Why Reappraise?

A reappraisal is the process of valuing all property in Spartanburg County at its fair market value. From the time your property is added to the tax rolls, the appraisal does not change unless there is an assessable transfer of interest, there is a change to the property that will affect the market value (such as a new structure, an addition to an existing structure, the removal of a structure, a change in the use of land, a change in the size of the land), or a reappraisal program. During the time between reappraisals individual property values change at different rates, but the market values for ad valorem tax purposes remain constant. We are required by South Carolina Statutes to reappraise property once every five years in an effort to equalize the value of properties within a jurisdiction. South Carolina Code of Laws Section 12-43-217(A) states, “Notwithstanding any other provision of law, once every fifth year each county or the State shall appraise and equalize those properties under its jurisdiction. Property valuation must be complete at the end of December of the fourth year and the county or State shall notify every taxpayer of any change in value or classification if the change is one thousand dollars or more. In the fifth year, the county shall implement the program and assess all property on the newly appraised values.

Market Value as defined by the South Carolina Code of Laws Section 12-37-930 states, “All property must be valued for taxation at its true value in money which in all cases is the price which the property would bring following reasonable exposure to the market, where both the seller and buyer are willing, are not acting under compulsion, and are reasonably well informed of the uses and purposes for which it is adapted and for which it is capable of being used.”

Basically stated, market value is the value that a property would sell for in the open market place following reasonable exposure time to the market and where the buyer and seller are knowledgeable and are not acting under compulsion. The Assessor’s Office does not create market value. Market value is created by people who buy and sell property. Our responsibility is to analyze market data and assess property based on that information. Foreclosures, forced sales, family sales, distressed sales, non-market level sales, un-marketed property sales, and other unreliable sales are not used to develop fair market value.
Why Is Property Revalued?

During the time between reappraisals individual property values change at different rates, but the market values for ad valorem tax purposes remain constant. These changes in the open market place create inequity with market values for ad valorem tax purposes because our valuations are based on old market data. The greater the interval between reappraisals, the greater the inequity created between properties. This is especially true in a rapidly changing real estate market. The reappraisal process is designed to equalize these changes so that everyone is assessed at their current fair market value. Fair and equitable taxes are not possible unless appraisals are made in light of current market conditions.

The sole purpose of reappraisal is to ensure fairness in the property tax system. In a property tax system, a taxpayer's fair share is determined by the value of the property he or she owns as compared to the value of the property owned by the other taxpayers in the jurisdiction. The value of property changes over time and some properties change in value more than others. If the values used for taxation purposes are not in line with current market values, there is no assurance that any taxpayer is being assessed his or her fair share.

We consider many factors when developing information for the countywide reappraisal program. Information is gathered from property owners, local realtors and appraisers, building contractors, building material suppliers, lending institutions, property owners, property managers, landlords, and tenants. Information such as replacement costs, land prices, comparable sales, income and expense data, and depreciation are gathered and analyzed. Each neighborhood or market area is analyzed to develop the new market value for every property based on the basic principles of value such as supply, demand, competition, contribution, and substitution. Property values are determined by the people who buy and sell real estate. The new market values reflect what has happened in the local real estate market.

We are responsible for appraising 163,943 parcels. $22.5 Billion of Market Value; $19.2 Billion of Taxable Value; $907 Million of Assessed Value. How do we accomplish this? We accomplish this using Mass Appraisal.

Mass Appraisal is the process of valuing a universe of properties as of a given date using standard methodology, employing common data, and allowing for statistical testing to achieve uniformity and equity for tax purposes. The Mass Appraisal process includes:

- Identification of properties to be appraised
- Defining market areas of consistent behavior that applies to properties
- Identifying supply and demand in the market that impacts value
- Developing and calibrating model structures that reflects the relationship among the characteristics affecting value.
- Analyzing and applying the conclusions to the market models
- Reviewing, modifying, and measuring the results.

The appraisers in our office use a combination of the following appraisal methods to value your property:

- **Cost Approach** – estimates the cost to replace your building new, then subtracts for depreciation to determine the value of the improvement. The improvement value is then added to the land value.
- **Sales Comparison Approach** – compares your property to similar properties that have sold during the time between reappraisals.
- **Income Approach** - determines the value of income producing property based on the most probable amount of income it will produce in the market place.

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How Does Reappraisal Affect My Property?

Every property will have a new value assigned for 2018. The new value will be mailed to you via our Notice of Classification, Appraisal, and Assessment of Real Estate form. This notification, and any subsequent mailings, will be mailed to the last known address as indicated by the assessor records. It is the taxpayer’s responsibility to notify the Assessor’s Office of mailing address changes and property classification changes. The notice includes your new (2018) market value, the limited value, the assessed value, value the assessment ratio, the number of acres or lots, the location of the property, and the map reference number. It also includes the appeal procedure you must follow if you disagree with the taxable value placed on your property. When you receive the notification, review the value, and decide if the value is reasonable. If you feel the value reasonable, you have 90 days from the date on the notification to file an appeal on the total market value of your property. The appeal is based on the total market value of your property and not the potential amount of taxes. Taxes cannot be appealed.

The South Carolina Code of Laws Section 12-60-2510 (3) states, “In years when there is a notice of property tax assessment, the property taxpayer, within ninety days after the assessor mails the property tax assessment notice, must give the assessor written notice of objection to one or more of the following: the fair market value, the special use value, the assessment ratio, and the property tax assessment.”

How Do I File An Appeal?

Complete and sign the informal appeal form attached to your 2018 Change of Assessment Notice and return it to our office before the 90 day deadline. The appeal must be in writing and must be received prior to the 90 day deadline to be processed. Any appeal received after the 90 day deadline will be for the next tax year. When you file the appeal, please attach any documentation such as photos, sales information, appraisals, income and expense statements for your property, etc… to support your appeal and return it to our office within 90 days of your Change of Assessment Notice. Simply writing, too high or too low is not enough information for the appraisal staff to increase, reduce, rescind, or sustain the appraised value of your property. The appraisal staff has based the new values on the best information that we have available so, help us, help you by supplying us with documentation that supports your opinion of value. Documentation is very beneficial for a successful appeal. Suggested documentation includes but is not limited to the following: Copies of any appraisals, closing statements, comparable real estate sales, comparable real estate listings, and/or income and expense statements that support your opinion of value. List purchase price and date purchased (if purchased within the last four years); • List any remodeling completed within the last four years and cost; List asking price (if the property has been offered for sale in the last four years); • Three-year income and expense history starting with current year. Separate expense items paid by tenant and those paid by the landlord. • Rental schedules for all rented space including square footage, tenant expenses, length of lease, escalation clauses, etc. • Rental schedules for all vacant space including square footage, tenant expenses, length of lease, escalation clauses, etc. • Four-year history of capital expenditures starting with current year.

Who Can File An Appeal?

Section 12-60-90 of the South Carolina Code of Laws effectively specifies who can make a presentation for a tax-payer in the administrative tax process which consists of 1) the taxpayer 2) a member of the taxpayer’s immediate family without compensation 3) the taxpayer’s full time employee 4) a partner in a partnership 5) an attorney 6) a CPA 7) an IRS enrolled agent or 8) a real estate appraiser who is registered, licensed, or certified by the South Carolina Real Estate Appraisers Board. If anyone other than the property owner files an appeal, the Assessor requires them to furnish proof of eligibility to represent the owner. In addition, written consent of the owner must be given (Letter of Authorization or Power of Attorney) and provided to the Assessor at the time the appeal is filed.
Does Filing An Appeal Extend My Time to Pay the Tax Notice?

No. Filing an appeal does not extend the time to pay your tax notice. The tax notice must be paid by the due date. Penalties will apply if the tax notice is not paid by the date indicated on the notice. Upon resolution of the appeal, an adjusted tax notice will be prepared and the difference, if any, will be refunded or billed accordingly. The 2018 Tax Notices are due by Tuesday, January 15, 2019; tax notices unpaid after this date will incur penalties for late payment.

Note: Tax notices and any subsequent mailings, will be mailed to the last known address as indicated by the assessor records. It is the taxpayer’s responsibility to notify the Assessor’s Office of mailing address changes and property classification changes.

Will My Taxes Be Lower If My Market Value is Reduced On Appeal?

Maybe. In 2006 the South Carolina General Assembly passed Act 388 which among other things, limits the taxable value of your property to a 15% increase during reappraisal unless there have been additions or improvements to the property, if the property has sold, or if there is an assessable transfer of interest. If the market value of your property is reduced to an amount that is lower than the taxable value of your property then the appeal change will result in a lower tax notice. If the market value of your property is reduced but the reduced market value is still greater than the taxable value of your property then the appeal change will not result in a lower tax notice. If the market value of your property is reduced to an amount that is equal to the taxable value of your property then the appeal change will not result in a lower tax notice.

Can Filing An Appeal Result In An Increased Market Value?

Yes. South Carolina Code of Laws Section 12-60-2520 (D) states, “The assessor may amend, modify, or rescind any property tax assessment, except claims relating to property tax exemptions.” A review of your property because of an appeal may not necessarily result in a decrease in the appraised value. If the review of your property reveals property that has escaped taxation, those items will be added to the appraisal accordingly and may result in an increased market value

Will the Reappraisal Cause My Tax Notice To Increase?

We do not know. In 2006 the South Carolina General Assembly passed Act 388 which among other things, limits the taxable value of your property to 15% increases during reappraisals unless there have been additions, modifications, or improvements to the property, if the property has sold, or if there is an assessable transfer of interest.

Some property owners will notice a decrease in their taxes, some will stay the same, and some will pay more taxes.

Reappraisal is not implemented to raise taxes; it is intended to distribute the tax burden fairly among all property owners. The new value will be used to calculate the 2018 tax notices that will be mailed in October. The millage rates, along with your property value will be used to determine the amount of your 2018 tax notice.

Millage rates are established by the County Auditor based on local political subdivision budgets such as school districts, water districts, fire districts, sewer districts, special purpose districts, municipalities, etc…

For more information you may visit the Spartanburg County website at www.spartanburgcounty.org and select the Assessor link under departments.