

Q&A on Aiken County's property tax reassessment

Are you confused by Aiken County's property tax reassessment? You aren't the only one.

Questions still abound about the process: Bewildered taxpayers want to know how assessors determined their property's fair market value and, perhaps more importantly, why the value increased in a perceived down market.

It is not an easy matter to figure out, but the Aiken Standard has done its best to answer some frequently-asked questions.

Q: What is fair market value?

A: The price, stated as an opinion by the assessor, that the property would sell for on the open market. The last time Aiken County determined your property's fair market value was during the previous reassessment in 2005-06.

Q: What is taxable/capped value?

A: The value placed on a home for the purposes of determining property taxes.

In South Carolina, the term "taxable" or "capped value" essentially did not exist until 2006, according to Assessor Rick Jantzen. That is when property tax law changed, and any increase in a property's value was capped at 15 percent. That means property owners will not pay taxes on any increase in value beyond 15 percent since the last reassessment.

Example:

2005 market value: \$115,000

Current market value: \$160,000

Taxable/capped value: \$132,250

Q: How did an assessor determine my fair market value?

A: By using a "mass appraisal" process. This involves an assessor noting the specific, physical characteristics of your property, including square footage, features such as a pool and condition of the property. The appraiser is only interested in the property, not in your furniture, artwork, rugs or any other personal items. Assessors also look at the property's location, i.e., is it near a body of water, on or near a golf course green or fairway? Then they analyze statistical market data of comparable sales in the years following the previous reassessment.

"It boils down to what you have on your property. We are looking at your neighborhood and how you fit. If there were 10 sales from \$100,000 to \$200,000, we know it's going to be within that," Jantzen said.

Q: It's a down market. Why did my fair market value go up?

A: The last reassessment was implemented in 2005-06 when the real estate market remained stable. It has only been in the past few years that the "bubble" burst, and the recession contributed to the slump. In determining fair market value, assessors looked at market data of the past five years, not at just the current conditions.

Q: Why did my taxable value go up?

A: Property values were kept "artificially low" by the 15 percent cap. Jantzen estimates that during the last reassessment, people were taxed at only about 86 percent of their property's fair market value.

Q: Is the County doing this just to raise taxes?

A: No. In fact, the County is required by law to adjust its millage rate based on the new values so it receives the same amount of tax revenue it did last year. For example, the County has budgeted to receive \$30.5 million in property taxes. The value of property overall in Aiken County has increased so the millage rate must decrease in order for the County to receive \$30.5 million in property taxes. This is the "rollback millage."

Your property's assessed value is multiplied by the millage rate to determine how much you'll pay in property taxes. The County has not yet set the rollback millage.

Q: What are red flags if I want to appeal?

A: "The biggest focus is whether they think their property is worth that market value," Jantzen said. "Then they might look at sales in their neighborhood (to compare)."

He advised comparing market value to market value when looking at similar properties in your neighborhood and not comparing how much market value of one property has changed to another since last reassessment.

Property owners have 90 days to appeal, which puts the deadline for many around mid-October.

Q: What is the process of an appeal?

A: The property owner must file a written objection to one of more of the following: fair market value, special use value, assessment ratio and the assessment. The person should provide as much information as they can to substantiate their opinion. An assessor may be able to discuss the appeal with the property owner and arrive at a compromise. If not, the person can then schedule a conference then, if not satisfied with the outcome of the conference, present their case to the Aiken County tax appeal board. As a last result, the property owner can present their case to the Administrative Law Court in Columbia.

Want to go?

A public hearing on reassessment is scheduled for Tuesday, Aug. 30, at 6:30 p.m. at the Aiken Electric Co-op.

Assessment example:

Midland Valley Country Club area in Graniteville (actual assessment values)

- * One-story single-family residence
- * Built in 1973
- * Total square feet: 2,256
- * Land value: \$30,000
- * Veneer/brick exterior
- * Composition shingle roof
- * Warmed and cooled air
- * Attached carport: 576 square feet
- * Enclosed porch: 232 square feet
- * 3 full baths
- * No basement, no fireplace

Fair market value: \$198,322

Taxable value: \$137,870

2007 fair market value: \$174,383

2007 taxable value: \$119,890

Sold in 2006 for \$194,750 (The 15 percent cap came off because there was an assessable transfer of interest.)



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