

## **The Washington County Reassessment The Appeal Process: Part 2**

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In our first article, we discussed why Washington County is undergoing a court-ordered county-wide reassessment related to real estate tax assessments. Now we will discuss the appeal procedure and what landowners (or taxing bodies) need to do if they are dissatisfied with their 2017 assessment.

Between March 7, 2016 and March 28, 2017, the Washington County tax revenue department will mail notices of new values to landowners. These are NOT the notices from which appeals must be filed, but will invite landowners to make an appointment to come to the tax assessment office to discuss any factual inaccuracies contained in the notice. Then on or about July 1, 2016, the Washington County tax revenue department will mail approximately 121,000 Change of Assessment Notices to owners of Washington County real estate. These notices will advise the landowner of the new assessment effective on January 1, 2017, as to county and municipal taxes, and effective July 1, 2017 for school taxes. If a landowner is dissatisfied with the new assessment for any reason, the landowner can file an appeal to the Board of Assessment Appeals (Board). The forms for filing the appeal are available online and MUST be filed with the tax revenue department within 40 days of the Notice of Reassessment mailing.

An appeal hearing is then conducted before the Board. These hearings are presently scheduled to be held between July 18, 2016 and October 31, 2016. After the evidence is presented, the Board will make a decision. The Board can increase the assessment, decrease it or leave it unchanged. If a landowner files an appeal to the Board, the taxing authorities (typically the school district) have a right to appear at the hearing and present evidence in opposition to that presented by the landowner. The taxing authorities have standing to file an appeal and dispute the new assessment received by a landowner.

Any party dissatisfied with the decision of the Board can appeal the decision to the Washington County Court of Common Pleas within 30 days of the decision.

The new assessment process introduces a new ratio to be applied to all properties in the county: 100 percent of current fair market value. What the current fair market value might be is typically the subject of opinions offered by expert witnesses from both sides of the case. A determination of the current fair market value of a residential property usually involves the study of recent comparable sales of similar homes in the same geographic area.

Commercial and industrial properties, however, can present numerous challenges in arriving at the correct current fair market value and require careful analysis by experienced legal counsel and qualified real estate appraisers. After hearing all of the evidence, the Court of Common Pleas judge will be required to determine the current fair market value of the property.

State law requires the judge to determine the current fair market value of a commercial or industrial property using the three commonly accepted methodologies of the appraisal profession: the comparable sales approach, the income approach, and the replacement or cost approach. One or two of these methodologies may not be applicable to a particular property. For example, the income approach is commonly used in valuing an apartment building or an office building when there is readily available information on rental income and expenses. The cost or replacement approach may be the best method to use for an unusual property with no sales or income information available, such as a sewer treatment plant or a prison. Machinery and equipment is not subject to real estate tax, and sometimes people can disagree on what constitutes taxable real property and non-taxable property.

The reassessment will no doubt cause many appeals to be filed. A basic understanding of the reassessment process and the resulting appeal process will make the disposition of the appeals occur more quickly and accurately. If an appeal is contemplated by a landowner, it is critical that it be handled by experienced legal counsel with the assistance of a qualified real estate appraiser.

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