

May 25, 2011

The Honorable Jennifer Roberts
Chairwoman
Mecklenburg County Board of County Commissioners
600 East 4th Street
Charlotte NC 28202

Dear Chairwoman Roberts:

I write to you today to respectfully request that you and the Mecklenburg Board of County Commissioners, direct the County Assessor's Office to send the revaluation process back to the drawing boards and start over.

More than 46,000 property owners, all of whom are constituents of yours, have filed appeals. A large number of these individuals are among the 35,000 unemployed or more than 50,000 underemployed in Mecklenburg County, who are already struggling to pay their mortgages. I am proposing this "Reval Redo" because it is clear to me and many across our community, and based on the data, that the process is fundamentally flawed and is riddled with inconsistent revaluations.

Far too many of the new valuations are not founded in reality and do not reflect market conditions as is required by North Carolina Code, Chapter 105, Subchapter 02, Article 13 – Standards for Appraisal and Assessment. Thousands of our citizens have seen their true property values increase modestly – or stay flat or decline – yet the county process has set their new valuation at 50%, 75% or as much as 100%. The specifics of the guiding law, § 105-283, Uniform appraisal standards, states:

"All property, real and personal, shall as far as practicable be appraised or valued at its true value in money. When used in this Subchapter, the words "true value" shall be interpreted as meaning market value, that is, the price estimated in terms of money at which the property would change hands between a willing and financially able buyer and a willing seller..."

I am not a lawyer nor do I represent myself to be an expert in the law, however the statute appears to be very clear that the appraisals must be based on market value and far too many of our citizens have seen reappraisals at values for which they could not – in this economy – sell their homes.

S&P / Case Shiller tracks home values nationally of various cities based on actual sales. Charlotte did not have a dramatic increase in property values which plagued other areas – such as those cities in Florida, California, Arizona, Nevada, and other states. Therefore, our revaluations – on average - should be close to the 4% average increase during the past eight years, not the 8% used by the county.

Starting the process over will add expense and a challenge, however, this pales in comparison to the impact of the large hidden and inconsistent tax increase that

many of our property owners will face. This tax increase – which is what this revaluation process will cause – will increase the rate of foreclosures and further hinder a meaningful recovery.

I recommend we start over and adopt certain guidelines for the process:

1. Set a guideline of 10% maximum change in property value. For any property values outside of that range, the burden of proof should be on the county appraisers. Currently, by law, the property owner has is the burden of proof. While I know you do not have the authority to change state law, it is the right thing to do and will demonstrate a customer focus, which I am sure is one of your goals. Furthermore, as previously stated, the reappraisals appear to be outside of the law which requires values to be set at true market value. Therefore this would actually likely represent a closer compliance with the spirit of the law.
2. Set the maximum average increase to no more than 4%, which is in line with the growth in values since 2003 according to S&P / Case-Shiller. The initial reval process had set an 8% average increase.
3. Plan to perform a new revaluation in 2014. During the next three years there is likely to be an improvement in the economy and property values will hopefully have stabilized, providing the county and the city with better data upon which to levy taxes. Furthermore, by 2014 there will likely be more true and actual comparable home sales data upon which to evaluate data.

As I respectfully request your consideration to go back to the drawing board on this process, it is important to point out that the process, as you are aware Chairwoman Roberts, is directly within your control. As stated in N.C. Gen. Stat. § 105-317:

"...The board of county commissioners approves the final schedules, standards, and rules..."

Therefore, it is within your direct authority to take this proposed action.

While I know the revaluation process does not fall under the city's purview, I write this letter as a concerned citizen and as a candidate for mayor. This process directly and dramatically impacts the citizens of the city of Charlotte, as property values directly impact individual city taxes. I call on Mayor Anthony Foxx to join me in supporting a "Reval Redo." I believe that the current process will put a great financial strain on a large number of our citizens. As we still struggle with double-digit employment, this new and additional financial burden will slow our much needed recovery.

Thank you for your consideration.

Respectfully,

Scott D. Stone

CC: Mecklenburg Board of County Commissioners; Hon. Anthony Foxx

