

## Haywood County “Toeprints”

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Vol. #3 Issue #2 (Subject: \* **SPECIAL EDITION** \* Property Tax Appraisal Mediation )

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### What’s Happening?

The purpose of this newsletter is to inform Haywood County Taxpayers of what transpires at the bi-monthly County Commission Meetings. This newsletter will be written from the perspective of a casual observer, myself. Any opinions expressed will be mine.

**[Editors Note: Delayed Information.** An informal mediation for two taxpayers was held in Judy Ballard’s office on 12/20/2011. I prepared this article for Toeprints shortly thereafter, but gave the taxpayer in question the option of my not immediately releasing this issue. Reason: possibly jeopardizing his final appeal value by retribution. Received the okay to release on 2/23/2012].

### **SPECIAL EDITION**

#### **Property Tax Commission, Informal Mediation.**

I was invited to sit in on a “mediation” meeting on 12/20/2011 in Judy Ballard’s office with two taxpayers making an appeal to the Property Tax Commission in Raleigh. These are public meetings.

**[Editors Note:** No need to identify these taxpayers, but instead primarily focus on the process involved of this meeting. The meeting was recorded.]

Doug Huffman, the “mediator”, who is a Property Valuation Specialist from the Department of Revenue seemed to call the meeting to order. Judy Ballard and Greg West were present, along with **Ron McCarthy**, the consultant hired by the county for the revaluation.

It appeared that Doug Huffman had reviewed these two cases, and the primary reason for this meeting, it seemed to me, were based on alleged irregularities that occurred during the Board of Equalization and Review, for whatever reason [re: recordings of those meeting] involving **Mark Swanger**, chairman, and **Mary Ann Enloe**, board member.

The reason one taxpayer was present at this meeting is that he missed his original appointment with the BOER, and was never provided with an opportunity to reschedule and present his material to the BOER, and this meeting offered the opportunity to provide this information directly to Judy Ballard, by-passing the BOER and **Mark Swanger**.

The reason the other taxpayer was present, is that a property had been appraised four (4) months prior to the end of the year, a five page summary was left at the BOER meeting, but not the entire appraisal, and during a follow up meeting with the BOER, **Swanger** refused to allow the entire appraisal to be submitted as evidence [re: recording of meeting].

Both taxpayers brought and provided, what I thought, was ample background information relating to their arguments, and that was reviewed by Judy and everyone present at the meeting.

Huffman indicated that there were three main considerations for the revaluation of property:

- Cost - based on Schedule of Values starting out, then obsolescence, depreciation, age, residence vs. commercial, etc...
- Market
- Income - used Income Approach to defend values.

**[Editors Note:** Early during this revaluation, a questionnaire was sent to business owners, requesting them to divulge sensitive confidential information relating to business sales, so that the county could factor this information into the final revaluation. I questioned **David Francis** about this at the time, as there were plenty of people unhappy about this, and he indicated that if they don’t provide the information, their revaluation could be higher. This, to me, sounds like a form of extortion.]

In the first taxpayer’s case, Huffman suggested consideration be made to space that would be considered unuseable if the office space were to be rented on an open market, like a kitchen counted as part of the total square footage.

**McCarthy** mentioned during the discussion regarding valuation, that they also consider **External Issue’s** [re: recorder], that when considering rent, **Rent Drops Because Of The Economy !!!!**

I figured **McCarthy** was present at that meeting for one of two reasons:

- Out of the goodness of his heart, or
- The County paid him to be there.

I suspect the latter. He became the first county employed person to mention **that external issues, like the economy, were a factor in his consulting expertise provided to the county.** Now why is it that **Ron McCarthy** can admit to external issues as being a factor in revaluation, but **David Francis** never admitted to considering “external issues” when he created his spreadsheet of constantly increasing property values since the last revaluation?

In the second taxpayer’s case, ample copies of the appraisal of the property were provided to both Judy Ballard, and **Ron McCarthy** (who wore a red power tie). **McCarthy** remained silent throughout most of the second taxpayers discussion.

[**Editors Note:** Not all taxpayers that are appealing have received an audience with Ballard and Huffman, so this process will be applicable to those when and if they do.]

What is the next step for these two taxpayers, as discussed during the meeting?

Judy Ballard will consider the new information brought forth during this meeting. For the first taxpayer, they will look at the income approach, consider usable space, and see if they come up with a new value. For the second taxpayer, they will consider the full appraisal. Both these aspects were never allowed into consideration by **Mark Swanger** during the BOER session.

If Judy recommends a change, it will be brought up before the county commissioners at an upcoming meeting, and commissioners will have to approve any changes in property value.

[Editors Note: It was not clear during the meeting if Judy would advise these taxpayers of the change prior to this being placed on the agenda].

### Update!

#### Approval of a Property Tax Commission Appeal.

County Commission Meeting, January 23, 2012.

##### X. New Business

##### 2. Approval of a Property Tax Commission Appeal– David Francis – ATTACHMENT 8

“The Haywood County Assessor is requesting approval for the new value for parcel number [PIN]. This property has a home and office building located on it. The office was formerly an apartment with residential features that limits some of the space from being rented at office income rates. The property owner missed the appointment with the Board of Equalization and Review. The property owner gave new evidence to Doug Huffman with the NC Department of Revenue. A functional curable 20% should be applied resulting in a value adjustment from \$596,900 to \$556,000.”

Of course, the county commissioners pencil whipped this request.

#### Conflict of Interest - Swanger & Upton.

Wait a minute!

Sure enough, the first taxpayer missed his appointment with the Board of Equalization and Review. The taxpayer attempted to reschedule, but **Swanger** put down his iron fist and disallowed rescheduling of this taxpayer. Yet in another instance, when someone else that had missed their appointment (that was favorable to the liking of **Swanger**), the Board asked that individual, multiple times, when they would like to reschedule an appointment.

I have a problem with some people being treated more equally than other people. This falls into the category of **abuse of power**.

I believe this is one of the reasons Huffman took a special interest in this particular case. The Property Tax Commission may have taken a dim view of this.

Let's re-cap.

**Mark Swanger**, Chairman, Board of Equalization and Review,

and also,

**Mark Swanger**, Chairman, Haywood County Commissioners.

**Swanger**, while chairman of the Board of Equalization and Review, voted that this taxpayer should be assessed at \$596,900.

Now, Judy Ballard revised the value to \$556,000 after seeing all this new information presented to Huffman at the mediation that the taxpayer was not allowed to present before **Swanger's BOER**. What's poor **Swanger** supposed to do when he votes on this at the county commission meeting?

Vote for the change, as Chairman of the Haywood County Commissioners? Doesn't that mean he should have tried harder to have this taxpayer present the information at a rescheduled time rather than have Huffman incur the expense of riding into town along with all the other county people attending the meeting, plus **McCarthy**? Voting for the change would mean he screwed up.

Should he vote against the change? That would mean he didn't screw up and would get to maintain his iron fist approach.

Does anyone see a conflict of interest here?

**Swanger** and **Upton** should have recused themselves from voting on this agenda item (and all future revaluation appeals), but didn't.

You can help fix this problem by throwing **Swanger** off the County Commission at the next election.

**Legend:** If any name is in **bold**, it can't be a good thing.

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