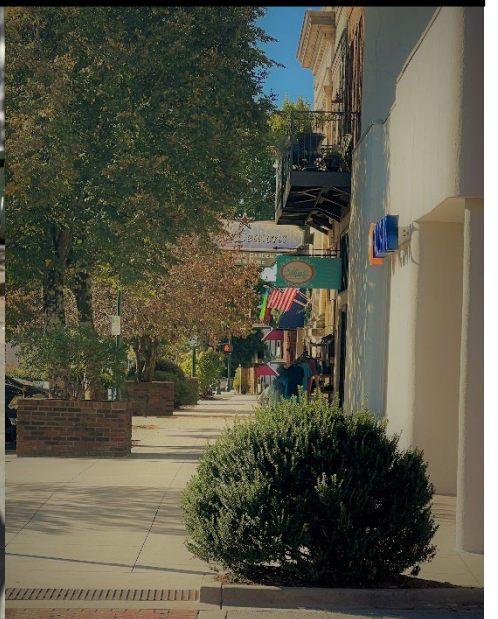




**HENDERSON COUNTY
2023 REAPPRAISAL GUIDE**



TAX TERMINOLOGY

Ad Valorem Tax. Ad Valorem means “according to value”. An ad valorem tax is a property tax based on the assessed value of the property, which may or may not be equivalent to its market value.

Appraised Value. Also known as “market value”. This is the value before any exemptions or deferrals are applied. Appraised value is the most probable price the property would sell for in the open market between a willing seller and an able buyer.

Assessed Value. The dollar value assigned to a property for measuring applicable taxes. Assessed value equals the appraisal or fair market value less any deferred or exempt value. Assessed value is divided by 100 then multiplied by the tax rate to calculate the amount of property tax due.

Fair Market Value. The price that property would sell for in the open market between a willing seller and a financially able buyer, neither being under any compulsion to buy or to sell, and both having reasonable knowledge of the purposes for which the property may be used.

Improvements on Land. Projects or structures increasing the value of property. Examples include buildings or other structures, pools, outbuildings, etc.

Parcel. A land unit of any size under one ownership. A parcel could be (but is not limited to) acreage or a subdivision lot.

Personal Property. Property that is not real property and can be moved. Examples include boats, motor homes, unregistered vehicles and mobile homes that are not permanently affixed to the land and where the owner of the mobile home is different from the owner of the land it sits on. Personal property is appraised on an annual basis.

Reappraisal. The process of determining the value of real property for property tax purposes.

Real Property. Land, structures, and improvements on the land, including manufactured homes that meet the statutory definition of real property.

Tax District. A district where a governmental unit has the authority to levy taxes. This includes municipalities and fire districts.



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2023 REAPPRAISAL

Dear Henderson County Taxpayer,

When you see local law enforcement, an ambulance, or the fire department in action, visit a public park, send your children to public school, check out a book at the library or eat at an inspected restaurant, you are using services paid for by our local property tax. Property taxes also pay for services to help people move from welfare to work, protect children and senior citizens from abuse and neglect and much more. Property taxes are the largest source of revenue to fund the many services we count on each day. During Fiscal Year 2023, property taxes account for an estimated 53% of the County's total operating budget. North Carolina imposes an *ad valorem* tax, meaning that the property tax burden is distributed among the county's citizenry according to the value of the taxpayer's property. While the local Board of Commissioners is responsible for establishing the annual tax rate, the Assessor is responsible for establishing the assessed value of most types of property within the County.

North Carolina law (NCGS §105-286) requires counties to reappraise all real property at least once every eight years. Real property includes land, buildings, structures, and improvements. NCGS §105-286 also authorizes counties to appraise real property more frequently than every eight years. To promote a fair and equitable tax base, Henderson County conducts a reappraisal of real property every four years. The last reappraisal was conducted in 2019, with the next reappraisal becoming effective January 1, 2023.

North Carolina law (NCGS §105-283) requires that real property be valued at its true value in money, meaning market value. Properties are appraised at 100% of market value based on the most recent qualified sales that occurred leading up to the reappraisal date. Not all properties will sell, rent, or be built in the same timeframe, but those properties that do can be used to establish typical market rates for those activities. There are approximately 69,500 parcels in Henderson County. To accomplish the reappraisal of all parcels, a process referred to as "mass appraisal" is used. Mass appraisal groups uniform or similar properties together to ensure fair and equitable property values. Various characteristics of the property are considered during the appraisal process such as location, type of construction, age, replacement cost, advantages, and disadvantages, commercial or residential zoning, etc.

Property values can change during a non-reappraisal year due to physical changes that are made to the property. Reappraisal value is the value of the property as of January 1 of the reappraisal year. Buildings or other improvements currently under construction are appraised according to the percentage of completion on January 1.

For most, the property is assessed for taxation at market value. The assessed value of a property may be different from the market value because the property could be enrolled in the Present-Use Value Program and used for agriculture, horticulture, or forestry.





NORTH CAROLINA **GENERAL STATUTES**

NCGS §105-286(a)

Time for general reappraisal of real property.

“Each county must reappraise all real property in accordance with the provisions of G.S. §105-283 and G.S. §105-317 as of January 1 ... and every eighth year thereafter unless the county ... chooses to advance the date.”

NCGS §105-283

Uniform appraisal standards.

“All property, real and personal, shall as far as practicable be appraised or valued at its true value in money. When used in this Subchapter, the words “true value” shall be interpreted as meaning market value, that is, the price estimated in terms of money at which the property would change hands between a willing and financially able buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of all the uses to which the property is adapted and for which it is capable of being used.”



SCHEDULE OF REAPPRAISAL ACTIVITY

JANUARY 1, 2023

Effective date for 2023 Reappraisal

FEBRUARY 1, 2023

Approximate date Notice of Assessed Value mailed to property owners

FEBRUARY – APRIL 14, 2023

Property owners may file an Informal Appeal with the Assessor for the 2023 value

APRIL 14, 2023

Board of Equalization & Review will convene for the acceptance of 2023 Appeals

MAY 15, 2023

Board of Equalization & Review will adjourn and close the appeal period for 2023

JUNE 30, 2023

The Board of Commissioners establishes the tax rate for FY2024 on or before this date

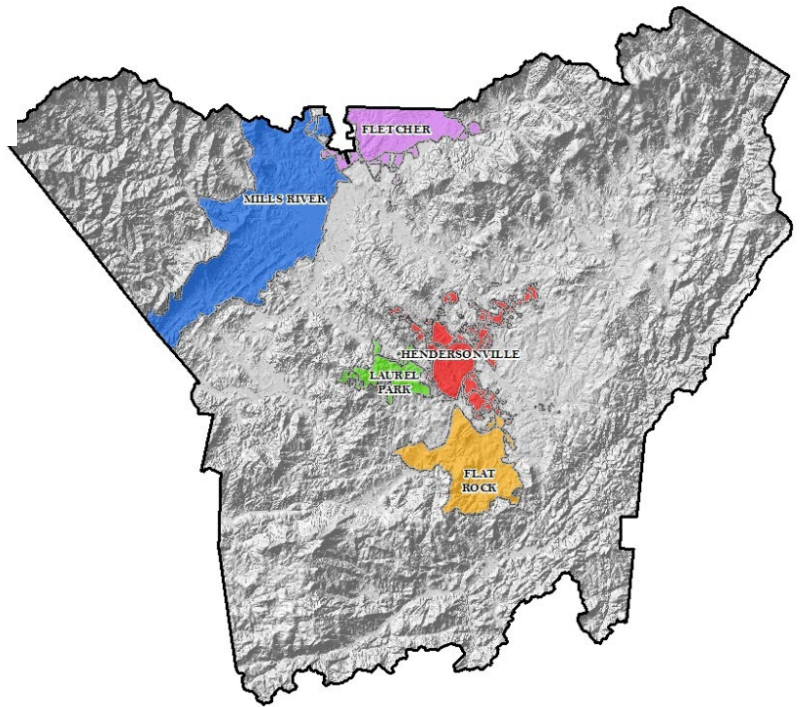
AUGUST 2023

2023 tax bills will be mailed to property owners

NOTE: Dates included in this Schedule of Reappraisal Activity are subject to change

HENDERSON COUNTY INCORPORATED AREAS

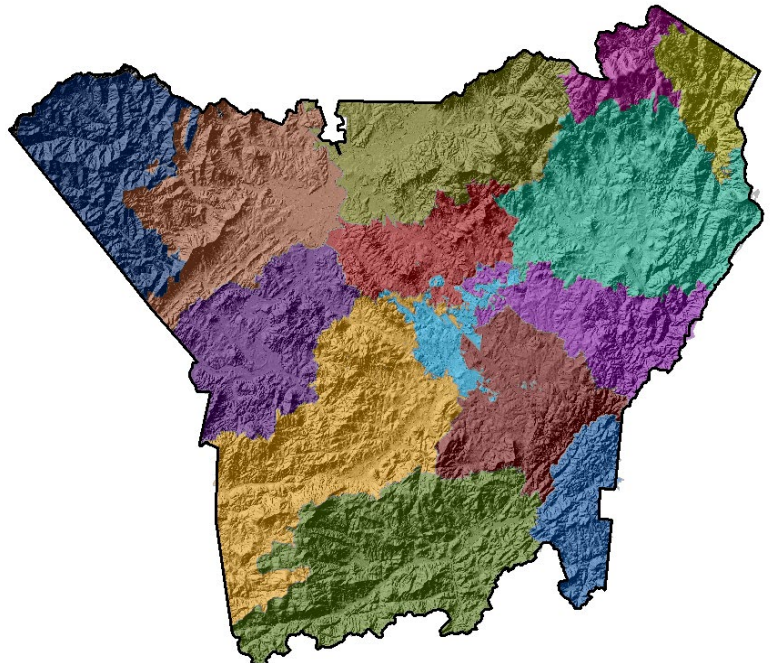
Within Henderson County, there are six incorporated areas also known as municipalities. These areas include the City of Hendersonville, Town of Fletcher, Town of Laurel Park, Town of Mills River, Village of Flat Rock, and the portion of the Town of Saluda that lies within Henderson County. Henderson County is responsible for real property value assessments within each incorporated area. The County also bills and collects property tax on behalf of the Town of Saluda, City of Hendersonville, and the Town of Laurel Park. The remainder of the County's municipalities bill and collect their own property tax based on values supplied by the Assessor.



HENDERSON COUNTY FIRE DISTRICTS

Within Henderson County, there are 12 Fire Districts (listed below). Henderson County collects real property taxes for each district and passes tax revenue to them.

- Bat Cave
- Blue Ridge
- Dana
- Edneyville
- Etowah-Horse Shoe
- Fletcher
- Gerton
- Green River
- Mills River
- Mountain Home
- Raven Rock
- Valley Hill



REAPPRAISAL PROCESS

One of the primary purposes of the reappraisal process is to equalize values among the various property types. Personal property (which includes business personal property) and motor vehicles are appraised on an annual basis whereas in Henderson County, real property is appraised every four years in conjunction with the reappraisal cycle.

The reappraisal process deals specifically with real property. Real property includes land and associated improvements used for both residential and commercial purposes. Manufactured homes that are permanently affixed to land, used for residential purposes, and are owned by the owner of the land are considered real property. Manufactured homes that are not permanently affixed to the land or are owned by someone other than the landowner are taxed as personal property. Public Service property is appraised as personal property. Public Service values are provided to local Assessors on an annual basis by the North Carolina Department of Revenue. Examples of Public Service property include certain truck lines, railroad, and companies that provide utility services such as electricity and gas power.

Henderson County conducts what is commonly referred to as an “in-house” reappraisal. This means that the reappraisal is conducted using appraisers employed by Henderson County instead of hiring an outside firm. The Assessor has 11 employees in the Real Property Division 9 of whom are certified appraisers.

Reappraisals are conducted using a process called “mass appraisal”. Mass appraisal is based largely on statistical methods and is reliant on maintaining accurate data and comparing properties that are similar in nature.

Technology is used extensively in the reappraisal process and includes the County’s CAMA (computer assisted mass appraisal) system and Pictometry imagery services.

A key component in the reappraisal process is reviewing and maintaining property characteristics for all the County’s 69,500 parcels. This is done on a continual basis, using field visits, monitoring sales and building permits and using technology.

Sales, cost, and rental data are collected, verified and analyzed for all property types. As appropriate, national cost manuals are used (and regionally adjusted) to assist in the formation of an opinion regarding the fair market value of commercial and industrial properties.

From this data, the Assessor prepares a Schedule of Values which incorporates the three approaches to value (cost, sales comparison, and income).

Local real estate sales data is collected and monitored throughout the process. **Fair market value is determined by the activity of buyers and sellers within the real estate market.** Typically, only arms-length transactions are considered when evaluating fair market value. Arms-length transactions are transactions whereby the buyer and seller are not related, both act in their own self-interest and are not subject to any pressure or duress from the other party. Short sales and foreclosure sales do not constitute arms-length transactions.

Based on the property characteristics, location, and neighborhood, one or more of the three approaches to value are applied, resulting in a valuation of all property within Henderson County. Consistency and equity within neighborhoods and property types is extremely important. Quality control checks are in place to monitor every aspect of the Reappraisal process.

Henderson County adheres to the Standards of the International Association of Assessing Officers (IAAO) as well as the Uniform Standards of Professional Appraisal Practice (USPAP). Moreover, the North Carolina Department of Revenue acts as an oversight agency to the Assessors throughout the state.

APPRAISED VALUE VS. ASSESSED VALUE

The **appraised value** represents 100% of the fair market value of a property. Fair market value is determined by analyzing arms-length sales activity within the local real estate market. It’s important to reiterate that fair market value is established by the actions of buyers and sellers in the local real estate market.

The **assessed value** represents the value upon which the tax bill is computed. Most often, the appraised value and assessed value are identical. Reasons the appraised value and assessed value may be different include value that may be exempt or deferred resulting from the application of tax relief programs for the elderly or disabled or properties that participate in the Present Use Value Program.

PROPERTY TAX FACTS

Real property is appraised at 100% of fair market value. In North Carolina, property tax is the primary source of revenue for local governments. In FY2023, property tax represented 53% of Henderson County revenues.

Henderson County does not keep all property tax dollars collected. To streamline billing and collection processes, Henderson County bills and collects property taxes on behalf of all volunteer fire departments and for the municipalities of Laurel Park, Saluda and the City of Hendersonville. The remaining municipalities (Town of Fletcher, Village of Flat Rock, and the Town of Mills River) bill and collect property taxes on behalf of their citizens. Property tax collected by these municipalities are based on valuations provided by the County Assessor.

For those entities that Henderson County does bill and collect for, the tax liability is a combination of tax rates for each applicable entity. For example, a property residing within the Fire District of Valley Hill will have two separate tax rates represented on the tax bill (the County tax rate and the Valley Hill Fire District rate). Both rates will be totaled to calculate the tax liability due.

For those entities that Henderson County does not bill and collect for, two separate tax bills will be received by the property owner: the tax bill for Henderson County and the tax bill for the entity that the County does not bill and collect for. For example, a property residing within the Town of Mills River will receive two tax bills: one for Henderson County and a separate bill from the Town of Mills River.

Each taxing entity within the County determines its own budget and tax rate.

Calculating property tax liability will vary slightly, depending on the fire district in which the property resides. The column to the right provides several calculation examples:

EXAMPLE A:

Property Value = \$350,000

Property located in Henderson County within the Valley Hill Fire District:

Total Tax Rate:

County	.5610
Valley Hill Fire	.1000
Total Tax Rate	.6610

Total Tax Due = $(350,000/100) \times .6610 = \$2,314$

NOTE: Rates used in this example are from FY2023

EXAMPLE B:

Property Value = \$350,000

Property located in Henderson County within the Town of Mills River:

County Tax Rate:

County	.5610
Total County Tax Rate	.5610

Total Tax Due County =

$(350,000/100) \times .5610 = \$1,964$

Mills River Tax Rate:

Town of Mills River	.1900
Total Town Tax Rate	.1900

Total Tax Due Town = $(350,000/100) \times .1900 = \665

NOTE:

1. Rates used in this example are from FY2023.
2. In this example, the taxpayer will receive two tax bills: one from the County and one from the Town of Mills River.
3. For purposes of this example, the tax due is rounded to the nearest dollar. Actual tax bills are not rounded to the nearest dollar.

APPEAL PROCESS

No matter how thorough and fair a reappraisal may be, there are still instances when only the property owner has all the information necessary for an accurate appraisal. A relatively simple process is available to rectify such a situation. According to North Carolina law, the property owner has the burden of proving the property under appeal is incorrectly valued. North Carolina law presumes the County Assessor acted in good faith, and the assessment is correct.

The first step in the appeal process is to file an **Informal Appeal**. Begin by completing the Informal Appeal form included in your 2023 Notice of Assessed Value. You can receive an appeal form by contacting the Assessor's Office. Appeal forms may also be obtained by downloading a form from Henderson County's website by visiting:

www.hendersoncountync.gov/tax/page/2023-reappraisal

The property owner's appeal form must be completed and returned within the specified time frame on the notice. The appeal must also be accompanied by information to support the owner's opinion of value. Acceptable documentation includes (but is not limited to) photographs, sales records, appraisals, comparable sales, etc. Once the informal appeal is received, it will be reviewed by an appraiser in the Assessor's Office. The result of the informal review will be mailed to the property owner. An appeal of your property may result in the assessed value being left unchanged, reduced, or increased.

If the property owner disagrees with the results of the Informal Appeal, a Formal Appeal may be filed with the County's Board of Equalization & Review. Begin by contacting the Assessor's Office to request a Formal Appeal form. The Formal Appeal to the County's Board of Equalization & Review must be received prior to the adjournment date specified by the Board of Equalization & Review. After the Formal Appeal is filed, an appraiser will meet with the property owner to discuss the value and verify information supplied by the property owner. Should the owner not agree with the appraiser's opinion of value, the Formal Appeal will be scheduled and presented to the Board of Equalization & Review. Both the property owner and the Assessor's staff will present to the Board of Equalization & Review. The Board of Equalization & Review will review and render a decision at a scheduled public hearing. That decision will be mailed to the property owner within 30 days of the date of the hearing.

If the property owner disagrees with the decision rendered by the Board of Equalization & Review, the property owner may, within 30 days of the date on the notice from the Board of Equalization & Review, file an appeal with the North Carolina Property Tax

Commission. Most of these cases will be heard in Raleigh, North Carolina. An appellant must file an appeal with the Board of Equalization & Review before filing an appeal with the North Carolina Property Tax Commission.

If the property owner or the Assessor does not agree with the decision made by the North Carolina Property Tax Commission, appeals can then be made to the North Carolina Court of Appeals and to the North Carolina Supreme Court.

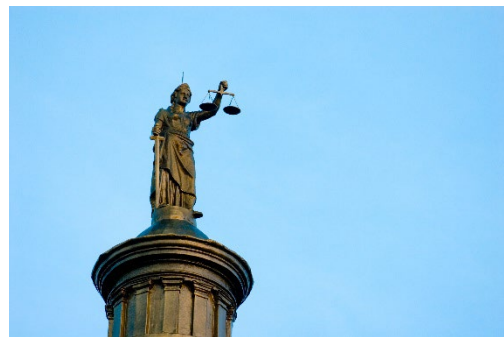
Please contact the Tax Department at 828-697-4667 if you have any questions regarding your appraisal or the appeal process.

YOUR 2023 ASSESSED VALUE MAY BE APPEALED FOR THE FOLLOWING REASONS:

- The assessed value substantially exceeds or is substantially below the market value of the property; or
- Your property has been appraised inequitably as it relates to the market value of comparable properties.

YOUR 2023 ASSESSED VALUE MAY NOT BE APPEALED FOR THE FOLLOWING REASONS:

- The percentage change from the previous assessed value.
- Actual construction or historic cost.
- The amount of anticipated taxes due.
- Your financial ability to pay the taxes.
- Insurance value; or
- Liquidation or salvage value.



COUNTY BUDGET FACTS

An increase or decrease in the appraised value of a property does not alone predict whether the property tax liability will increase, decrease, or remain the same. Only after the tax rates are set just prior to the beginning of each fiscal year can the property tax liability be determined.

The County’s Board of Commissioners is responsible for setting the County’s tax rate and approving tax rates set by the County’s Fire Protection Districts. City Councils are responsible for setting tax rates for municipalities. County rates are set after careful consideration of the needs of the community and after estimating additional sources of revenue that the County will receive. Other sources of revenue include sales tax, intergovernmental transfers (federal and state dollars), grants and fees for services (solid waste fees, building permit fees, etc.)

WHERE ARE TAX DOLLARS SPENT?

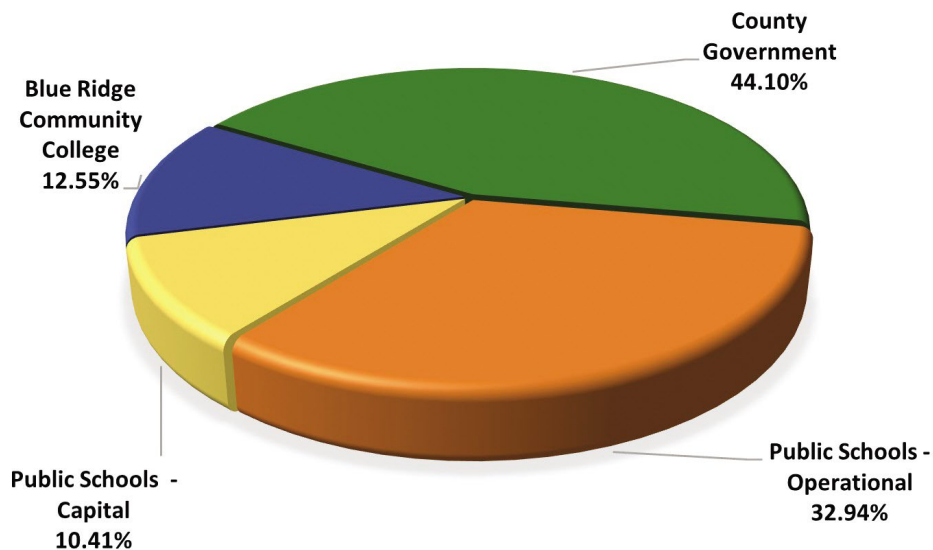
Your tax dollars are used to provide essential community services that include law enforcement, EMS services, and fire protection services. County tax dollars are also used to fund public parks, public education, public libraries, and public health services. Property taxes pay for services to help people move from welfare to work, protect children and senior citizens from abuse and neglect, and much more. Property taxes are the largest source of revenue to fund the many services we count on each day. During Fiscal Year 2023, property tax accounts for an estimated 53% of the County’s total operating budget.

REVENUE NEUTRAL RATE

NCGS §159-11(e) provides that in each year in which a general reappraisal of real property has been conducted, the budget officer shall include in the budget, for comparison purposes, a statement of the revenue-neutral property tax rate. The revenue-neutral property tax rate is the rate that is estimated to produce revenue for the next fiscal year equal to the revenue that would have been produced for the next fiscal year by the current tax rate if no reappraisal had occurred. **Revenue neutral does not necessarily mean that taxpayers will be paying the same amount of property tax for FY2024 that was paid during FY2023.** To calculate the revenue-neutral tax rate, the budget officer shall first determine a rate that would produce revenues equal to those produced for the current fiscal year, and then increase the rate by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal. This growth factor represents the expected percentage increase in the value of the tax base due to improvements during the next fiscal year. The budget officer shall further adjust the rate to account for any annexation, de-annexation, merger, or similar event. The Assessor does not have the authority to establish the revenue neutral tax rate. Decisions regarding the establishment, computation and implementation of the revenue neutral tax rate are made at the Governing Board level.

Henderson County’s tax rate for FY2023 is .5610 per \$100 in value. For real property, this rate is based on the 2019 reappraisal values.

HENDERSON COUNTY FY22-23 PROPERTY TAX BREAKDOWN



FREQUENTLY ASKED QUESTIONS

DOES THE MARKET VALUE CHANGE AT THE SAME RATE ON ALL PROPERTIES?

No, market value does not change at the same rate on all properties. There are differences among individual properties and between neighborhoods. Values can vary according to property type, condition, size, construction quality, number of bedrooms/bathrooms, location, amenities, and topography as well as other factors. **Market value is determined by the activity of buyers and sellers in the local real estate market.** It is possible that sales in one area of the County may indicate a significant decrease in value in a given year, while in another area of the County, the sales may indicate a significant increase in the same year. It's also possible for properties in the same neighborhood to show different value changes. Many factors are considered during the appraisal process.

WHAT IS TAXABLE REAL PROPERTY?

Real property includes land, structures, and improvements on the land, including manufactured homes on a permanent foundation or other manufactured homes located on land owned by the owner of the mobile home. North Carolina law provides for a permanent listing system relative to real property, meaning that the taxpayer does not have to list real property every year. The taxpayer does have an obligation to list any improvements or changes to the real property during the listing period (January). Examples of changes that should be listed include the construction of an addition to a home or the installation of a swimming pool or outbuilding. Obtaining a building permit does not alleviate the taxpayer of this obligation to list changes to real property.

HOW IS REAL PROPERTY VALUED?

Values are placed on real property using either one or a combination of the following three appraisal approaches:

1. **Sales comparison or market approach.** This approach compares the selling prices of similar properties and places a value on those properties based on actual selling prices. This approach is the most accurate when there are numerous arms-length sales occurring.
2. **Cost approach.** Values are determined on what it would cost to replace a similar property at current building costs minus depreciation based on a variety of factors and the age of the property. This approach is best used for unique properties or newer construction.

3. **Income Approach.** This approach is used primarily for income producing properties such as apartment buildings or business offices. Revenues are analyzed to determine a net operating income. This income is then capitalized to determine a value for the property.

HOW WILL I BE ADVISED OF MY 2023 APPRAISAL?

A Notice of Assessed Value will be mailed to all Henderson County real property owners on file with the Henderson County Assessor's office in February 2023.

WHAT IF I DISAGREE WITH MY VALUE?

First, an "Informal Appeal form" must be completed and returned to the Assessor's office. This form must be returned prior to the date the Board of Equalization & Review convenes which is usually during the month of April. Please include any documentation that supports your opinion of the value of your property. Acceptable documentation includes (but is not limited to) photographs, sales records, appraisals, comparable sales, etc. Your appeal will be thoroughly reviewed by an appraiser.

Adjustments to values may be made based on a re-analysis of appealed property. Once the owner is notified of the results, the owner may accept the value or appeal to the County's Board of Equalization & Review. The Board of Equalization & Review is a board appointed by the County Commissioners and consists of Henderson County residents with a solid real estate or business background who are familiar with local real estate values.

Taxpayers may file an appeal with the Board of Equalization & Review by contacting the Assessor's Office in person, by mail or by telephone call.

The Tax Department's website contains tax appraisal values and property information for all parcels within the County. Use this tool to compare values or property characteristics within your neighborhood. Access this site by visiting www.hendersoncountync.gov and choosing "Government", then "Tax Offices" then "Real Property Data Search". Because tax values are based on market value, also review recent sales in your area as a comparison to the value of your property.

FREQUENTLY ASKED QUESTIONS

WILL REAPPRAISAL AFFECT MY PROPERTY TAX BILL?

An increase or decrease in the appraised value of a property may not predict whether the property tax liability will increase, decrease, or remain the same. Only after the tax rates are set by the Henderson County Board of Commissioners and other taxing districts can property tax liability be determined. New tax rates are normally set by June 30 of each year, which in the case of this reappraisal, will be June 30, 2023.

ARE THERE EXEMPTIONS OR SPECIAL PROGRAMS AVAILABLE?

Under specific circumstances, property owners may be eligible for reduced taxes or participation in other deferment or special programs. To participate in these programs, requirements specified by North Carolina law must be met. Available programs are listed below. For detailed information regarding these programs, please visit the Tax Department's website at www.hendersoncountync.gov/tax. These programs include:

- Elderly, Disabled and Disabled Veteran Relief; and
- Exempt Property.

North Carolina law exempts some properties from property taxes if certain requirements are met. Some types of exempt property are:

- Property used for religious purposes.
- Property set aside for burial.
- Property used for educational, scientific, or literary purposes; and
- Property used for charitable purposes.

Applications for exemption are accepted by the Tax Department during January of each year.

Present-Use Value Program. The North Carolina General Assembly enacted the Present-Use Value Program allowing reduced tax assessments for individually owned property currently in use for agriculture, horticulture, or forestry. Property accepted into this program is taxed at its "present use" as a farm. The present-use value is usually less than the market value of the property. The difference between the present-use value and the market value is deferred. When the property or a portion of it is removed from the program for any reason, the deferred taxes for the current year and the previous three years, plus interest, becomes due. Applications for this program are accepted during January of each year.

For more information on any of these programs, please contact the Tax Department at 828-697-4870 or visit our website at www.hendersoncountync.gov

HOW ARE TAXES DETERMINED?

It is the responsibility of the Assessor to value most taxable property within the County. The total value of all property within the County is the tax base. Each County agency or department submits an annual operating budget to the County Manager. The County Manager then submits a recommended total County budget to the County Commissioners for consideration. The Board of Commissioners carefully reviews the recommended budget and conducts a public hearing for citizen input. By the end of June, the Board of Commissioners adopts a budget for the fiscal year beginning July 1. The budget, less any additional revenues to be received by the County, is divided by the value of the tax base to determine a tax rate. The tax rate is based on amounts per each \$100 in property value. A similar process is completed for each municipality and fire district within Henderson County.

WHEN WILL I RECEIVE MY PROPERTY TAX BILL?

Property tax bills are mailed in August of each year and become due on September 1st. Typically, taxpayers have until the following January 5th to pay the bill without interest. January 5th is the deadline for paying property taxes before they become delinquent. If you are interested in a payment plan, contact our Collections Division at 828-697-5595.

WHAT IF I BUY OR SELL REAL PROPERTY DURING THE YEAR?

The owner of the property as of January 1st of the current tax year is responsible for taxes for the entire year unless the property changes ownership during the tax year. If there is a change of ownership, the owner of record on the following January 6th (or the date interest begins), and any subsequent owner, will be held liable for any unpaid real property taxes. The Tax Department does not prorate real estate taxes. Proration is handled between the buyer and seller at the time of the sale. Tax liens against the property will remain in effect until paid in full. It is the responsibility of the new owner to pay any taxes due before January 6th.