

COUNTY COUNCIL OF BEAUFORT COUNTY
ADMINISTRATION BUILDING
BEAUFORT COUNTY GOVERNMENT ROBERT SMALLS COMPLEX
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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

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

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

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

1973

1978

1983

1988

1998*

2003 (Implemented 2004)

2008 (Implemented 2009)

2013

2018



Tax Base Components*

<u>Personal Property</u>	<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	<u>0.26%</u>	<u>0.38%</u>
	6.35%	7.45%
<u>Real Property</u>		
Mobile Homes	0.32%	0.34%
Real Property	<u>93.28%</u>	<u>92.22%</u>
	93.60%	92.56%

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



Market Value Value*

<u>Tax Year</u>	<u>Market Value</u>	<u>Capped Value</u>
2008 (12/31/2007)	45,994,000,000	36,964,000,000
2013 (12/31/2012)	34,415,000,000	32,780,000,000
<hr/>		
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%)
<hr/>		
2017 to 2018	2,433,000,000	6.84%

*Capped Value Prior to Appeals



Reassessment Schedule

2016 – Present:

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

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 owner's full time employee. 4) A partner or partnership. 5) An attorney. 6) A certified public accountant (CPA). 7) An Internal Revenue Service enrolled agent. 8) A real estate appraiser who is licensed by the South Carolina Real Estate Appraiser's Board. 9) Employee of a Trust, Estate, Receivership or Guardianship. 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>	<u>23,199,344,927</u>	<u>26,680,395,736</u>	<u>15.00%</u>
Total	36,780,798,947	42,284,210,820	14.96%

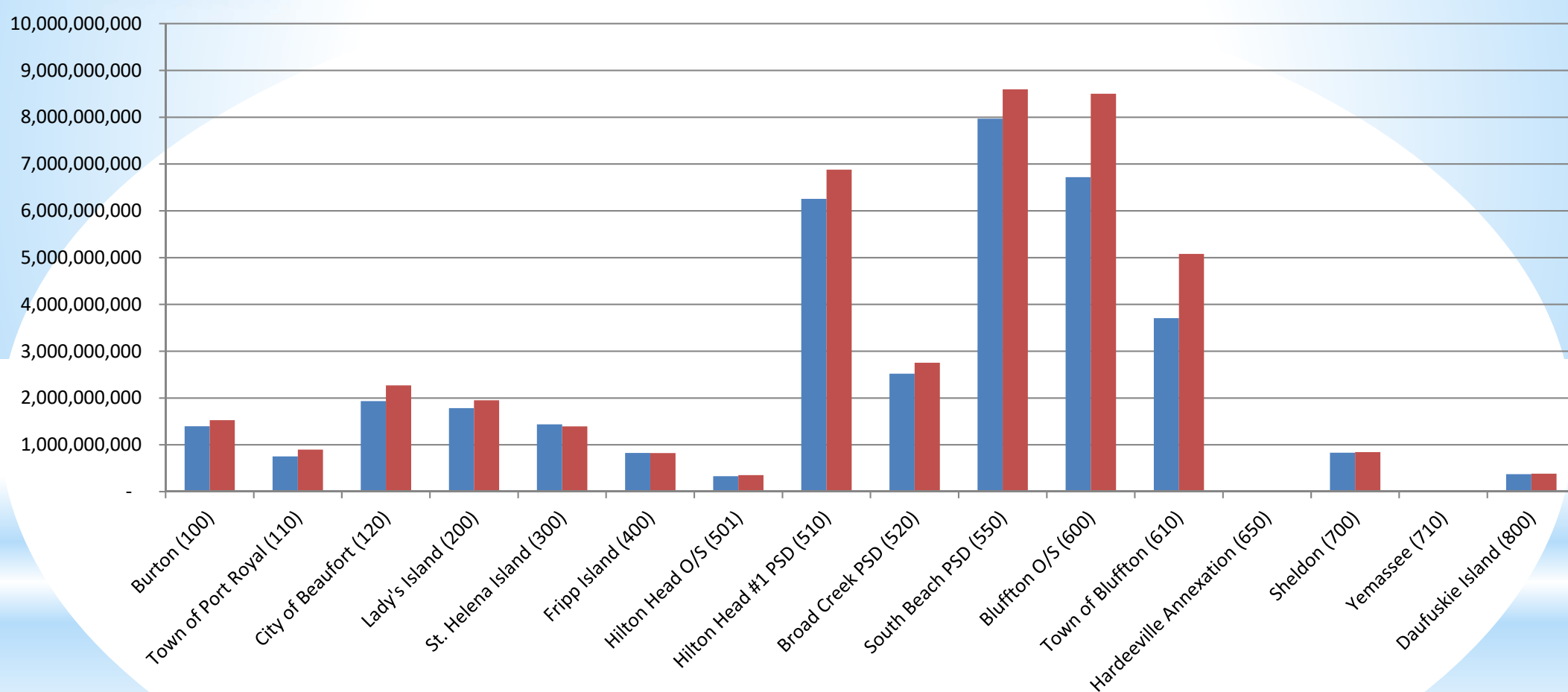


Market Value Change: 2017 – 2018 Per District

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.

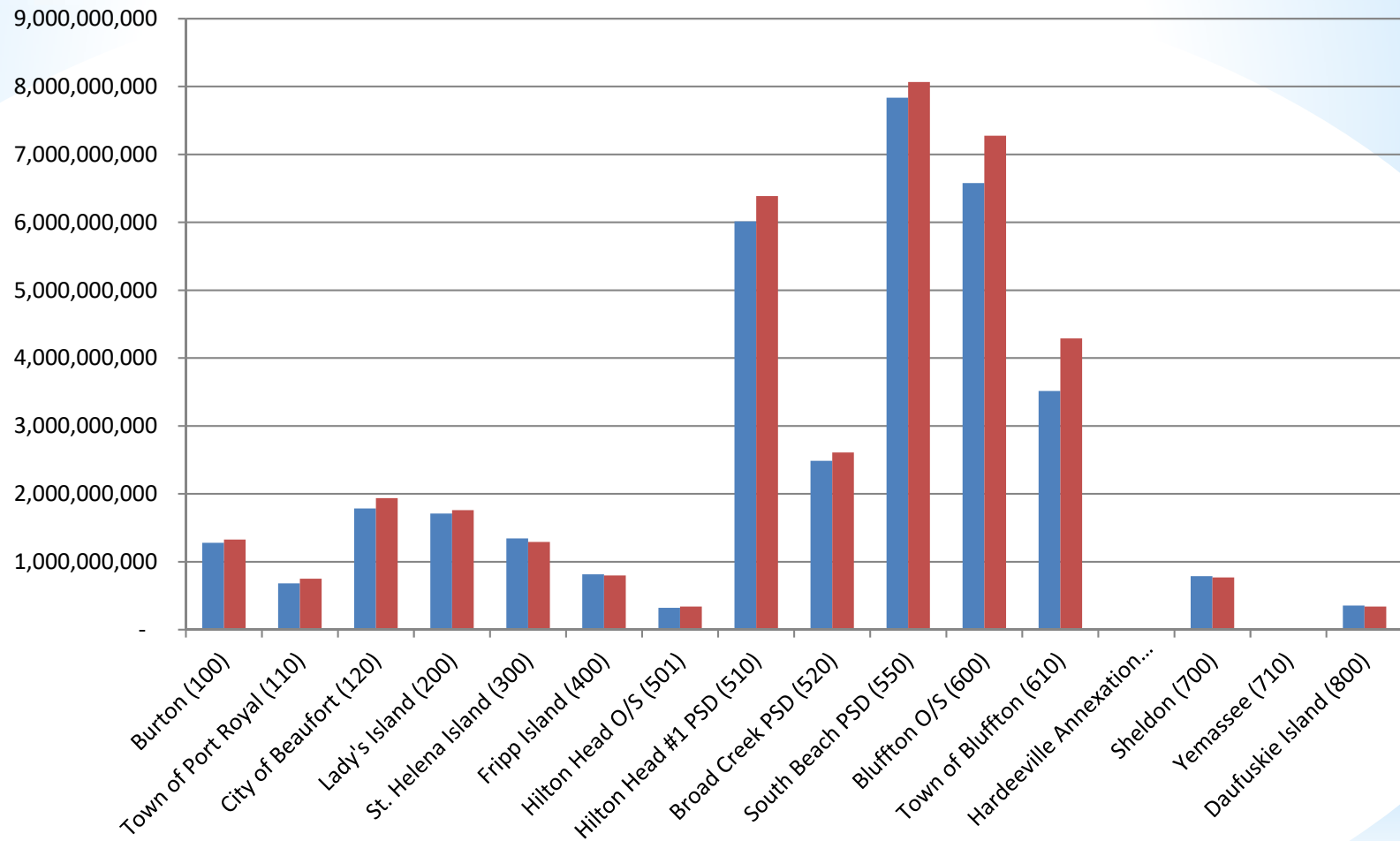


Capped/Non-Capped Value Change: 2017 – 2018 Per District

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



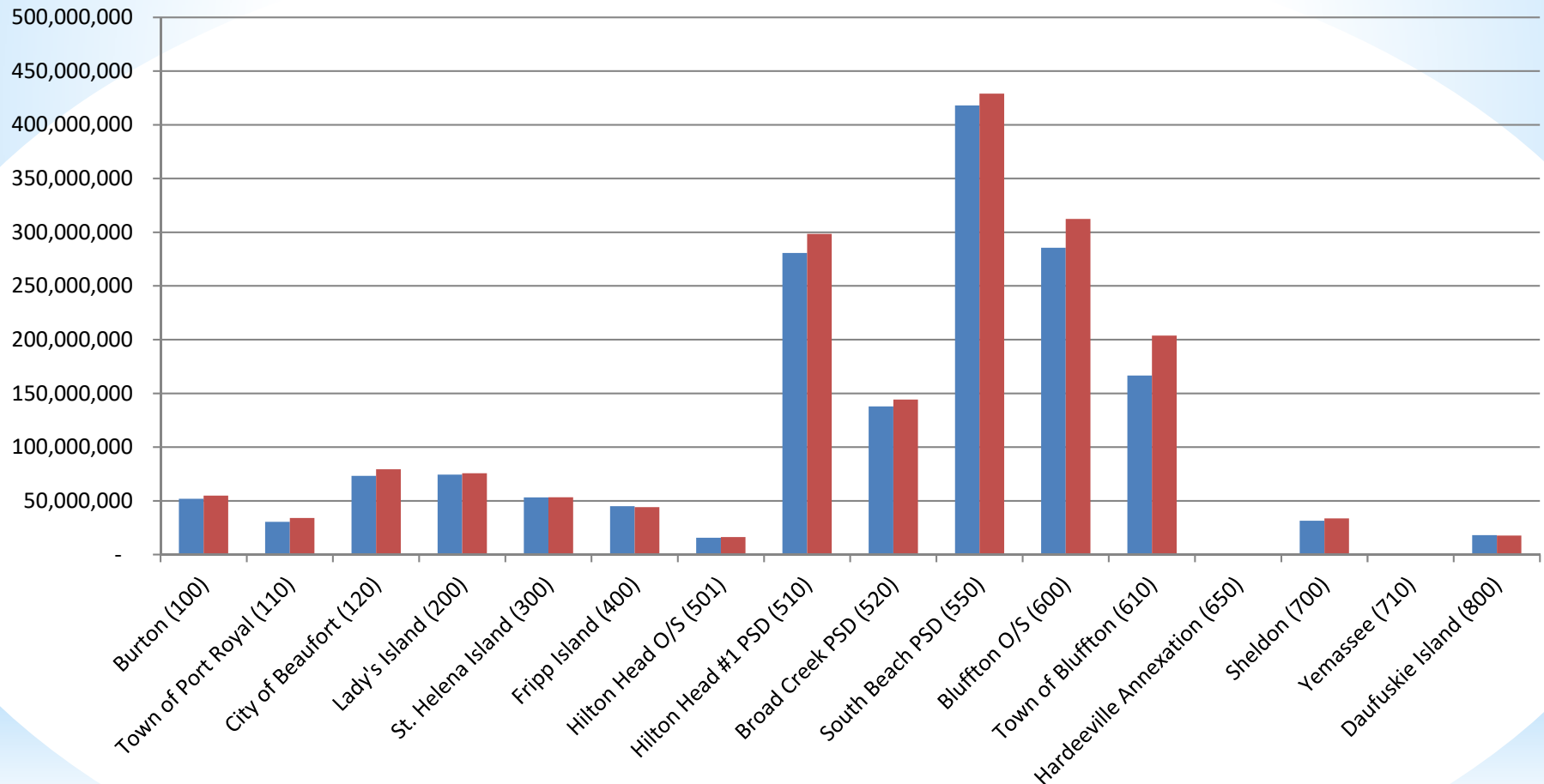


Taxable (Assessed) Change: 2017 – 2018 Per District

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 Greater than 7%
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

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

Lower tax 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

Capped or Ag Value

9% Parcels Taxed

Market Value

2013 Reassessment

9% Parcels Taxed

Capped or Ag Value

91% Parcels Taxed

Market Value

2018 Reassessment

48% Parcels Taxed

Capped or Ag Value

52% Parcels Taxed

Market Value