

**CHATTOOGA COUNTY
BOARD OF TAX ASSESSORS**

Chattooga County
Board of Tax Assessors
September 16, 2020

Attending:
Doug L. Wilson, Chairman – Present
Richard L. Richter, Vice Chairman – Present
Betty Brady – Present
Randy Pauley – Present
Jack Brewer – Present
Nancy Edgeman – Present
Kenny Ledford - Present

Zoom Meeting was called to order at 9:00am

APPOINTMENTS: None

OLD BUSINESS:

I. BOA Minutes:

Meeting Minutes for September 2, 2020 & Zoom Meeting for September 9, 2020

BOA reviewed, approved, & signed

II. BOA/Employee:

a. Time Sheets

BOA reviewed, approved, & signed

b. Emails:

1. Weekly Work Summary

BOA acknowledged receiving

III. BOE Report: Nancy Edgeman to forward via email an updated report for Board's review.

Total 2020 Real & Personal Certified to Board of Equalization - 19

Cases Settled – 5 Withdrawn

Hearings Scheduled – 2

Pending cases – 3

BOA acknowledged and discussed.

IV. Time Line: Nancy Edgeman, Chief Appraiser to discuss updates with the Board.

Office is preparing for Tax year 2021.

NEW BUSINESS:

V. APPEALS:

2020 Real & Personal Appeals taken: 67

Total appeals reviewed by Board: 67

Pending appeals: 0

Closed: 67

Weekly updates and daily status kept for the 2020 appeal log by Nancy Edgeman.

BOA acknowledged

VI: MISC ITEMS

- a. Set date for 45 day conference for Ray Shaw and JP Smith Lumber Company
BOA will discuss during next meeting.

VII: APPEALS

a. Map & Parcel: 41-10 -- Personal Property Account #462

APPEAL UPDATE

Owner Name: Aladdin Manufacturing Corporation (Mohawk Lyerly)

Tax Year: 2020

Owner's Assertion: \$29,749,610

Owner's Contention: Property closed in 2019, taxpayer is requesting economic obsolescence

Determination:

1. We received a return on April 1, 2020 with a \$0 return value for (FFME) furniture, fixtures and equipment and a \$10,225,585 return value for idle equipment (which is actually the FFME value but with a reduction due to it being equipment out of production.
2. Their submitted total fair market value on this original return was \$36,742,617 and they requested \$20,000,000.
3. Our total FFME value was \$19,564,590 without any idle equipment adjustment, with the taxable inventory at \$15,521 and Freeport at \$26,501,511 for a total fair market value of \$46,081,622.
4. I contacted the business owner's agent in mid April, 2020 due to the big difference in their numbers and ours and also items listed in the wrong depreciation group and group 2 numbers not matching up.
5. They responded that it needed a second look and they would get back with me.
6. After no word from them since April, once again in July, 2020, I called and left a message and emailed the agent to try to resolve these issues before our digest submission and received only an email of their office closing for summer break and no other response after.
7. Therefore we submitted our digest with the \$19,564,590, the inventory at \$15,521 and Freeport at \$26,501,511 for a total fair market value of \$46,081,622.
8. We then received an amended return on August 24, 2020 with an FFME value assertion of \$3,232,578, the taxable inventory and Freeport did not change for a total fair market value of \$29,749,610. This included a request for an additional idle equipment adjustment.
9. Initially I responded to their agent that it was past the deadline to receive due to the appeal deadline being July 20.
10. They contacted the Department of Revenue and were informed that it would be up to the individual county's discretion or policy whether to receive a return this late, however; that the appeal deadline had been extended to August 27.
11. They filed an appeal on August 27 with a value assertion of \$29,749,610.
12. The county attorney was contacted and verified the appeal deadline was extended to August 27.
13. We let Mohawk's agent know and again requested explanation of the value differences and more emails trying to resolve any discrepancies between their numbers and ours.
14. At this point there was no clear understanding or resolve and I informed the agent that I could not present an appeal to the Board of Assessor's requesting a decrease in value without complete clarification for the furniture, fixtures and equipment issues.
15. The appeal was presented to the Board of Assessor's suggesting no change in value.

16. In the meantime, I began research again and reaching out to other counties as well as the Department of Revenue checking on the salvage value and idle equipment in the rules and regulations from the state mandate appraiser procedure manual (our APM).

17. We then determined salvage/scrap values are a separate issue than idle equipment.

18. The DOR representative's instructions were to establish use of the equipment and which equipment falls under which adjustment.

19. Also, during this time the disposals attached to the amended return were sent in with detailed calculations with a discovery that two pages of the disposal list were missing from the original return which would account for some of the miss-match problems and this was corrected in our calculations.

20. The detailed calculations were compared to our detailed data and both their numbers and ours matched up with only minor discrepancies in a few pieces of equipment in the wrong depreciation grouping. (Our numbers will not match 100% with this grouping issue; however, this is not uncommon and typically doesn't create huge differences for concern).

21. Once all that was corrected, the final value for FFME before any salvage and/or idle equipment adjustment is actually \$15,784,726 add in inventory and Freeport for a total fair market value of \$42,301,758.

22. Allowing the adjustment 50% off just for salvage/scrap and idle equipment listed as a whole the total FFME value would be \$7,892,362 or a total fair market value of \$34,409,394.

23. This brings us to the issue of how are they getting the \$3,232,578 for FFME a total value of \$29,749,610, not to mention the correct breakdown between salvage and idle.

24. Salvage value is: In accordance with state mandated appraiser procedure manual (Rules & Regs 560-11-10.8, 4(v) – Once personal property is taken out of service at or after the end of its typical economic life, it shall be considered salvage then, the value is determined by taking 10% of the original cost new. Or if the property is withdrawn from active use but retained as backup equipment (idle) shall be one-half the basic cost approach value (which is the value after the normal composite factor depreciation is applied by year and group of the equipment) therefore; example: \$300 val, group 2, year 2019 would be $\$300 \times .92\text{-factor} = 276$ then 50% idle applied is \$138.

25. Agent's email indicates the 50% was applied in the original return, then after learning of the plan for the remaining assets to be shipped or disposed an amended return was submitted with the additional 10% to all remaining assets in place.

26. It is crucial that any form of additional adjustments should be proven, not only by way of the obvious of the plant closing, but also, what equipment is actually scrap, no longer operable or completely gone – what equipment was there, as of January 1, idle but still good for operation and neither group would receive both adjustments.

27. This detail should be accurately documented and presented to us from the property owner or owner's agent.

Recommendation:

1. The agent has been contacted requesting this documentation. I have no suggestion or recommendation at this time.

Note:

- In the event they do not submit the documentation, after justified corrections the actual total fair market value before adjustments is \$42,301,758.

- Allowing the 50% idle adjustment then our total fair market value is \$34,409,394.

- Again, their requested total fair market value is \$29,749,610 with scrap and idle adjustment.

Reviewer: Wanda Brown

BOA has reviewed information and Nancy Edgeman has suggested rescheduling BOE hearing until information has been received. BOA agreed.

b. APPEAL UPDATE – Appeal was reviewed by Board of Assessors on 8/5/2020

Owner: Sherrill Lisa Hanna

Tax Year: 2020

Map/ Parcel: 61-34-A

Owner's Contention:

Owners asserted value: \$272,169.10

Determination:

1. The subject property is 7.05 acres located on 490 Silverleaf Trail. The property has a residential improvement value of \$520,917, an accessory value of \$15,467 and a land value of \$25,000 for a total fair market value of \$561,384. The property sold for \$675,909 on 2/3/11.
2. A previous field review was done on 4/1/20. During that review the sketch of the residential improvement was corrected and the basement square foot went from 2,101 square foot to 3,834. This increased the fair market value by \$172,571.
3. A field visit was done for this appeal on 7/23/20 by two appraisers. It was determined that a stone patio was not included on the sketch of the residential improvement.
4. The grade of the home is recorded as 155; which the appraisers determined to be very low considering the quality of materials, workmanship and design of home. A grade of 200 would be more accurate using standards shown in the appraisal manual. This grade would give a total fair market value of \$714,731. The 2020 TFMV of \$561,384 is well below the value given by assigning an accurate grade of 200.
5. A comparison study indicates the subjects per square foot value of \$103 per square foot is above the average of \$90 and median of \$93, but is the range of comparable values.
6. A recent sales study of 150 to 175 grade houses show an average sales price of \$86 per square foot and a median of \$81. Due to the grade of the subject being considerably lower than indicated by the field review these sales comparisons are not applicable.

Recommendation: No changes to the 2020 tax record are recommended. We do recommend correcting the grade for the 2021 tax record. The neighboring properties should be reviewed for accuracy in grade and details.

Reviewer: Bryn Hutchins and Randy Espy

Update: Lisa Hannah Sherrill is scheduled for Board of equalization hearing on Thursday, September 24, 2020. McKenzie Ryan of Equitax Property Tax Advisors is the representative for this appeal (paperwork available in file in file). The property owner was notified at **\$561,384**.

I received a call from McKenzie Ryan on September 15, 2020. She is interested in settling the appeal before the scheduled hearing with the Board of Equalization. The price per sq ft of the subject property for 2020 is \$103. She is requesting the property be **uniform** at the price per sq. ft. as Map & Parcel 61C-A007 around \$97 for tax year 2020. She is requesting an overall value of **\$523,000**. This would be a reduction of \$38,384.

Recommendation: To be uniform we recommend accepting the value of \$523,000 for tax year 2020 only. I also recommend all neighboring properties be visited for tax year 2021.

Reviewer: Nancy Edgeman

Motion to accept recommendation of \$523,000 for tax year 2020 only

Motion: Richard Richter

Second: Betty Brady

Vote: 3 voted yes and 1 no

Mr. Wilson reminded everyone of the Lunch at Jefferson's restaurant from 11:30am – 1:00pm.

Meeting adjourned at 9:35am

Doug L. Wilson, Chairman



Richard L. Richter



Betty Brady



Randy Pauley



Jack Brewer



**Chattooga County
Board of Assessors
Meeting September 16, 2020**