

BOARD OF ASSESSORS

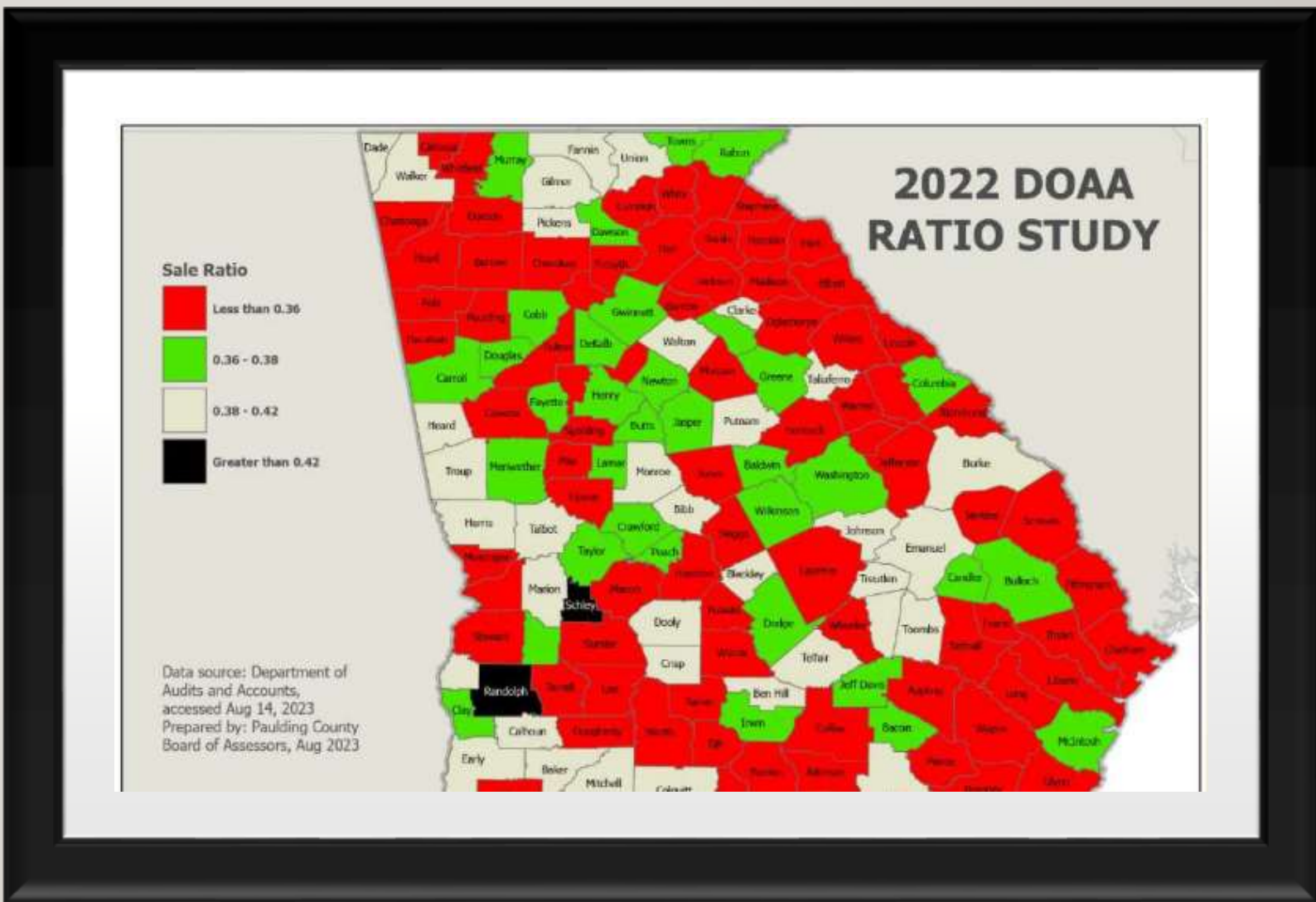
SUZANNE WIDENHOUSE

CHIEF APPRAISER – BOARD OF ASSESSORS

| | | |
|--|------------|-----|
| Total Georgia Counties | 159 | |
| Average Sale Ratio | 35.77 | |
| Median Sale Ratio | 35.87 | |
| Counties with Compliant Digest (+/-5% pf Market Value) | 40 | |
| Counties Under 38 Ratio 5% Below Market Value | 117 | 74% |
| Counties Under 36 Ratio 10% Below Market Value | 81 | 51% |
| Counties Over 42 Ratio 5% Above Market Value | 2 | 1% |

2022 SALES RATIO STUDY
 STATE –WIDE EQUALIZED 100% ADJUSTED PROPERTY TAX REPORT

WHAT DOES GEORGIA LOOK LIKE?



HOW DID WE GET HERE?

SALES PRICE CAPS

Senate Bill 346

By: Senators Rogers of the 21st, Williams of the 19th, Thompson of the 33rd, Seabaugh of the 28th, Butterworth of the 50th and others

AS PASSED

Status History

| Date | Status |
|------------|---|
| 01/01/2011 | Effective Date |
| 06/04/2010 | Act 670 |
| 06/04/2010 | Senate Date Signed by Governor |
| 05/13/2010 | Senate Sent to Governor |
| 04/29/2010 | House Agreed Senate Amend or Sub |
| 04/27/2010 | Senate Agreed House Amend or Sub As Amended |
| 04/21/2010 | House Passed/Adopted By Substitute |
| 04/21/2010 | House Third Readers |

Footnotes

4/21/2010 Modified Structured Rule; 4/27/2010 Agreed to House Substitute as Amended; 4/29/2010 House agrees to Senate Amendment to House Substitute

Votes

| Date | Vote No. | Yea | Nay | NV | Exc |
|------------|----------------------------------|-----|-----|----|-----|
| 03/11/2010 | Senate Vote #548 | 54 | 0 | 0 | 2 |
| 04/21/2010 | House Vote #864 | 137 | 7 | 30 | 6 |
| 04/27/2010 | Senate Vote #813 | 48 | 0 | 5 | 3 |
| 04/29/2010 | House Vote #974 | 157 | 1 | 17 | 5 |

855 "(3) 'Fair market value of property' means the amount a knowledgeable buyer would pay
 856 for the property and a willing seller would accept for the property at an arm's length, bona
 857 fide sale. The income approach, if data is available, shall be considered in determining
 858 the fair market value of income-producing property. Notwithstanding any other provision
 859 of this chapter to the contrary, the transaction amount of the most recent arm's length,
 860 bona fide sale in any year shall be the maximum allowable fair market value for the next
 861 taxable year. With respect to the valuation of equipment, machinery, and fixtures when

2015 PASSAGE OF HB 202

- SB 346 and the sales price caps created issues for DOAA
- Legislative response was to pass HB 202 creating a different set of rules for DOAA
- 48-5-274(b)(8)

Any Such sales price shall be adjusted upward or downward, in a manner consistent with the Standard on Ratios Studies published by the International Association of Assessing Officials, as reasonably needed to account for the effects of price changes reflected in the market between the date of sale and January 1 of the calendar year for which the equalized adjusted property tax digest is being prepared

346

SECTION 11.

347 Said title is further amended by revising paragraph (8) of subsection (b) of Code Section
348 48-5-274, relating to the establishment of the equalized adjusted property tax index, as
349 follows:

350 "(8) Establish for each county in the state the ratio of assessed value to fair market value
351 of county property subject to taxation, excluding railroad equipment company property.
352 The ratio shall be determined by establishing the ratio of assessed value to sales price for
353 each of a representative number of parcels of real property, the titles to which were
354 transferred during a period of time to be determined by the state auditor, and then by
355 establishing the measure of central tendency for the county as a whole based upon a
356 representative number of usable transactions studied. Any such sales price shall be
357 adjusted upward or downward, in a manner consistent with the Standard on Ratio Studies
358 published by the International Association of Assessing Officers or its successors, as
359 reasonably needed to account for the effects of price changes reflected in the market
360 between the date of sale and January 1 of the calendar year for which the equalized
361 adjusted property tax digest is being prepared. Sales prices also shall be reduced by any
362 portion thereof attributable to personal property, real property exempt from taxation, or
363 standing timber included in the sales transaction. The representative number of

REQUIRED DATE OF VALUATION AS OF JANUARY 1

EVENTS OCCURRING AFTER JANUARY 1 ARE PROHIBITED

560-11-10-.09(1)(b)(2) APM

Assessment date. Code section 48-5-10 provides that each return by a property owner shall be for property held and subject to taxation on January 1 of the tax year. The appraisal staff shall base their decisions regarding taxability, uniform assessment, and valuation of real property on the circumstances of such property on January 1 of the tax year for which the assessment is being prepared. When real property is transferred to a new owner or converted to a new use, the circumstances of such property on January 1 shall nevertheless be considered as controlling.

THE RESULT



How can an oversight agency establish an equalized digest and the data used by the Department of Revenue to audit local assessment offices is gathered with a different set of rules.



Local offices do not adjust for time, date of valuation is January 1, sales from prior year are used



DOAA uses sales from current year and uses trends and time adjustments which are subjective in nature and lead to inaccurate results based on the methodology used



Trending and time adjustments in an escalating market with create further disparity between property owners with price capping.

DEPARTMENT OF AUDITS 2022 ADJUSTED SALES RATIO



DEPARTMENT OF AUDITS AND ACCOUNTS

SALES RATIO DIVISION

2022 SALES RATIO STUDY

REVENUE STATISTICS REPORT

106-MUSCOGEE COUNTY

2022 DIGEST - RATIO ANALYSIS

| CLASS | #SAMPLES | LCI | UCI | MEDIAN | AGGREGATE | COD | PRD |
|--------------|----------|-------|-------|--------|-----------|-------|--------|
| RESIDENTIAL | 2,313 | 34.06 | 34.56 | 34.29 | 34.37 | 14.58 | 101.86 |
| AGRICULTURAL | 2,408 | 34.06 | 34.55 | 34.29 | 34.26 | 14.77 | 102.28 |
| COMMERCIAL | 89 | 32.68 | 38.66 | 34.32 | 35.06 | 18.61 | 102.99 |
| INDUSTRIAL | 94 | 32.55 | 37.25 | 33.97 | 33.41 | 19.39 | 107.17 |

BOARD OF TAX ASSESSORS

2022 INTERNAL SALES RATIO STUDY - OVERALL

| MAY 21, 2022 03:54 PM | | MUSCOGEE COUNTY SALES RATIO REPORT | |
|---------------------------------------|-------------|---------------------------------------|--|
| STATISTICAL SUMMARY | | | |
| SALES IN STUDY | 4080 | | |
| TOTAL ASSESSED VALUE | 992,334,392 | | |
| TOTAL SALE PRICE | 989,504,532 | | |
| TOTAL ASSD VALUE / TOTAL SALE PRICE % | 100.29 | 40.116 | |
| MEAN RATIO % | 1.10 | 44.00 | |
| MEDIAN RATIO % | .99 | 39.60 | |
| STANDARD DEVIATION | 1.29 | | |
| COEFFICIENT OF DISPERSION - MEDIAN | .18 | | |
| COEFFICIENT OF VARIANCE - MEAN | 1.1670 | | |
| PRD | 1.1007 | | |

BOARD OF TAX ASSESSORS 2022 INTERNAL SALES RATIO STUDY - RESIDENTIAL

MAY 16, 2022
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MUSCOGEE COUNTY
 SALES RATIO REPORT

STATISTICAL SUMMARY

| | | |
|---------------------------------------|-------------|---------------|
| SALES IN STUDY | 3881 | |
| TOTAL ASSESSED VALUE | 730,174,564 | |
| TOTAL SALE PRICE | 733,769,032 | |
| TOTAL ASSD VALUE / TOTAL SALE PRICE % | 99.51 | 39.804 |
| MEAN RATIO % | 1.11 | 44.400 |
| MEDIAN RATIO % | .99 | 39.60 |
| STANDARD DEVIATION | 1.32 | |
| COEFFICIENT OF DISPERSION - MEDIAN | .19 | |
| COEFFICIENT OF VARIANCE - MEAN | 1.1928 | |
| PRD | 1.1130 | |

BOARD OF TAX ASSESSORS 2022 INTERNAL SALES RATIO STUDY - COMMERCIAL

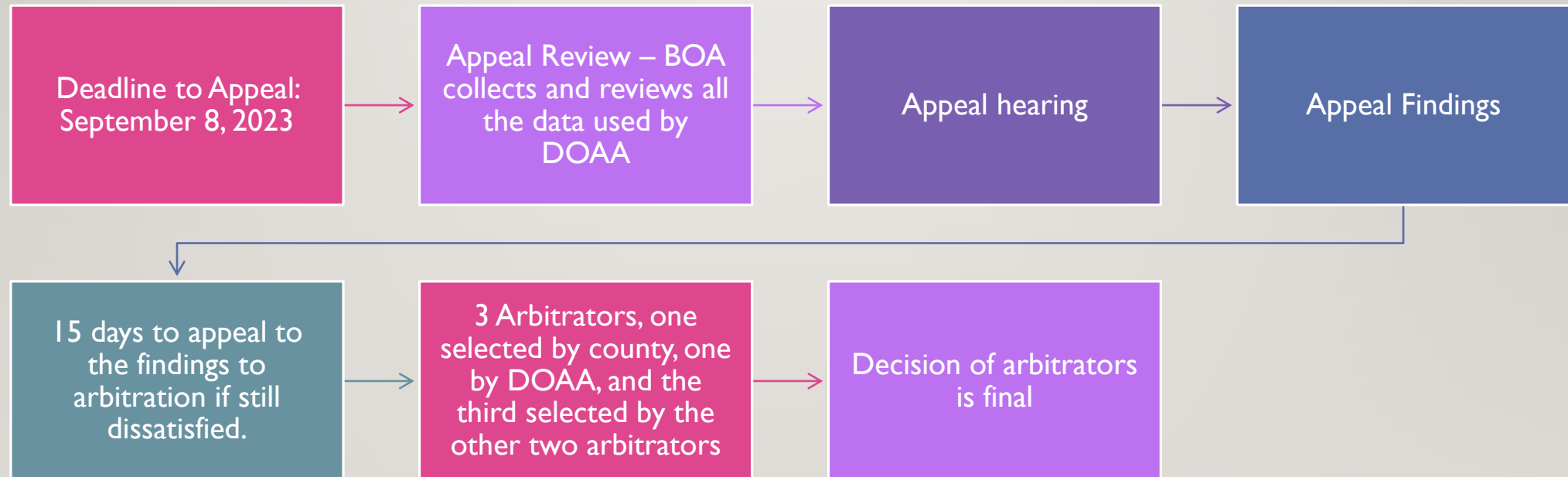
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MUSCOGEE COUNTY
 SALES RATIO REPORT

STATISTICAL SUMMARY

| | | |
|--|-------------|---------------|
| SALES IN STUDY | 196 | |
| TOTAL ASSESSED VALUE | 257,080,328 | |
| TOTAL SALE PRICE | 252,490,460 | |
| TOTAL ASSED VALUE / TOTAL SALE PRICE % | 101.82 | 40.728 |
| MEAN RATIO % | 1.05 | 42.00 |
| MEDIAN RATIO % | 1.01 | 40.40 |
| STANDARD DEVIATION | .15 | |
| COEFFICIENT OF DISPERSION - MEDIAN | .07 | |
| COEFFICIENT OF VARIANCE - MEAN | .1400 | |
| PRD | 1.0345 | |

APPEAL PROCESS



WHY APPEAL?



Public Utility Penalty: Ratio less than .38 means public utilities are assessed at the adjusted ratio as determined by the DOAA



Loss of revenue for both City and School Board is ~900K



Sales Ratio Study used to support values in appeals to Board of Equalization and Superior Court. Ratio Study indicating non-compliance creates credibility issues.

COST OF APPEAL



Most analysis done in-house



Industry expert representation available for a flat fee of \$4500



Arbitration costs consist of maximum fee of \$250 per arbitrator per day, plus per diem and travel expenses

QUESTIONS?
