

## **Real Property Assessments**

The **Board of Tax Assessors** (BTA) and their staff are mandated by Georgia State Law to value all real property in the county, to be taxed based on 40% of its **Fair Market Value** (FMV), as of January 1 of each calendar year. By Georgia Law, this FMV is derived via the **Mass Appraisal Process** (which is not the same as individual property (or fee) appraisals) by analyzing **valid sales** which took place within the prior year between January 1 and December 31. The BTA values property by analyzing the previous year's sales and then by applying the proper approach to value.

During the (re)valuation process, multiple **Sales Ratio Reports** are performed to determine where county property values are and where they should be; as well as to determine the level of uniformity and whether there are any value related inequities. These studies are first broken down by county regions and then by various other factors such as the property's class, location, grade, story height, wall type etc. Adjustments are then made to the appropriate rates within the **CAMA System** based upon the results of the sales ratio reports. Another series of sales ratio reports are generated to test the newly adjusted values. This process repeats until the values and sales ratios statistics are within the acceptable range as set forth by Georgia Property Tax Law and the Georgia Department of Revenue's Rules and Regulations.

### **Sales Ratio Illustration:**

#### **Example of Assessment-to-Sales Ratio BEFORE reassessment:**

	Prior Assessment	Sale Date	Sales Price	Sales Ratio
Sale 1	\$410,500	01/06/2023	\$462,596	0.887
Sale 2	\$436,500	03/01/2023	\$480,108	0.909
Sale 3	\$492,000	05/15/2023	\$538,947	0.913
Sale 4	\$442,100	07/16/2023	\$507,978	0.870
Sale 5	\$434,500	09/15/2023	\$509,748	0.852

**Neighborhood Median before reassessment: 0.89**

The Board of Tax Assessors and their staff appraisers analyze comparable sales and then make necessary adjustments to estimate a new assessed value. The reasonableness of these estimates is then tested again by recalculating the Sales Ratio.

#### **Example of Assessment-to-Sales Ratio AFTER reassessment:**

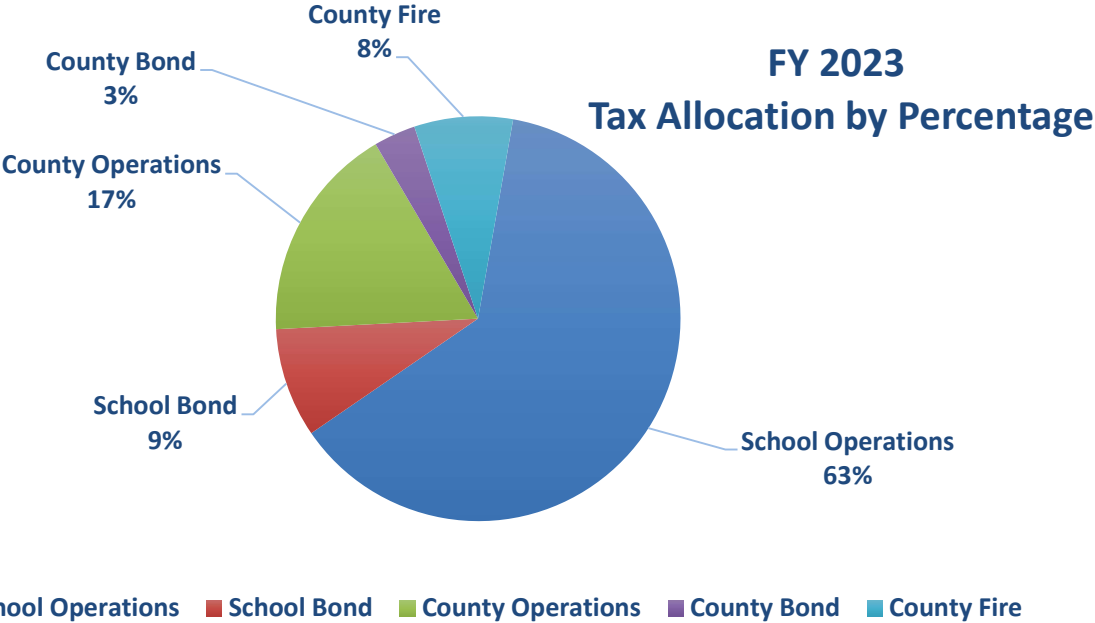
	1/1/2024 Assessment	Sale Date	Sales Price	Sales Ratio
Sale 1	\$451,000	01/06/2023	\$462,596	0.975
Sale 2	\$476,500	03/01/2023	\$480,108	0.992
Sale 3	\$524,400	05/15/2023	\$538,947	0.973
Sale 4	\$492,000	07/16/2023	\$507,978	0.969
Sale 5	\$501,500	09/15/2023	\$509,748	0.984

**Neighborhood Median after reassessment: 0.98**

## Points to Consider

- Property Taxes may **not** be appealed; Property Value may be appealed.
- Whether or not a property owner has made any improvements to their property may or may not contribute to any further adjustment in value. Adjustments to property value are based, primarily, on current and valid market sales of comparable properties.
- Each digest year's property valuation stands on its own and is completely separate from any other digest year's property valuation.
- The amount, or percentage, a property value may increase or decrease from one year to the next is not a lawful valuation component, or limitation of property valuation, recorded within Georgia Property Tax Law; only valuing property at its Fair Market Value.
- Regardless as to whether a property is for sale on the open market, its current valuation is based on comparable properties that sold in the prior year.
- Property Value is **not** based on requisite taxes. Taxes are proportionately based on property value.
- The level of Assessment in Georgia is 40%. In simple terms, your tax bill is calculated as  $((\text{Property Value} \times .40) - \text{Eligible Exemptions}) \times \text{Millage Rate} = \text{Property Tax}$ 
  - Example:  $((\$500,000 \times .40) - \$8,000) \times .026614 = \$5,109.89$
- Depending on the number of appeals filed within a given year, the appeal process could be rather lengthy. Many appeals may not be settled by the time tax bills go out and some may even overlap into the following tax year.

**County Tax Allocation by Percentage**



## **Definitions**

### **Board of Tax Assessors (BTA):**

The BTA is comprised of 5 members, appointed by the county governing authority (Board of Commissioners), who shall investigate diligently for the purpose of ascertaining what real and personal property is subject to taxation in the county. The BTA is required by the State Constitution and state law to continuously maintain fair and equitable assessments of all property within the county so that each taxpayer pays only their fair – proportionate share of taxes. Each member is at least 21 years of age; a resident of Forsyth County; holds at least a high school diploma or its equivalent and must complete 40 hours of continuing appraisal training every 2 years.

### **Fair Market Value O.C.G.A. § 48-5-2(3):**

The amount a knowledgeable buyer would pay for the property and a willing seller would accept for the property at an arm's length, bona fide sale.

### **Mass Appraisal Process:**

The process of valuing a universe of properties (which requires identifying each and every parcel of land within the county; mapping and classifying property splits and transfers; collecting information concerning costs, market sales and rental data and physically measuring all real property) as of a given date (January 1) using standardized procedures, employing common data and allowing for statistical testing.

### **Arm's Length, Bona Fide sale ("Valid Sales") O.C.G.A. § 48-5-2(.1):**

A transaction which has occurred in good faith without fraud or deceit carried out by unrelated or unaffiliated parties, as by a willing buyer and a willing seller, each acting in his or her own self-interest, including but not limited to a distress sale, short sale, bank sale, or sale at public auction.

### **Basic Steps for Utilizing Sales in Mass Appraisal:**

- Gather recent (prior year) sales data.
- Verify the validity of these sales (Valid Sales).
- Check the comparability of these sales to similar properties.
- Estimate the Fair Market Value of subject properties.

### **Sales Ratio Reports:**

A statistical analysis showing the relationship between the county's appraised property values and their respective current valid sales price, which is used to measure the property's FMV as well as fairness and uniformity of assessments. Median sales ratios must fall between 36% and 44% (.90 and 1.10, respectively).

### **CAMA System:**

A "Computer Assisted Mass Appraisal System" is computer appraisal and assessment software with large data storage and sophisticated analytical capability allowing for the utilization of sales information, property characteristics, and statistical techniques in the estimation of value for individual properties using sales information from numerous properties.