

## **Cindy U Wright, Commissioner of the Revenue**

The following questions are most frequently asked by property owners during the reassessment and hearings process.

### **Q. How often is a reassessment conducted and why is it conducted?**

A. The Code of Virginia (§58.1-3201) requires that all jurisdictions in the Commonwealth periodically perform a general reassessment, requiring at least one reassessment every 6 years. In 1977, the code was amended to further stipulate that all property must be assessed at 100% of market value. Since real estate taxes provide the bulk of each jurisdiction's tax revenue, it is essential that property be periodically reassessed to ensure that taxes are levied in an equitable manner.

### **Q. Does the new reassessment mean my taxes are going up?**

A. Not necessarily: your assessed value and the County's tax rate are used in conjunction to determine the final tax bill. The Board of Supervisors will analyze the new assessment and weigh it with the fiscal needs of the County to help determine the local tax rate.

### **Q. Why was an outside firm hired to perform the reassessment?**

A. The general reassessment process is very labor and time intensive. The entire process takes between 12 and 18 months to perform and requires that an assessor physically visit and assess every parcel in the County. For the County to perform this task internally would require the addition of full time staff and resources. Using economies of scale, an outside firm that specializes in such work can perform the reassessment at a greatly reduced cost to the County.

### **Q. How did the assessor arrive at my value?**

A. Recent sales are analyzed to determine market value rates for all applicable land, outbuilding, and structural features. Those rates are then applied to the factual data about each parcel and adjusted with quality and depreciation factors to equalize the property value with other like parcels.

### **Q. ~~Does the location of my property~~ affect value? (i.e. River frontage, road frontage, view, etc.)**

A. As with all real estate analysis, location is a primary concern for assessing the valuation of a property. Features such as water frontage, accessibility, and pleasing views are extremely desirable and add to the intrinsic value of the property. Conversely, poor location such as proximity to a landfill or flood zones can decrease the value of a parcel.

### **Q. ~~How can my property~~ increase in value when I have not bought, sold, or done any major repairs or additions to it?**

A. The value of your property is a reflection of the local real estate market. As sales prices of similar properties increase, so will the value of your property.



**Q. How can my land value increase at a faster rate than my house?**

A. As more and more land is developed, the supply of available vacant land decreases, driving the sales prices of land higher. As sales prices of land increase, so does the subsequent value of all land, improved or otherwise.

**Q. Why is my three acre tract valued at a higher rate per acre than my neighbor who has fifty acres?**

A. Smaller tracts will typically sell at a higher unit value than larger tracts. For example, a one acre house site which sells for \$15,000 has a unit value of \$15,000 per acre. A 100 acre tract which sells for \$200,000 has a unit value of \$2,000 per acre.

**Q. What is a home site and how is it valued?**

A. A "Home Site" or "House Site" is all or part of a parcel that is best suited for single family residential construction. Applying the concept of "Highest and best use", this part of the land parcel is worth significantly more than the residual acreage.

**Q. I live in a mobile home, what is the "Improvement Value" that I am taxed for?**

A. Mobile homes frequently have additional improvements, such as paved driveways, fences, decks, etc. These additional improvements add to the overall value of the home and location.

**Q. How can you tax an outbuilding that has no electricity and is not livable?**

A. The assessed value is the sum of the value of all the factors on your property. Outbuildings such as sheds, barns, and detached garages add functionality and utility to your property, thereby increasing the market value of your parcel.

**Q. How can I be taxed for a house that is not complete?**

A. All real property must be assessed. Once a foundation has been laid, a structure is considered to exist and therefore has a certain value. Based on permits, building materials, plans, and other information, the completed value of the structure can be estimated. The assessment is based on whatever is present as of January 1<sup>st</sup>, at which time the structure may only be partially complete. To account for this, only a certain percentage of the estimated completed value is used in determining the current assessed value of the property.

**Q. Do you assess timber, Christmas trees and/or other types of crop land?**

A. Timber and Christmas trees add value to a parcel based on the future potential income the crop represents. For perennial crops, such as corn, peanuts or soybeans, the crop itself is not considered, but rather the potential for the land to produce such crops.

**Q. What will the new levy/millage/tax rate be?**

A. The Board of Supervisors will determine the new tax rate once the reassessment is completed. According to the Code of Virginia (§58.1-3321) the overall amount of real property tax revenue cannot increase more than 1% without the Board of Supervisors conducting public hearings.



**Q. How do I figure my taxes using the tax rate and assessment?**

**A.** Once the tax rate is set by the Board of Supervisors, your taxes due may be calculated by using the following formula:

$$\text{Taxes Due} = \text{Taxable Value} * \text{Tax Rate}$$

$$\text{Where Taxable Value} = (\text{Assessed Value} \div 100)$$

For example: if Assessed Value = \$150,000 and Tax Rate is 55 cents (or \$.55 per 100):

- Taxable Value = ( 150,000  $\div$  100 ) = 1500
- Taxes Due = 1500 \* .55
- Taxes Due = \$825

**Q. For what reasons would I make an appointment with the assessors?**

**A.** If you feel that your assessment is not equitable with other properties in the County or does not accurately reflect the real estate market, then you should make an appointment with the assessors. You should be prepared to state your case and provide any evidence to support your position.

**Q. I just had my property appraised: will that help me in the hearings process?**

**A.** Any materials that may assist the assessors in gaining an accurate portrait of your property may be used to support your position at the hearings. For an appraisal to accurately reflect market conditions, however, it must have been conducted within the past 6 months.

**Q. Is it worth my time to make an appointment to talk with the assessors?**

**A.** If you feel that a substantial error has been made, then you should schedule an appointment. However, consider the following scenario: you schedule a hearing with the assessors, the assessors consider your position and adjust your assessment down \$5,000. Applying the current tax rate of 55 cents, the decrease in your annual taxes due would equate to \$27.50. To answer the question, you have to decide whether or not your time and effort is worth the potential change in taxes due.

**Q. What are my other options to appeal?**

**A.** Should you attend a hearing with the Board of Assessors but not be satisfied with the result, you may schedule a further hearing with the Board of Equalization. After the Board of Equalization has made its changes, should you still not be satisfied, you have the right to petition the Court for an appeal. The decision of that appeal will be final.

**Q. If I no longer own this property, what should I do with the notice?**

**A.** You are obligated to forward the notice to the new property owner.

**Q. When does the new reassessment go into effect?**

**A.** The final assessed values will be used to calculate the taxes due for the following tax year.

**Q. If my taxes are paid through my mortgage escrow, do I have to do anything with this new assessment?**

**A.** No, the County will notify your mortgage escrow holder of the change.



**Q. Can I obtain a copy of my real estate assessment card?**

A. Yes, the Board of Assessors can provide you with a copy of your property card on location or by fax.

**Q. Is it possible to view my neighbor's assessment?**

A. Yes, land books containing information on all taxable property will be available for public use on site at the hearings location and the Commissioner of the Revenue's office. Additionally, for the duration of the hearings, all reassessment data will be freely available online at <http://www.vamanet.com>. To search your locality, select it from the drop down box in the upper left hand corner of the web page and click the "Search Locality" button.

**Q. I am over 65, retired, on disability, or on a fixed income: can I get a tax break?**

A. Many localities have programs designed to assist these types of citizens. Please contact your Commissioner of the Revenue to find out what programs exist in your county.