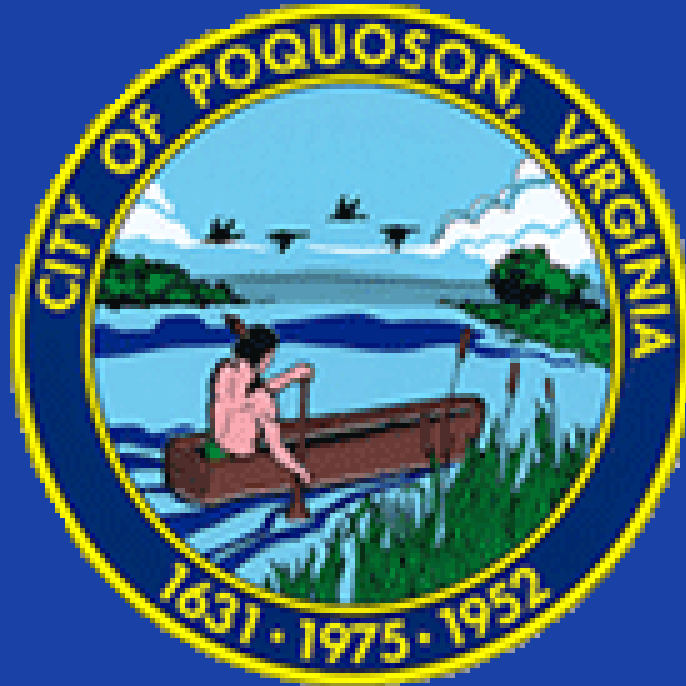


REAL ESTATE ASSESSMENT OFFICE



FY 2010 ASSESSMENT

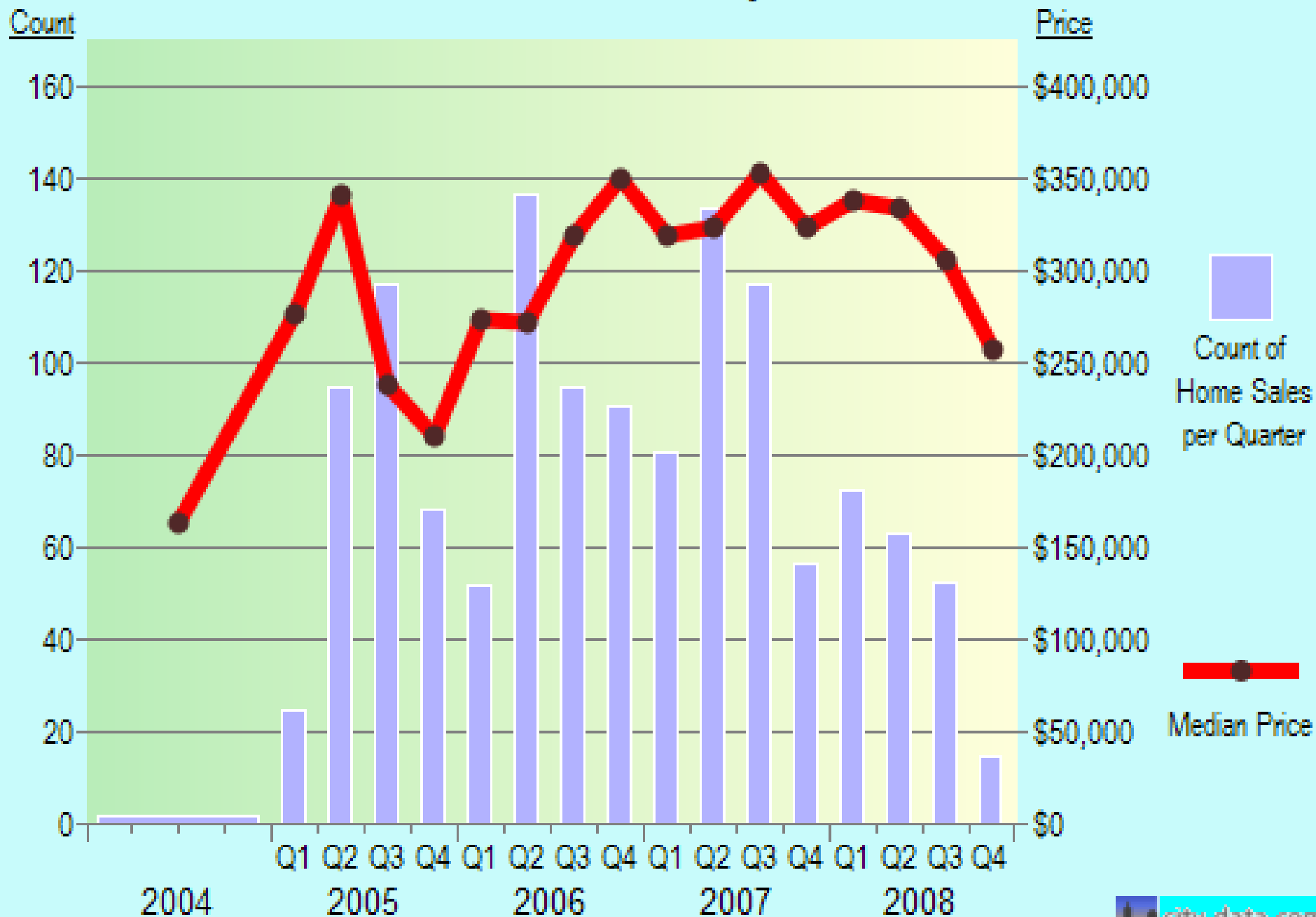
FUNCTIONS OF THE OFFICE

- Maintain owners of record with descriptive information of each real estate parcel within the city.
- Analyze sales information and monitor new construction costs in order to keep abreast of local property value trends. Visit and inspect properties that transfer.
- Inspect and value all new construction. Make scaled drawing of each main improvement.
- Assist WorldView Solutions with maintenance of city's property tax maps and Property Information web site.
- Conducts the Biennial Assessment of real estate within the City. Upon completion of reassessment, prepares and mail notices to property owners. Conduct hearings to review complaints concerning assessments. Assist in organizing hearings with the Board of Equalization.
- The Board of Equalization is nominated by City Council and appointed by the Circuit Court. The Board is responsible for hearing homeowners' appeals concerning their general reassessment property values. The Board has authority to increase, decrease or affirm appealed assessments. The assessor is bound by all Board decisions. Property owners or city may appeal the Equalization Board decisions to the Circuit Court.

ASSESSOR'S ANALYSIS

- Sales were stopped as of 9-1-08 and the assessment of parcels began. All assessments are of market values that I believe will exist July 1, 2009.
- It was my determination at that time that the market would remain flat overall; with some homes in the \$375,000 to \$750,000 price range (non-waterfront and mostly in new developments) taking a significant hit. Houses \$750,000 and above remained flat or increased a little particularly if it was waterfront or on a large parcel.
- Houses \$375,000 and below increased a little (neighborhood specific). The lower end of city sees increases more than most because redevelopment in those neighborhoods has a positive effect.
- Land values are increasing significantly, in most all areas of the city because of supply and demand issues. Properties with large lots in most cases saw overall increases because the land increase was enough to offset any decrease that the house may have experienced.

Home Sales in Poquoson, VA



RESULTS OF LISTING STUDY

1. 89 houses on market as of 3-26-09.
2. Of those 89 houses, 66 are priced at or higher than the new assessments.
 - a. 21 are 0% - 5% higher
 - b. 20 are 5.1% - 10% higher
 - c. 17 are 10.1% - 20% higher
 - d. 6 are 20.1% - 40% higher
 - e. 2 are 40.1% or higher
3. 23 houses priced lower than the new assessments:
 - a. 16 are 0% - 5% lower
 - b. 6 are 5.1% - 10% lower
 - c. 1 lower than 10%
4. Of the 23 houses priced lower than the new assessments, 16 were originally put on the market for a higher price than the current assessments. The average beginning price was 8.4% over the current assessment. A house enjoys its best chance of selling the first couple of months on the market.
5. Of the 23 houses priced lower than the new assessments, 13 were placed on the market after the reassessment began. 10 have been listed since October when the market is usually at its lowest point for the year.
6. It is interesting to note that of these 23 houses, records show that most of them had been purchased at prices \$100,000 or more than the current asking price. One was received by WILL and several were built by the current owners. In each case, the owners are not forced to accept the current market and are most likely seeking quick sales in a downward market.

RESULTS OF SALES STUDY

1. 133 properties listed in MLS have sold during the period of 1-1-2008 thru 3-26-2009.
2. 109 sold prior to sales cut-off date of 9-1-2008.
3. Average asking price for these 109 sales was 5.5% above new assessments; average market time was 108 days or about $\frac{1}{2}$ of the average market time which is 4 to 5 months for a stable market. However, the short market times resulted in the average sale price falling 2.8% below the new assessments.
4. Since the sales were cut-off at the end of August, another 23 properties have sold. Keep in mind that these properties sold during the slowest months of the year.
5. Of those 23 properties, 21 started out with prices higher than the new assessments (on average 17.6% higher).
6. These 23 properties were on the market an average of 165 days. This is over the average of 4 to 5 months; however, this is the slow time of the year.
7. Of the 23, 10 sold for less than new assessments by a -5.3%. The rest sold at or above the new assessments.

ADDENDUM

THE ASSESSMENT PROCESS

- The assessment process in Poquoson and in every Virginia locality is laid out in Title 58.1 of the Code of Virginia.
- Of primary concern is that the Code requires assessments to represent 100% market values as of the “strike” date of the assessment (which in this case is July 1, 2009) and that all assessments be equitable. If they are not, the taxpayer has grounds to contest the assessment. Appeals can be made in three ways:
 1. Hearing with the Assessor
 2. Hearing before the Board of Equalization
 3. Petition to the Circuit Court in York County.
- The date and times for the first two hearings and all deadlines are printed on the Assessment Notice. Petitions to the Circuit Court must be made within one year of the effective date of the assessment.
- By Code, assessments are considered to be correct and the burden of proof is on the taxpayer to prove otherwise. However, mistakes are made and discussions with taxpayers are always welcomed. As a service to the taxpayers, all assessments and sales will be posted on the City’s website so that anyone interested can do research in the comfort of their homes. This data is also available in the Assessor’s office.

THE ASSESSMENT PROCESS

- The basic process of assessing property:
 1. **Field Study – Going into the field to inspect property, check our data with taxpayer, verifying sketches etc.**
 2. **Sales Study – Checking data on sales, reading deeds and verifying conditions of the sale to determine if they are arms-length transactions. Creating rate tables from these sales.**
 3. **Cutting off of sales and start applying sales data to similar types of property. Because the process of assessing all properties takes several months sales must be cut-off prior to beginning this phase of the process. At this point, time does not allow for the continuing adjustment of assessments based on new sales that may be going up or down as a result of market conditions. The best that an assessor can do is make a prediction of where the market will be for various different properties as of the “strike date” of the assessment. This prediction is based on the Assessor’s knowledge and examination of a substantial amount of data. All sales are cut-off and this data applied at the beginning and the prediction of where the market will be at the end is applied evenly and fairly to all properties. Any miscalculation of the market will be the same for all properties and the tax burden will be evenly distributed to all taxpayers.**
 4. **Completion of assessing all properties and mailing of Assessment Notices.**
 5. **Assessor’s Hearings – mid May**
 6. **Board of Equalization – mid July**
 7. **Printing of Landbook – first of September**
 8. **Taxation based on “new assessment. – Dec.**

TABLE 1
LATEST EFFECTIVE REASSESSMENT, NUMBER OF SALES
MEDIAN ASSESSMENT/SALES RATIO, COEFFICIENT OF DISPERSION, AND
TOTAL FAIR MARKET VALUE FOR VIRGINIA LOCALITIES, 2007

| Locality | Latest Reassessment | Number of Sales | Median Ratio | Coefficient of Dispersion | Total Fair Market Value |
|------------------|----------------------------|------------------------|---------------------|----------------------------------|--------------------------------|
| Counties: | | | | | |
| Isle of Wight* | 2007 | 506 | 90.09% | 18.47% | 4,106,394,200 |
| James City* | Annual | 1,264 | 87.63% | 11.48% | 9,931,335,500 |
| York | 2006 | 914 | 87.08% | 9.33% | 7,734,412,540 |
| Cities: | | | | | |
| Chesapeake | Annual | 3,634 | 94.14% | 6.94% | 23,807,521,974 |
| Hampton* | Annual | 2,002 | 80.25% | 9.11% | 9,510,105,500 |
| Newport News* | Annual | 797 | 76.93% | 7.56% | 12,195,417,890 |
| Norfolk* | Annual | 2,455 | 75.88% | 12.75% | 14,953,815,900 |
| Poquoson* | 2007 | 171 | 96.97% | 10.04% | 1,627,336,017 |
| Portsmouth* | Annual | 806 | 73.67% | 19.83% | 5,504,357,540 |
| Suffolk | Annual | 1,268 | 91.99% | 14.17% | 9,140,410,400 |
| Virginia Beach* | Annual | 8,692 | 75.70% | 12.11% | 46,469,983,332 |
| Williamsburg* | Annual | 186 | 84.28% | 14.92% | 1,547,220,200 |

* Indicates localities with fiscal year reassessments.

§ 58.1-3280. Assessment of values.

Every assessor or appraiser so designated under this chapter shall, as soon as practicable after being so designated, proceed to ascertain and assess the fair market value of all lands and lots assessable by them, with the improvements and buildings thereon. They shall make a physical examination thereof if required by the taxpayer, and in all other cases where they deem it advisable.

(Code 1950, § 58-790; 1975, cc. 51, 547; 1976, c. 676; 1983, c. 161; 1984, c. 675.)

§ 58.1-3350. Review of assessment.

Any person aggrieved by any assessment under this chapter may apply for relief to the board of assessors, or if none, to the board of equalization created under Article 14 (§ [58.1-3370](#) et seq.) of this chapter or may directly apply for relief to the appropriate circuit court of the county or city in those localities where application to the aforementioned board is not a prerequisite to the jurisdiction of the court.

(1984, c. 675; 1985, c. 64.)

§ 58.1-3378. Sittings; notices thereof.

Each board of equalization shall sit at and for such time or times as may be necessary to discharge the duties imposed and to exercise the powers conferred by this chapter. Of each sitting public notice shall be given at least 10 days beforehand by publication in a newspaper having general circulation in the county or city and, in a county, also by posting the notice at the courthouse and at each public library, voting precinct or both. Such posting shall be done by the sheriff or his deputy. Such notice shall inform the public that the board shall sit at the place or places and on the days named therein for the purpose of equalizing real estate assessments in such county or city and for the purpose of hearing complaints of inequalities wherein the property owners allege a lack of uniformity in assessment, or errors in acreage in such real estate assessments. The board also shall hear complaints that real property is assessed at more than fair market value. Except as otherwise provided by the Code of Virginia:

1. The fair market value of real property shall be established by the board as of January 1 of the applicable year; or
2. If a county or city has adopted July 1 as its tax day for real property pursuant to § [58.1-3011](#), then, for other than public service corporation property, the fair market value of real property shall be established by the board as of July 1 of the applicable year.

The governing body of any county or city may provide by ordinance the date by which applications must be made by property owners or lessees for relief. Such date shall not be earlier than 30 days after the termination of the date set by the assessing officer to hear objections to the assessments as provided in § [58.1-3330](#). If no applications for relief are received by such date, the board of equalization shall be deemed to have discharged its duties. Such governing body may also provide by ordinance the deadline by which all applications must be finally disposed of by the board of equalization. All such deadlines shall be clearly stated on the notice of assessment.

(Code 1950, § 58-903; 1976, c. 679; 1983, c. 304; 1984, c. 675; 1989, c. 300; 2000, c. 383; 2003, c. 1036.)

§ 58.1-3201. What real estate to be taxed; amount of assessment; public service corporation property.

All real estate, except that exempted by law, shall be subject to such annual taxation as may be prescribed by law.

All general reassessments or annual assessments in those localities which have annual assessments of real estate, except as otherwise provided in § [58.1-2604](#), shall be made at 100 percent fair market value and, except as provided in § [58.1-2608](#), the State Corporation Commission and the Department of Taxation shall certify public service corporation property to such county or city, with the exception of the nonoperating (noncarrier) property of railroads, on the basis of the assessment ratio as most recently determined and published by the Department of Taxation. The Department of Taxation shall, ten days after determining the assessment ratio, notify the locality of that determination and the basis on which the determination was made. Nonoperating (noncarrier) property of railroads shall be valued for assessment by the city or county in which it is located uniformly with similarly situated real estate in the same jurisdiction upon the best and most reliable information that can be procured. The Tax Commissioner shall determine which property is part of the operating unit of the railroads and which is nonoperating (noncarrier) property for purposes of the report described in § [58.1-2653](#). Such determination shall be made in accordance with the meaning of such terms in the Interstate Commerce Commission's Uniform System of Accounts. The inclusion, or failure to include, property in such report described in § [58.1-2653](#) may be reviewed and redetermined by the Tax Commissioner at the request of any railroad, county, city, town or magisterial district.

(Code 1950, § 58-760; 1982, c. 619; 1983, cc. 556, 570; 1984, c. 675; 1985, c. 30.)

§ 58.1-3379. Hearing complaints and equalizing assessments.

A. The board shall hear and give consideration to such complaints and shall adjust and equalize such assessments and shall, moreover, be charged with the especial duty of increasing as well as decreasing assessments, whether specific complaint be laid or not, if in its judgment, the same be necessary to equalize and accomplish the end that the burden of taxation shall rest equally upon all citizens of such county or city.

B. In all cases brought before the board, there shall be a presumption that the valuation determined by the assessor is correct, and the board shall be advised that it is not necessary that the taxpayer show that the assessment is a result of manifest error or disregard of controlling evidence, but rather that the standard of proof is in accordance with subsection C.

C. The burden of proof shall be upon a taxpayer seeking relief to show that the property in question is valued at more than its fair market value, that the assessment is not uniform in its application, or that the assessment is otherwise not equalized. In order to receive relief, the taxpayer must produce substantial evidence that the valuation determined by the assessor is erroneous and was not arrived at in accordance with generally accepted appraisal practice. Mistakes of fact, including computation, that affect the assessment shall be deemed not to be in accordance with generally accepted appraisal practice.

D. The commissioner of the revenue or other local assessing officer of such county or city shall, when requested, attend the meetings of the board, without additional compensation, and shall call the attention of the board to such inequalities in real estate assessments in his county or city as may be known to him.

E. Every board of equalization may go upon and inspect any real estate subject to adjustment or equalization by it.

F. The burdens and standards set out in subsections B and C shall apply in hearings before the board and nothing contained in this section shall be construed to change or have any effect upon the burdens and standards applicable to applications to correct erroneous assessments filed with circuit courts pursuant to §§ [58.1-3984](#) through [58.1-3987](#).

(Code 1950, § 58-904; 1984, c. 675; 2003, c. 1036.)