

2014 Reassessment





Legal Requirements

- Article X of the Constitution of Virginia mandates property be assessed at 100% fair market value.
- Reassessment will be effective 1/1/2014.
- The Spotsylvania County ordinance provides 21 calendar days for hearings.

Local Requirements

- Per ordinance Spotsylvania is on a two-year reassessment cycle.



Consequences of failing to assess property at market value

- Audited by the state annually to ensure accuracy of assessments.
- If assessments fall below 70% of market value the Commonwealth can withhold or reduce local funding sources.
- Virginia Dept. of Taxation Assessment-to-Sales Ratio. (The median reflection of each year's January 1 Land Book assessed value divided by the respective sales that take place during the following 12 months.)

Consequences of failing to assess property at market value

Year	Virginia Department of Taxation Assessment to Sales Ratio	Reassessment Year?
2011	94.65%	No
2010	90.32%	Yes
2009	133.72%	No
2008	109.50%	Yes
2007	80.80%	No



Reassessment

- The purpose of a reassessment is to distribute the tax burden fairly and equitably.
- The purpose of the reassessment is **not** to generate additional revenue.
- Revenue is generated through the tax rate applied to the assessed value.

Reassessment (cont'd)

- 2012 and 2013 comparable sales were used to determine the assessed values.
- The BOE form and instructions are available online at www.spotsylvania.va.us/departments
- Reassessment notices were mailed to property owners on January 22, 2014.
- The appeal deadline with the assessor is February 12, 2014, as advertised in the Free Lance Star

Real Estate Tax Base

Comparison of 2012 to 2014*

2014

- Total Commercial = -2.89%
- Total Residential = +4.98%
 - This total includes unimproved parcels, as well as, improved parcels.

- Total tax base will be increased by approximately 3.30%

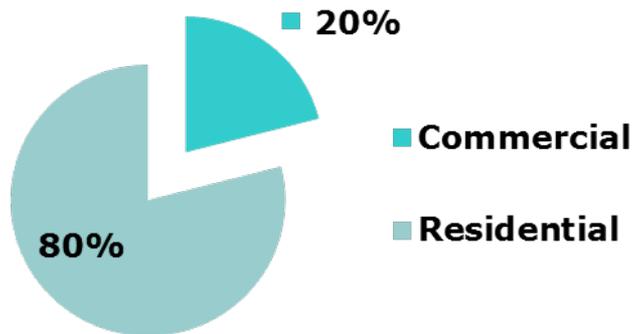
*Will differ from figures to be provided by Budget staff during the FY 2015 budget process as Budget staff will compare 2014 to 2013.

Residential Property

- The median 2014 assessment of a home in Spotsylvania County is approximately \$195,900. (The median assessed value in 2012 was \$182,600.)

Type	2014	2012	\$ Change	% Change
SFA	\$122,900	\$113,100	\$9,800	8.7%
SFD	\$204,700	\$188,800	\$15,900	8.4%

Commercial Property



- In 2010 commercial property accounted for 23% of the total tax base.
- In 2012 commercial property accounted for 21% of the total tax base.
- In 2014 it is estimated that commercial property will account for 20% of the total tax base.



Expanding on Commercial Valuations

- Current supply of available land continues to allow buyers to dictate sale prices.
- Several projects reclassified/rezoned from Class 4 Commercial to Residential or Combination (Mixed Uses)
- Three approaches to value:
Cost, Sales Comparison, and Income.
- Income Approach is preferred method for valuing most improved properties, driven by investors' motivation for purchasing.

Expanding on Commercial Valuations (cont'd)

- Owners surveyed annually for Income and Expense
- Continued to received quality data

2014 Calendar of Events

January 15 th	Board of Equalization Training by Dept of Taxation
January 22 nd	Reassessment notices were mailed and hearings began
February 12 th	Deadline to submit appeal to appraiser
March 31 th	Reassessment Book signed – notices mailed with change or no change
April 2 rd	BOE will set the dates for the hearings
April 15 th	Set tax rates
April 30 th	Final date to file appeal with BOE
May - June	Hearings scheduled before the BOE
June 30	Final decision letters mailed to taxpayer from BOE

Next Reassessment will be effective January 1, 2016.

During the next two years staff will be doing the following:

- researching and validating sales that take place during 2014 & 2015.
- continuing to work the building permits issued and revalidating our record information by doing neighborhood reviews.

How to receive assistance and research comparable properties

- Access Spotsylvania County records at www.spotsylvania.va.us/departments
- Call the Assessment Office, Monday through Friday, between 9:00am and 3:00pm
(540) 507-7777
- Visit the Assessment Office or the Real Estate Office located at 9104 Courthouse Rd,
(2nd Floor) Spotsylvania, VA 22553