

Staff Report for 2022 State Board of Equalization

October 6, 2022

File No: 2022-MCINTOSH-CITY OF ASHLEY

Prepared By: Property Tax Division

County or City: McIntosh County

Appellant: City of Ashley

Issue: Whether neighborhoods were properly created

Summary: Appeal of the McIntosh County Board of Equalization's increase to City of Ashley's property values

Analysis: The City of Ashley appeals the McIntosh County Board of Equalization's decision to increase residential assessments as recommended by McIntosh County Tax Director, Ms. Patricia Smith. Based on residential property sales, Ms. Smith created neighborhoods and increased certain residential property values within specific areas of the city. The City of Ashley disagrees with the creation of neighborhoods and requests the residential assessments remain the same as the prior year as approved by the City of Ashley Board of Equalization.

Neighborhoods typically indicate growth of an area, supply and demand increase, diminishing demand, or a once declining area experiencing renewal. The IAAO *Glossary for Property Appraisal and Assessment* defines a neighborhood as:

1) the environment of a subject property that has a direct and immediate effect on value. (2) A geographic area (in which there are typically fewer than several thousand properties) defined for some useful purpose, such as to ensure that the properties are homogeneous and share important characteristics. (IAAO 1997, 881).

Property Tax Division Staff completed a sales analysis and a neighborhood study. The information shows that the neighborhoods created by McIntosh County lack defined geographical similarities. The neighborhoods are not the result of new growth, increase in supply and demand, diminishing demand, or renewal. The Property Tax Division analysis of the sales, assessments, and geographic information indicated that neighborhoods should not be used and the residential assessments should not have been increased by the McIntosh County Board of Equalization.

Recommendation: Direct McIntosh County to reduce residential assessments to the values approved by the City of Ashley Board of Equalization.

Provided by McIntosh County Tax Director:



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