

Neutral Property Tax Increase

HAYWOOD COUNTY BUDGET FY18

Calculations are based on audited assessed valuations at fiscal year end except where noted.
 Note: The top part of the worksheet is a working paper for calculation

Revaluations as of:

January 1, 2017 and 2011

| Fiscal year | Assessed Valuation | Adj | Total Valuation | Valuation Increase/(dec) | Percentage change |
|--------------------|--------------------|-----|-----------------|--------------------------|-------------------|
| 2017-18 | 7,346,224,297 | * | 7,346,224,297 | (160,573,220) | -2.14% |
| Revaluation | | | | | |
| 2016-17 | 7,506,797,517 | | 7,506,797,517 | 94,631,999 | 1.28% |
| 2015-16 | 7,412,165,518 | | 7,412,165,518 | 96,012,738 | 1.31% |
| 2014-15 | 7,316,152,780 | | 7,316,152,780 | (111,474,783) | -1.50% |
| 2013-14 | 7,427,627,563 | | 7,427,627,563 | 237,733,331 | 3.31% |
| 2012-13 | 7,189,894,232 | | 7,189,894,232 | 95,976,997 | 1.35% |
| 2011-12 | 7,093,917,235 | | 7,093,917,235 | (136,758,058) | 5.75% |
| Revaluation | | | | | |
| 2010-11 | 7,230,675,293 | | 7,230,675,293 | | 1.15% |

Doesn't include revaluation increase

| | | | | | |
|--------------------------------|---------------|----------|--------|--------------------|------------|
| Last year prior to revaluation | 7,506,797,517 | Tax rate | 0.5661 | Estimated tax levy | 42,495,981 |
|--------------------------------|---------------|----------|--------|--------------------|------------|

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|---------------------------|---------------|-------------------------------------|--------|------------|
| First year of revaluation | 7,346,224,297 | Tax rate to produce equivalent levy | 0.5765 | 42,495,981 |
|---------------------------|---------------|-------------------------------------|--------|------------|

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|---|---------------|--------------------------|--------|------------|--------|
| Increase tax rate for average growth rate | 7,346,224,297 | Revenue neutral tax rate | 0.5851 | 42,984,487 | 0.0190 |
|---|---------------|--------------------------|--------|------------|--------|

| | | | |
|-----------------------------|----------|---------|-------|
| Average Percentage Increase | Increase | 488,506 | 1.15% |
|-----------------------------|----------|---------|-------|

* FY 2017-2018 assessed values are from the tax assessors office dated 05/09/2017 and NC DOR for motor vehicle values FY 2016-2017 assessed values are from the TR 1 report from the assessors office dated Feb 2017 and prior year MV amounts from NC DOR.



FY2017-2018 Haywood County Revenue-Neutral Tax Rate Calculation

In a property revaluation year, the North Carolina General Statute 159-11(e) requires local governments to calculate the revenue-neutral property tax rate for comparative purposes.

Steps in determining the revenue neutral rate

Step 1: Determine a rate that would produce revenues equal to those produced for the current fiscal year.

Step 2: Increase the rate by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal.

Step 3: Adjust the rate to account for any annexation, deannexation, merger, or similar event.

N.C.G.S. 159-11(e) - In each year in which a general reappraisal of real property has been conducted, the budget officer shall include in the budget, for comparison purposes, a statement of the revenue-neutral property tax rate for the budget. The revenue-neutral property tax rate is the rate that is estimated to produce revenue for the next fiscal year equal to the revenue that would have been produced for the next fiscal year by the current tax rate if no reappraisal had occurred. To calculate the revenue-neutral tax rate, the budget officer shall first determine a rate that would produce revenues equal to those produced for the current fiscal year and then increase the rate by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal. This growth factor represents the expected percentage increase in the value of the tax base due to improvements during the next fiscal year. The budget officer shall further adjust the rate to account for any annexation, deannexation, merger, or similar event.

Step 1: Determine a rate that would produce revenues equal to those produced for the current fiscal year.

| | |
|---|------------------|
| FY2017 projected total valuation before revaluation | \$ 7,506,797,517 |
| FY2017 tax rate | 0.5661 |
| Tax levy at FY2017 rate without revaluation = (\$7,506,797,517/100) x .5661 | \$ 42,495,981 |
| FY2018 projected total valuation after revaluation | \$ 7,346,224,297 |
| Tax rate that would produce revenue equal to FY2017 = \$42,495,981/(\$7,346,224,297/100) | .5785 |

Step 2: Increase the rate by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal.

| Fiscal Year | Assessed Value | Annual % Increase |
|--|------------------|-----------------------|
| 2012 | \$ 7,093,917,235 | Last revaluation year |
| 2013 | \$ 7,189,894,232 | 1.35% |
| 2014 | \$ 7,427,627,563 | 3.31% |
| 2015 | \$ 7,316,152,780 | -1.50% |
| 2016 | \$ 7,412,165,518 | 1.31% |
| 2017 (projected) | \$ 7,506,797,517 | 1.28% |
| Average annual growth since FY2013 revaluation | | 1.15% |

| | |
|---|---------------|
| FY2018 revenue-neutral rate (1.15% growth factor applied) =0.5785 x 1.0115 | 0.5851 |
|---|---------------|

Step 3: Adjusting for annexations is not applicable for Haywood County.

Note: The property tax rate is the amount of tax charged per \$100 of assessed property value.