COUNTY COUNCIL OF BEAUFORT COUNTY

ADMINISTRATION BUILDING BEAUFORT COUNTY GOVERNMENT ROBERT SMALLS COMPLEX 100 RIBAUT ROAD

> POST OFFICE DRAWER 1228 BEAUFORT, SOUTH CAROLINA 29901-1228

D. PAUL SOMMERVILLE CHAIRMAN

GERALD W. STEWART VICE CHAIRMAN

COUNCIL MEMBERS

RICK CAPORALE MICHAEL E. COVERT GERALD DAWSON BRIAN E. FLEWELLING STEVEN G. FOBES YORK GLOVER, SR. ALICE G. HOWARD STEWART H. RODMAN ROBERTS "TABOR" VAUX

Stu Rodman

TELEPHONE: (843) 255-2180 www.bcgov.net

JOSHUA A. GRUBER INTERIM COUNTY ADMINISTRATOR

> THOMAS J. KEAVENY, II COUNTY ATTORNEY

ASHLEY M. BENNETT CLERK TO COUNCIL

AGENDA FINANCE COMMITTEE Monday, April 23, 2018 2:00 p.m.

Executive Conference Room, Administration Building Beaufort County Government Robert Smalls Complex 100 Ribaut Road, Beaufort

Staff Support:

Suzanne Gregory, Employee Services Director Alicia Holland, CPA, Assistant County Administrator, Finance Chanel Lewis, CGFO, Controller

Committee Members: Jerry Stewart, Chairman Michael Covert, Vice Chairman Rick Caporale Gerald Dawson Brian Flewelling Steven Fobes

- 1. CALL TO ORDER 2:00 P.M.
- 2. UPDATE / BEAUFORT REGIONAL CHAMBER OF COMMERCE
- 3. PRESENTATION / COUNTY-WIDE REASSESSMENT (backup)
- 4. PRESENTATION / FY2016-2017 COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)
- 5. ADJOURNMENT







Beaufort County Assessor

2018 Beaufort County Reassessment (AKA Revaluation)

Effective Date of Valuation: 12/31/2017

Implementation: Tax Year 2018



Quadrennial Reassessment

SECTION 12-43-217. Quadrennial reassessment; (A) 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 or State shall implement the program and assess all property on the newly appraised values.



Reassessment Process

CAMA: Computer Assisted Mass Appraisal

Valuing all Real Property in Beaufort County
As of December 31, 2017
Using Standard Appraisal Methods,
Employing Common Data, and
Allowing for Statistical Testing



Why Reassessment?

State Mandated:

SC Code of Laws: 12-43-217: Once Every 5- Years*

History of Reassessment in Beaufort County

17 / 5	
1978	
1983	

1988

1973

1998*

2003 (Implemented 2004)

2008 (Implemented 2009)

2013

2018



Tax Base Components*

Personal Property	<u>2012</u>	<u>2017</u>
Aircraft	0.02%	0.08%
Commercial Fishing Boats	0.0002%	0.0003%
Corporation/Manufacturer	0.14%	0.13%
Documented Vessels	0.09%	0.24%
Furniture Fixtures & Equip.	0.32%	0.41%
Merchants	2.38%	1.86%
Rental Residential	0.95%	1.22%
Signs	0.00%	0.00%
Utilities	2.19%	3.13%
Watercraft	0.26%	0.38%
•	6.35%	7.45%
Real Property		
Mobile Homes	0.32%	0.34%
Real Property	93.28%	92.22%
	93.60%	92.56%

Does Not Include Motor Vehicles - Source: Tax Year 2012 & 2017 Tax Roll



Market Value Value*

Tax Year	Market Value	Capped Value
2008 (12/31/2007)	45,994,000,000	36,964,000,000
2013 (12/31/2012)	34,415,000,000	32,780,000,000
2018 (12/31/2017)	42,285,000,000	37,968,000,000

^{*}Market Value Prior to Appeals



Market Value Increase/(Decrease) Between Reassessments

Tax Year	Increase/ (Decrease)	% Change
2003 to 2008	17,270,000,000	60.1%
2008 to 2013	(11,580,000,000)	(25.2%)

2013 to 2018 7,870,000,000 22.9%

*Market Value Prior to Appeals



Capped (Taxable) Value Increase/(Decrease) From Prior Year

Tax Year	Increase/ (Decrease)	% Change	
2008	4,271,000,000	13.1%	
2013	(4,235,000,000)	(11.4%)	
2017 to 2018	2,433,000,000	6.84%	

*Capped Value Prior to Appeals



Reassessment Schedule

2016 – Present:

- o Field Inspections of over 50,000 Parcels
- o Sales Analysis
- o Created Land Models
- Finalization of Construction Costs
- o Value Sales (ATI)
- Submitted Sales Ratio Summary to DOR for Approval
- o Delivered Preliminary Values to Administration



Reassessment Schedule (cont.)

2018:

April 23: Present Reassessment to Council

May – August: Present Reassessment to Public

- Council District Meetings
- POA's
- Municipalities
- Community Organizations



Reassessment Schedule (cont.)

2018:

Late August/Early September:

Send Assessment Notices

- All Property Owners (Current Address)
- Including:
 - Market Value
 - Capped Value
 - Protest Stub to Appeal



Appeal Process

- 90 Days (from Notice Postmark) to Submit
- Multi-Step County Process (per SC Code of Laws)
- To be Submitted In Writing & Signed
- Reasons for Appeal

Market Value (as of 12/31/2017)

Assessment Ratio (4% or 6%)

Classification/Use (i.e. Agriculture use)

Equity in Valuation (not taxes)

Similar Value for Similar Properties



Reassessment Notice (2013)

Beaufort County Assessor's Office PO Box 1228 Beaufort, SC 29901 (843) 255-2400 www.bcgov.net

COUNTYWIDE REASSESSMENT NOTICE THIS IS NOT A TAX BILL

Date of Notice 08/02/2013

Appeal Deadline Date

Indialidadalmillandiali CLARENDON FARMS INC. 80 CLARENDON PLANTATION DRIVE **BURTON SC 29906**

PIN: R120 014 000 0013 0000 AIN: 00132298 PROPERTY CLASSIFICATION: Agimp Classified TAX DISTRICT: 120

Notice of Classification, Appraisal & Assessment of Real Estate 2013 Tax Year

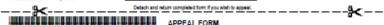
CLASSIFICATION	LOTSACRES	MARKET VALUE	NEW CONSTRUCTION	CAPPED (LIMITED VALUE)	TAXABLE VALUE	х	RATIO	٠	ASSESSED VALUES
OWNER OCCUPIED RESIDENTIAL						*-			
OTHER PROPERTY	11.2000	2,090,969		2,086,292	2,086,292	x	0.06		125,178
MARKET VALUE AGRICULTURAL	2,571,5900	14,417,570				x			
USE VALUE AGRICULTURAL	2,571,5900					X			
	TOTAL MARKET VALUE ESTIMATE >>>	16,508,539		"TOTAL TAXABLE VALUE" >>>	2,086,292		TOTAL SESSMENT TTAX AMOX		125,180

MADVET VALUE: 40 FOR FOR

OTHER RESIDENCES SUBJ TO ROLL BACK TAX LIEN "SPLIT 200 0.41 AC 190

CITIZENS GUIDE TO 2013 BEAUFORT COUNTY REASSESSMENT AVAILABLE AT WWW.BCGOV.NET

2013 TAXABLE VALUES ARE: Market Value as of December 31, 2012 or 15% Capped Value Increase or Value for Agriculture Use or Home Owners Association Special Valuation or Developer Discount Lot Value. All Taxable Values are Subject to Either 4% or 6% Assessment Ratio VALUES SHOWN ARE NOT THE TAX AMOUNT.



PLEASE COMP	PLETE FORM FOR	EACH PARCEL	TOU WISH TO	APPE

ASSESSED VALUE: 125,180
PROPERTY CLASSIFICATION: Agimp Classified
AIN: 00132298
TAX MAP NUMBER: R120 014 000 0013 0000

OWNER: CLARENDON FARMS INC STREET ADDRESS: 80 CLARENDON PLANTATION DRIVE STREET ADDRESS2: CITY, STATE, ZIP: BURTON SC 29908

PLEASE CORRECT YOUR NAME AND MAILING ADDRESS

TAXPAYER ESTIMATE OF VALUE DAY PHONE: EVENING PHONE EMAIL ADDRESS

SIGNATURE:			
			_

(Include additional documentation as needed)

GROUNDS FOR APPEAL:

IF YOU WISH TO APPEAL THE ASSESSMENT ON YOUR PROPERTY:

If you disagree with the assessor's appraisal of your property and wish to appeal, state law provides the following procedures in Section 12-60-2510 et seg, of the 1976 Code of Laws, as amended.

- \$100 1. Submit written notice of objection with the County Assessor within ninety (90) days of the Assessor's mail date on the assessment notice. YOU MAY USE THE APPEAL FORM ON REVERSE SIDE - INCLUDE SUPPORT DOCUMENTION
- Step 2. Upon receipt of your written objection, your appraisal will be reviewed based on the taxpayer's objection(s). A conference will be scheduled with a staff appraiser to discuss your objection. Conferences will be held in person or by phone and scheduled at the convenience of the taxpayer. If the matter is resolved at the conference, no further action is necessary on the part of the taxpayer and the taxpayer will receive a Notice of Action - Change letter.

If the matter is not resolved, a Notice of Action - No Change letter will be mailed; the property owner will be provided a Protest Form and advised in writing of their right to file a written Protest. The property owner has thirty (30) days from the date on the Notice of Action - No Change letter to file a written Protect with the Assessor

The Assessor's office PROTEST FORM may be used to file the written protest, however other written forms of communication are acceptable. The Protest Form MUST be timely filed

- STED 3. The Assessor will then respond to the taxpaver within thirty (30) days of the date of receipt of the taxpaver's Protest or as soon thereafter as practical. The Assessor's written response will include a statement of the original assessment and any re-determined property assessment.
- \$100 4. If the taxpayer is not satisfied with the response of the Assessor, an appeal may be filed with the Beaufort County Tax Equalization Board. The appeal MUST be filed within thirty (30) days of the date of the County Assessor's Final Notice of Action. Upon request and within thirty (30) days of the date of the County Assessor's Final Notice of Action, the Assessor may extend the time period for filing a taxpaiyer's appeal. Failure to file within the appeal period constitutes a waiver of the owner's right of appeal for that tax year and the assessor is not required to review any request flied after that time.
- Step 5. State law requires that your taxes be paid by January 15th without penalties. However, if you appealed your property tax assessment, and it is not settled by December 31 " of the current tax year, the assessor shall notify the County Auditor to adjust the property tax notice to reflect 80% or more of the Assessor's taxable value as agreed to, only upon written notice by the taxpayer before January 1. An adjusted bill will be generated and mailed to the taxpayer

	at Value of property termined by the sor		[Assessment ratio as prescribed by law, either 4% or 6%.		AMO	UNT. Val	ue o	NOT THE TAX btained by ble value by the
	terrolat & Assessment of Back to	To Your	NEW						\rightarrow
CASSPICATION	LOTS/ACRES	MALE	CONTRUCTION	CAPPED (LIMITED HALLE)	THURST VALUE	x ·	AATIO		ADDITION NAMED
Owner Coupled Residential	1.00	285,000	A 20,000	184,000	284,000	x	0.04	•	2,760
Other Property						x		-	
Murkel Value Agricultural	30.28	220,00	,			x			
Like Holse Agricultural	30.28				2,486	x	0.04		
	TOTAL MARKET INCIDE	480,000		"TOTAL TALABLE KALDE " 202	295,488		ALMERICANIANT of Tox Amount	200	7,809
MONITICO/TON-CA	PROPERTY LOCATION CHICAGON LINUX DESCRIPTION								
The 15% CAP limitation does not apply to new construction and new sub-divided property. Caroline Valuation Reform Act of 2006. The cap limits new sub-divided property. Caroline Valuation Reform Act of 2006. The cap limits new sub-divided property to greater than 15% during the five-year ressessment cycle. Exceptions to the limitation: new construction and Assessable Transfer of Interest.									

Section 12-60-90 to the SC Code of Laws effectively specifies who can make a presentation for a taxpayer in the administrative tax process. This presentation includes the preparation and filing of necessary documents, correspondence with, and communications to state and local tax authorities, and the representation of a client at conferences, hearings, and meetings.

Only the following can make a presentation for a taxpayer: 1) The property owner. 2) A member of his / her immediate family 3) The property oney are following can make a presentation for a suspect." I) me property owner. 2) A member of make it immediate samey 3) me property owner's full time employee. 4) A partner or partnership. 5) An attorner, 6) A certified public accountant (CPA), 7) An internal fervience Service enrolled agent. 5) A real estate appraiser who is licensed by the South Carolina Real Estate Appraiser's Board. 9) Employee of a Trust, Estate, Receivership or Guardinaship 10) Employee of Government Unit



Market Value Change: 2017 – 2018 Countywide

	2017	2018	Change
Land	13,581,454,020	15,603,815,084	14.89%
<u>Improvements</u>	23,199,344,927	26,680,395,736	<u>15.00%</u>
Total	36,780,798,947	42,284,210,820	14.96%

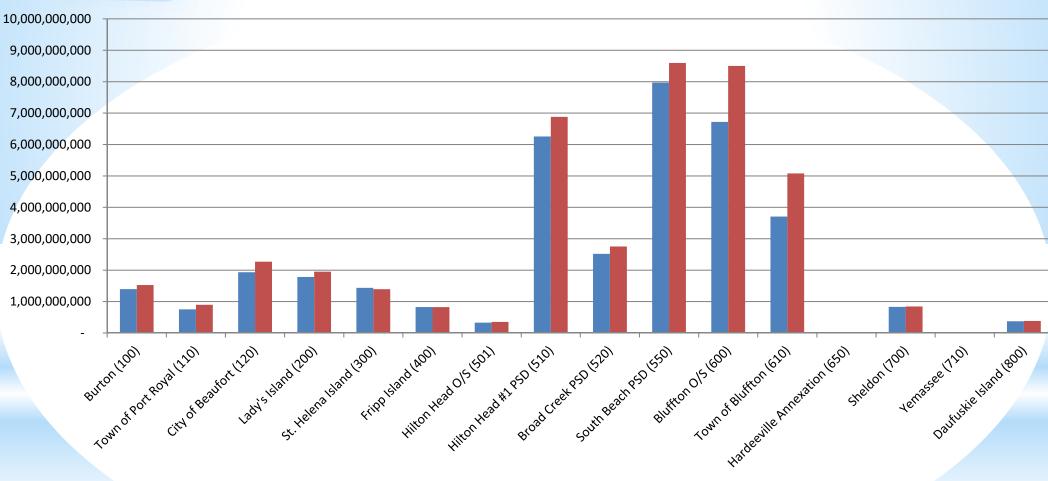


Market Value Change: 2017 – 2018 Per District

Districts	2017	2018	% Change
Burton (100)	1,395,389,508	1,525,860,928	9.35%
Town of Port Royal (110)	750,707,070	897,655,570	19.57%
City of Beaufort (120)	1,932,116,873	2,271,831,973	17.58%
Lady's Island (200)	1,781,261,070	1,951,042,100	9.53%
St. Helena Island (300)	1,437,470,341	1,392,622,000	(3.12%)
Fripp Island (400)	826,323,610	822,254,610	(.49%)
Hilton Head O/S (501)	330,085,000	352,902,600	6.91%
Hilton Head #1 PSD (510)	6,253,915,655	6,878,804,155	9.99%
Broad Creek PSD (520)	2,519,844,067	2,753,847,967	9.29%
South Beach PSD (550)	7,971,409,336	8,596,555,686	7.84%
Bluffton O/S (600)	6,719,295,592	8,502,547,892	26.54%
Town of Bluffton (610)	3,707,020,595	5,077,910,839	36.98%
Hardeeville Annexation (650)	16,184,000	17,403,700	7.54%
Sheldon (700)	831,090,600	843,051,500	1.44%
Yemassee (710)	15,089,400	16,361,300	8.43%
Daufuskie Island (800)	371,303,900	383,258,000	3.22%



Market Value Change 2017 - 2018





Cap on Taxable Value

SECTION 12-37-3140. Determining fair market value.

(B) Any increase in the fair market value of real property attributable to the periodic countywide appraisal and equalization program implemented pursuant to Section 12-43-217 is limited to fifteen percent within a five-year period to the otherwise applicable fair market value. This limit must be calculated on the land and improvements as a whole. However, this limit does not apply to the fair market value of additions or improvements to real property in the year those additions or improvements are first subject to property tax, nor do they apply to the fair market value of real property when an assessable transfer of interest occurred in the year that the transfer value is first subject to tax.

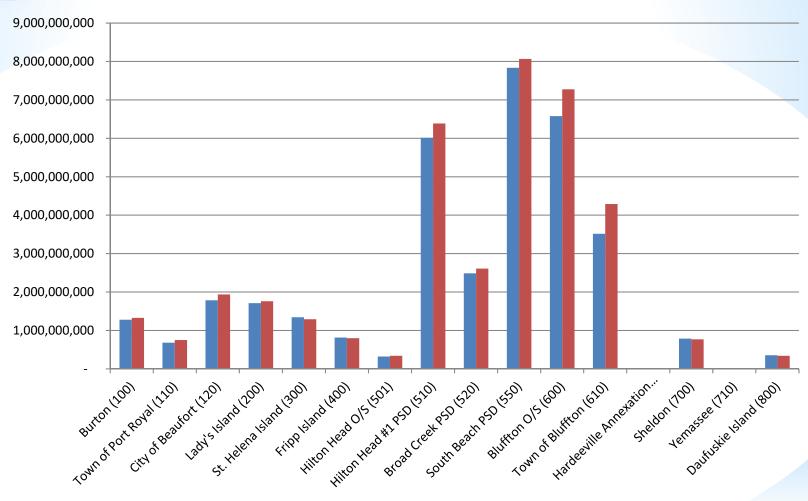


Capped/Non-Capped Value Change: 2017 – 2018 Per District

Districts	2017	2018	% Change
Burton (100)	1,279,504,342	1,327,513,783	3.75%
Town of Port Royal (110)	682,311,828	751,016,463	10.07%
City of Beaufort (120)	1,784,386,606	1,936,006,290	8.50%
Lady's Island (200)	1,710,429,464	1,759,537,606	2.87%
St. Helena Island (300)	1,343,862,635	1,291,585,104	(3.89%)
Fripp Island (400)	813,808,328	797,062,242	(2.06%)
Hilton Head O/S (501)	322,439,176	340,769,874	5.69%
Hilton Head #1 PSD (510)	6,012,775,106	6,385,901,136	6.21%
Broad Creek PSD (520)	2,485,088,540	2,610,182,965	5.03%
South Beach PSD (550)	7,836,005,022	8,066,491,666	2.94%
Bluffton O/S (600)	6,578,113,498	7,275,838,476	10.61%
Town of Bluffton (610)	3,517,028,122	4,290,759,214	22.00%
Hardeeville Annexation (650)	16,033,150	16,493,983	2.87%
Sheldon (700)	788,217,982	769,387,245	(2.39%)
Yemassee (710)	11,255,274	10,374,924	(7.82%)
Daufuskie Island (800)	354,036,597	339,318,335	(4.16%)
TOTAL COUNTY	35,535,295,670	37,968,239,306	6.85%



Capped/Non-Capped Value Change: 2017 – 2018 Per District



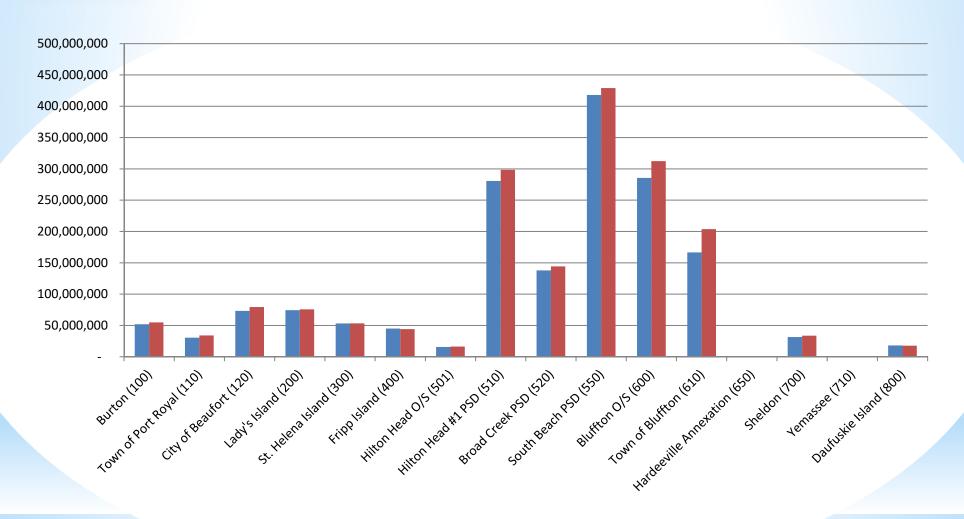


Taxable (Assessed) Change: 2017 – 2018 Per District

Districts	2017	2018	% Change
Burton (100)	51,911,400	54,833,260	5.63%
Town of Port Royal (110)	30,447,920	34,078,020	11.92%
City of Beaufort (120)	73,220,650	79,380,150	8.41%
Lady's Island (200)	74,383,330	75,616,790	1.66%
St. Helena Island (300)	53,191,700	53,364,130	.32%
Fripp Island (400)	45,013,270	44,057,710	(2.12%)
Hilton Head O/S (501)	15,638,500	16,294,830	4.20%
Hilton Head #1 PSD (510)	280,647,740	298,478,250	6.35%
Broad Creek PSD (520)	137,867,060	144,377,180	4.72%
South Beach PSD (550)	418,064,450	429,125,290	2.65%
Bluffton O/S (600)	285,495,070	312,424,600	9.43%
Town of Bluffton (610)	166,727,990	203,781,740	22.22%
Hardeeville Annexation (650)	721,980	749,640	3.83%
Sheldon (700)	31,469,250	33,595,320	6.76%
Yemassee (710)	240,200	265,540	10.55%
Daufuskie Island (800)	18,009,310	17,740,240	(1.49%)
TOTAL COUNTY	1,683,049,820	1,798,162,690	6.84%



Taxable (Assessed) Change: 2017 – 2018 Per District





Property Tax Revenue Neutrality

SECTION 12-37-25(E) Rollback millage is calculated by dividing the prior year property taxes levied as adjusted by abatements and additions by the adjusted total assessed value applicable in the year the values derived from a countywide equalization and reassessment program are implemented. This amount of assessed value must be adjusted by deducting assessments added for property or improvements not previously taxed, for new construction, for renovation of existing structures, and assessments attributable to increases in value due to an assessable transfer of interest.



Individual Parcels: Tax Increase/Decrease

If **Assessed Value Increase** is <u>Greater than 7%</u>

Forecast is: RE Tax will go Down on that Property

If Assessed Value Increase is Less than 7%

Forecast is: RE Tax will go Up on that Property



Revenue Neutrality

County/District must maintain Revenue Neutrality* through Millage:

If Assessed Value of County Increases by 6.84%(+/-), then

Mill rate to determine neutral budget must drop by a similar 6.84% (+/-)

*(Not including Cost of Living & Growth (New Construction, ATI's, Additions)



Non-Uniformity of Tax Shifts

<u>Higher tax</u> to properties – Accelerated appreciation at a greater rate than other properties in the county

<u>Lower tax</u> to properties – Properties that appreciated less than average overall increase in value when compared on a countywide basis

**Exception: Fripp and Daufuskie showed a decrease in overall value, therefore the district millage rate will "increase" to maintain revenue neutrality.



Taxable Value

2009 Reassessment

91% Parcels Taxed

9% Parcels Taxed

Capped or Ag Value

Market Value

2013 Reassessment

9% Parcels Taxed

91% Parcels Taxed

Capped or Ag Value

Market Value

2018 Reassessment

48% Parcels Taxed

Capped or Ag Value

52% Parcels Taxed

Market Value