewed for accuracy. It is then approved or denied by the Board of Assessors. If the owner disagrees with the finding of the BOA then they have the right to appeal that decision to the Board of Equalization or to the Superior Court.

By July 15 of each year the Tax Assessor's office submits the digest to the County Tax Commissioner.

By September 1 of each year the county Tax Commissioner presents the digest to the State of Georgia.

Properties are assessed at 40% of the FMV. Fair market value is defined by the State as "the amount a knowledgeable buyer would pay for the property and willing seller would accept for property at an arm's length bona fide sale.

Since there is a desire to own property in Pike County, and there are a limited number of properties for sale in the county these costs have necessarily increased.

As we continue forward we will update and review the commercial properties and update those for the 2021 digest with the help of our 3rd party vendor. If time allows we will reassess all small and large tracts of land for 2021. However if time runs out we will update those properties in 2022. It is then our 3 year review will be complete.

We are certainly concerned and aware in this difficult time that many people have lost jobs, or been laid off due to the effects of the virus. We will work with any and all property owner if they only take the time to discuss their property valuation with us. When this project started last year there was no way we could anticipate the current situation. We had no other option but to correct our values. Again thank you for your time.

