



AGENDA ITEM

Consent

REPORT TO: Work Session (08/21/23)

REPORT TO: Voting Meeting (08/24/23)

ITEM NO: 472/2023

SUBJECT: Approval and authorization for the Chairman to execute a resolution to appeal the State of Georgia Auditor's Office 2022 Hall County Sales Ratio Study, and authorization for the Chairman to execute any and all additional documents necessary to effectuate the appeal, subject to review and approval by County Attorney.

Meetings:

Work Session Date: 08/21/23

Voting Meeting Date: 08/24/23

Executive Summary:

Presenter: SW

Recommendation:
Appeal the results of the DOAA Sales Ratio Study.

Purpose of Request:

History:

- Each year the Department of Audits and Accounts reviews each county to determine if the county property appraisals are in line with what property is selling for. The DOAA uses a sample, not all sales.
- The goal is to be at 40%.
- Law allows counties to be 36% - 44%.
 1. If a county falls below 38% public utilities will be recommended to be valued at whatever the ratio is at below 38% rather than the standard 40%.
 2. If a county falls below 36% in a “review year” a deficiency will be cited by the Department of Revenue and the county will have three years to correct. If not corrected within 3-years the county can be penalized \$5.00 per parcel (\$415,480 in Hall County) – We are not in a review year nor have we been cited
- Last year’s study, 2021 came in at 37.48% – We successfully appealed the study – Ratio was adjusted to 38.67% - The successful appeal saved \$330,306.36 in revenue countywide, \$111,018.84 to the county and \$160,393.237 to the county school with the remaining to the municipalities.

Counties statewide were under the same circumstances – We knew it would be worse for this study, 2022 due to the way that the study is conducted.

- As last year Hall County as well as 116 other Georgia Counties fell below 38%, that is 73% of all counties.
- Fifty percent of all counties fell below 36% and only 23% of all counties scored at 38% or better. Only 43 counties out of 159 scored above 38%.

Approval and authorization for the Chairman to execute a resolution to appeal the State of Georgia Auditor's Office 2021 Hall County Sales Ratio Study, and authorization for the Chairman to execute any and all additional documents necessary to effectuate the appeal, subject to review and approval by County Attorney.

Facts and Issues:

Options:

As last year Hall County as well as 116 other Georgia Counties fell below 38%, that is 73% of all counties.

Fifty percent of all counties fell below 36% and only 23% of all counties scored at 38% or better. Only 43 counties out of 159 scored above 38%.

The 2022 Hall County DOAA Sales Ratio Study came in at 35.48%
- This was anticipated due to the flaw in the DOAA study.

The DOAA study is flawed.

The Department of Revenue educate us and teach us that we are to only use sales in the preceding colander year to set values as of January 1. In this case January 1, 2022.

The DOAA uses sales after January 1, 2022 to calculate the sales ratio. It is impossible and illegal for us to use sales after the date of appraisal for a tax year, in this case January 1, 2022.

The problem; the law or the DOAA's interpretation of the law.

The solution; change the law or the DOAA needs to change their interpretation of the law.

We are doing our appraisals correctly based on the instruction from the DOR and code section 48-5.

Solution for this year; appeal the study

1. Make our case that the study is flawed.
2. Have non arm's-length sales removed from the study.
3. Request a more accurate time adjustment – some sales used are 6-12 months out from Jan 1.
4. Request that sales with valuation freezes, 299c be removed from the study.
5. Request that lots with statutory absorption rates be removed.
6. Request that SB 346 valuation freezes be removed.
7. Request the sales with partial new construction be removed.

Appeal of the study has no cost – Loss of revenue if study is not successfully appealed is substantial.

County: \$174,421.55

County School: \$279,464.80

Last years DOAA study was succesfully appealed saving total revenue of \$330,306.36.

Funding Requested

\$ 0.00

Are funds within current budget?

No

Source of Funds

General Fund

Does the action involve a Resolution, Ordinance, Contract, Agreement, etc.?

Yes

Has it been reviewed by the County Attorney?

Yes

Is there a deadline for this item?

Approvals:

Submit	Approve	Budget	Finance
RW	RW	AO	AO
Attorney	Administration	Clerk	
AO	AO	AO	

Attachments:

2023 DOAA Ratio Study Appeal Letter

Resolution_-_Appeal_of_2022_DOAA_Sales_Ratio_Study.pdf

DOAA Sales ratio Results

DOAA Appeal Summary

Statewide Map of DOAA Sales Ratio Results

Statewide Map of Counties by Economic Growth

Population Growth Map



**HALL COUNTY BOARD OF COMMISSIONERS
FINANCIAL SUPPLEMENT REPORT**

AGENDA ITEM 472/2023

Funds Requested: \$ 0.00

Request Budgeted: No

Proposed Source of Funding:

Budget Transfer Requested:

General Fund

No

Funding Source Items:

Budget Transfer Items:

Additional Information/Comments:

Contact for Questions: SW

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