

**MINUTES OF THE COMMITTEE OF THE GUILFORD COUNTY
BOARD OF COMMISSIONERS
(TAX COMMITTEE)**

Greensboro, North Carolina
July 15, 2016

The Tax Committee appointed by the Board of Commissioners, met in a duly noticed meeting on July 15, 2016 at 10:30 AM in the J. Harry Weatherly Conference Room of the Old County Courthouse, 301 West Market Street, Greensboro.

PRESENT: Chairman Jeff Phillips and Commissioner Kay Cashion

ABSENT: Commissioners Hank Henning and Justin Conrad

ALSO PRESENT: County Manager Marty Lawing; Deputy County Manager Clarence Grier; County Attorney Mark Payne; Ben Chavis, Tax Director; Ariane Webb, Deputy Clerk to Board; and members of the media.

Chairman Jeff Phillips called the meeting to order at 10:40 AM.

A. 2017 Reappraisal Process

County Manager Marty Lawing reviewed the purpose of the meeting and noted the County's transition from an eight (8) to a five (5) year revaluation cycle. He confirmed value notices will be mailed to citizens in February 2017.

Ben Chavis, Tax Director, presented advertisements announcing the 2017 reappraisal which were included in tax bills recently mailed to Guilford County citizens. He reviewed the meeting agenda and noted reappraisals, pictometry as a reappraisal tool and tax foreclosures would be discussed.

Chavis noted the purposes for conducting reappraisals and discussed the impact of proper assessments upon property sales ratios and market values. He reviewed the data on sales ratio trends for the prior twenty (20) years and noted the goal is to achieve a ratio of 100%, where assessments are reflective of market value.

Commissioner Cashion questioned if the sales ratio data was compiled from segment of assessed properties within Guilford County.

Chavis confirmed the data was collected by the NC Department of Revenue and only a sample of properties were utilized within Guilford County.

Chavis discussed the qualifications of his appraisal team and noted their expertise and certifications are referenced when citizen's express concerns regarding the quality of conducted appraisals.

Chairman Phillips opined on citizen's concerns regarding the accuracy of appraisals.

Chavis discussed the appraisal tools available for property owners to conduct assessments of their homes and compare their properties to those recently sold within their neighborhoods. He spoke to the goal of improving the reappraisal process through shorter revaluation cycles.

B. Pictometry Changefinder

Chavis discussed the Pictometry Changefinder tool and noted it has been used by appraisal staff since 2007, to maintain an electronic inventory of buildings and outbuildings.

Chairman Phillips questioned if the department utilized pictometry outside of the revaluation cycle.

Chavis reviewed historical challenges related to revaluation and confirmed staff have utilized pictometry to discover properties outside of the cycle.

County Attorney Mark Payne stated discovery can occur, however staff will not change reappraisal values outside of the standard cycle.

Commissioner Cashion suggested publicizing the tool.

Chairman Phillips clarified the reappraisal process.

Chavis discussed the process and noted all updated structures will be included in appraisals for the upcoming revaluation. He confirmed staff would not evaluate new structures for prior tax years.

Commissioner Cashion questioned the pictometry capture process.

Chavis stated aerial photos are taken every few seconds using a camera attached to an airplane. He spoke to the costs and benefits of this technology.

Chavis discussed street level imagery and the mobile unit utilized to collect these images, in collaboration with Guilford County's Geographic Imaging Systems (GIS) team. He confirmed the current focus is housing developments and areas heavily populated, due to manpower; however, noted the goal is to capture rural areas throughout the remaining portions of the County.

Chavis discussed the comparable sales search tool, tax record verification link and on-line appeal forms designed to make the 2017 revaluation more transparent. He reviewed the advertising options for publicizing the upcoming reappraisal process and noted the current revaluation is on target, and stated property should expect minor appreciation in their property values.

Commissioner Cashion confirmed the expectation is approximately a 2% increase.

Chavis confirmed this is a state-wide trend, with exception to high-growth markets in Mecklenburg and Wake counties.

Chairman Phillips requested Chavis present market values and prior revaluations for Mecklenburg and Wake counties to the Board. He spoke to the need to publicize the message of minor appreciation in property values to citizens.

Chairman Phillips discussed the benefits of the pictometry tool and noted its ability to improve the accuracy of the revaluation process.

Commissioner Cashion spoke to the benefits of the modern tools available, and noted they will provide citizens with a better return on their investments.

Chairman Phillips reiterated the need to publicize these tools and their ability to create a more accurate revaluation.

Chavis spoke to the need to make the revaluation process part of standard business practices within the Tax Department.

Chairman Phillips discussed citizen concerns regarding the 2012 revaluation and requested staff convey the County's sensitivity regarding this process.

Chavis stated the Board of Equalization & Review received less than 2,500 appeals during the 2012 cycle, and anticipated receiving fewer in 2017.

Payne spoke to the volatile nature of the 2012 market and noted this led to increased concerns and complaints from citizens.

Commissioner Cashion noted the nominal changes and accessibility to comparison tools should produce fewer complaints during this cycle.

Chairman Phillips expressed his support for the process.

Chavis noted department contact information, as well as information on various tax exemptions, will be publicized.

C. Tax Foreclosures

Chavis announced the County has achieved a collection rate over 99% for the first time in fifteen (15) years. He stated foreclosures have been handled in-house by the County's Legal department or the past nine (9) months.

Lawing spoke to the superior quality of the foreclosure properties website, noting it was one of the best within NC.

Chairman Phillips questioned the foreclosure process.

Payne reviewed the process with the committee members.

Chairman Phillips questioned the status of the 930 parcels currently in the process.

Payne stated approximately 30-40 properties are actively undergoing foreclosure proceedings.

Chairman Phillips questioned how these properties were prioritized for legal proceedings.

Payne noted prioritization is dependent upon the delinquency of the taxes, as well as, the property's value versus the amount of tax owed. He stated every property in the process is evaluated and noted high value properties with low tax delinquency are considered high priority.

Chairman Phillips requested a timetable regarding foreclosures and their prioritization. He expressed concerns that lengthy delinquencies were not addressed timely, while more attention was placed on recent delinquencies.

Payne reiterated the need to evaluate each foreclosure thoroughly.

Chairman Phillips spoke to the need to identify and communicate a prioritization process, and expressed concern that there were no full-time staff dedicated to foreclosures.

Payne introduced the option of utilizing outside legal assistance to effectively manage foreclosure timetables and reduce backlog.

Chairman Phillips expressed his interest in the contract option.

Commissioner Cashion questioned potential collection opportunities through the foreclosure process.

Chavis spoke to the need to address older delinquencies first, and noted the contract will allow staff to address the foreclosure backlog while maintaining the ongoing workload.

Commissioner Cashion expressed her support of utilizing alternate staffing options.

Chavis discussed the payment options for contracting with outside legal staff.

Payne noted the County would be responsible for foreclosure costs and filing fees.

Chairman Phillips requested staff quantify the request and identify prioritization goals.

Lawing stated the County would seek firms dedicated to foreclosure and collection.

Payne explained options and costs associated with the County bidding on properties with no third party interest. He spoke to the option of selling properties at a loss to ensure they return to the property tax roster.

Commissioner Cashion spoke to the need for additional clarification regarding the process.

Chairman Phillips requested staff present on revaluation during the August 4, 2016 regular board meeting, and utilize a separate work session to discuss tax foreclosures.

Commissioner Cashion noted the need to ensure contracted staff provide excellent customer service.

Lawing confirmed that contracting the backlog of tax foreclosures to outside counsel would be a preferable option to manage the workload.

Chairman Phillips spoke to improvements in customer service within the Tax department.

The committee and staff discussed the need to ensure contracted counsel provide good customer service to citizens.

There being no further business, the meeting was adjourned by unanimous consent at 11:53AM.

Jeffrey M. Phillips, Committee Chair

Ariane Webb, Deputy Clerk to Board