

**Independent Review of the 2023 Reassessment in Amelia County, Va.**

**Performed by: Josh Myers Valuation Solutions**

**12/02/2023**

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## Introduction

In November 2023, the Amelia County Administrator commissioned Josh Myers Valuation Solutions to conduct an independent review of the 2023 Reassessment. This independent review includes a sales ratio study and an evaluation of the quality of the underlying valuation methodology. A sales ratio studies is a statistical evaluation of the quality of the assessed values. This sales ratio study was conducted in accordance with the IAAO<sup>1</sup> Standard on Ratio Studies. This review of valuation methodology was conducted in accordance with the IAAO Standard on Mass Appraisal and the IAAO Standard on Automated Valuation Models.

The Wampler-Eanes Appraisal Group acted as an independent contractor and designated tax assessor for Amelia County in conducting the 2023 General Reassessment. They were responsible for setting the valuation tables and rates into the Computer-Assisted Mass Appraisal (CAMA) System used by the Amelia County Commissioner of the Revenue; these valuation tables and rates, along with the property-specific data, determine the assessed value of an individual property. Josh Myers has communicated numerous times with representatives from Wampler-Eanes, including co-owner Steve Wampler, in order to gather all information relevant to this review. Josh has also spoken several times with representatives from the Office of the Commissioner of the Revenue for Amelia County, including Laura Walsh, the Commissioner of the Revenue.

This is the formal report for the independent review performed by Josh Myers Valuation Solutions for Amelia County and it includes project conclusions and recommendations.

## Review of Valuation Methodology and Analysis

This section reviews the valuation methodology used by Amelia County for residential and agricultural properties in their Computer-Assisted Mass Appraisal (CAMA) system as implemented by the Wampler-Eanes Appraisal Group. It includes a description of the methodology for land and building valuation and a qualitative assessment of the valuation methodology.

Reassessments in Amelia County are typically targeted to be done on a six-year cycle, with the previous reassessment being as of January 1, 2018. However, sales ratio studies viewed by the Commissioner's Office determined in 2021 that they were close to the 70% assessment level threshold found in State Code 58.1-3259 and so needed to do a reassessment in 2023, a year earlier than expected.

Wampler-Eanes reports that the County of Amelia had 9,399 taxable parcels for the 2023 Reassessment. They stated that as a result of the informal hearing process that 522 second notices were mailed with 374 accounts changing in value. By their very nature, reassessments that include data recollection and validation result in property data changes which often lead to additional value changes; a well-conducted process is necessary to improve the fairness and equity of assessments. The Commissioner of the Revenue's Office says there is improved data quality and that adequate time was spent in the field to accomplish the work by Wampler-Eanes. The Commissioner of the Revenue's Office stated that Wampler-Eanes was responsive to questions from the Commissioner's Office and the Board of Equalization throughout the process.

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<sup>1</sup> The International Association of Assessing Officers (IAAO) is the national professional organization for tax assessing officers. It maintains professional standards for best practices in assessment administration.

Land Valuation is done according to a price per acre based on the type of land, with adjustments to the acreage rate based on size of the lot and type of road frontage. Larger lots are valued more highly than smaller lots overall but do have a lower price per acre; this is appropriate and reflects the economic principle of diminishing marginal utility. Timber is valued as an add on the acreage rate by type of timber, and rates on timber have increased by only \$100 per acre from the 2018 Reassessment across the board. There is nothing inherently wrong with this practice and makes sense given the lack of a land use rate for timber-land.

Residential dwelling valuation starts with a set of per square foot of living area base rates arranged step-wise in a table and based on the number of stories, the number of square feet, and the type of exterior siding (cinderblock / doublewide, standard siding, and brick siding). If the actual square footage falls between two levels, then the actual rate per square foot is interpolated. Wampler-Eanes said that these base rates increased by around 15% to 20% since the 2018 Reassessment. All things being equal, per square foot rates are highest for brick siding, and rates are lowest for cinderblock siding and double-wide properties. Again, all things being equal, larger homes and homes with multiple stories have lower rates per square foot than smaller homes and homes with one story. This takes into account economies of scale and typical costs of construction. Attached and detached improvements such as porches, decks, sheds, and patios are valued using per square foot rates. Total improvement value, less any detached items, is influenced, up or down, by a quality grade factor, where C is average and receives no adjustment. Value is deducted for physical depreciation according to the depreciation table developed by Wampler-Eanes. There is nothing inherently inappropriate about the general functional form that this valuation model takes. Individual adjustments based on geographic location (e.g. neighborhood or market area) are not directly included in the model except in five parcels that had their factor carried over from the last reassessment; incorporating locational factors often improves the precision of the base valuation model because property value is often correlated with location, even in rural jurisdictions. These valuation models (sometimes called manuals, schedules, or tables) are not pure cost rates, according to Wampler-Eanes, but rather a combination of historical CAMA system rates and a simplified form of market sales analysis. Additionally, Wampler-Eanes states that the tables used in Amelia County were very similar to the ones used in King and Queen County. Although sales were apparently consulted in the development of the valuation model in Amelia County, it is clear that a robust market model was not developed using sales from Amelia County and incorporating best practices and statistical techniques. Although this lack of market modeling is all too common in the mass appraisal industry because more advanced methods are out of reach to many practitioners, this practice fails to meet best practice standards as laid out in the IAAO Standard on Automated Valuation Models and the IAAO Standard on the Mass Appraisal of Real Property. It is likely that improved statistical analysis and model development practices would significantly increase the quality of the assessed value estimates.

Wampler-Eanes reports that they added well / septic to the valuation model with a flat rate of \$15,000, the same as the rate for public water / sewer. It is reasonable to add in value for well and septic because it is based on a known data element that has market value. If the valuation process was done correctly, this is just a reallocation of value to well and septic from the improvement as a whole and does not in and of itself mean that improvement values would increase. Wampler-Eanes reports that they moved 461 accounts during hearings from well / septic to public water and / or public sewer but that this did not change their value. Wampler-Eanes also increased the water and sewer hook-up value for manufactured housing to \$10,000 from \$5,000.

The data collection methodology and valuation model rates are communicated in a 2023 Reassessment Manual provided by Wampler-Eanes to the County. It is best practice to provide such a manual and a description of the mass appraisal process and the data collection methodology is a worthy inclusion. Also good is the inclusion of the valuation tables as an attachment to the manual and the list of the applicable state codes for the project. However, the manual is often too reliant on boilerplate language that is unspecific to the Amelia County project

and may not always accurately describe the actual processes undertaken in this specific project. This makes it overly long and confusing, reducing its usefulness. Also confusing is the fact that the manual includes several sets of rates in the main body which do not appear to be congruent with the actual rates found in the attached valuation tables.

The Commissioner's Office did receive sales ratio studies from Wampler-Eanes both before the project started and then again at the end of the project. Sales through October 1, 2022 were used in the final sales ratio study produced by Wampler-Eanes because values were effective as of January 1, 2023 and values had to go out in time for notices on November 15, 2022. Wampler-Eanes was right to include the latest sales that they could given the assessment timeline in place. Informal appeals were heard in December of 2022. This independent review uses the same sales from the final sales ratio study reported by Wampler-Eanes but conducted using a different sales ratio study methodology.

## **Ratio Study Description and Methodology**

The purpose of a sales ratio study is to evaluate the performance of a set of assessed values. Sales ratio studies are a jurisdiction's "most important performance analysis tool" according to the IAAO Standard on Ratio Studies. A sales ratio is the assessed value of a property divided by its sale price. For example, a sales ratio of 1.05 means that the assessed value is 5% higher than the sale price. Sale prices that are valid for analysis and otherwise recorded appropriately are used as the basis for evaluating assessment performance in a sales ratio study. Like any appraisal, the assessed values produced by the 2023 Reassessment are an estimate of market value. Ratio studies analyze a set of sales ratios in order to determine the degree to which the assessed values accurately reflect market value as a group. All appraisal estimates of market value are inherently subject to a degree of statistical error depending on several factors such as the accuracy of available property data and the skill of the appraiser or model developer. The IAAO Standard on Ratio Studies sets professional standards for assessment level and uniformity that recognize there is some degree of imperfection in assessed values.

A population is the entire set of properties defined by a set of criteria, and a sample is a subset of properties which is drawn from a given population. For the purposes of a sales ratio study, a sales sample is drawn from the population of all properties by the fact that the property sold in a given time window and meets all other data constraints and filters. Due to a lack of data availability, an analysis of sales sample representativeness was not conducted; in this exercise, the sales sample is assumed to be representative of the population of properties in Amelia County for the sake of simplicity.

Josh Myers evaluated assessed values from the 2023 Reassessment by means of a sales ratio study. Results are stratified by property type only for ease of communication, with the property types being residential exclusive of manufactured housing, manufactured residential, commercial, and residential/agricultural vacant land. Straight-line time trend models were calculated separately for residential, commercial, and residential/agricultural vacant land properties, where appropriate. These models were used to adjust all sale prices to an estimate of what they would have been if the sale had occurred on October 1, 2022. The effective date of the reassessment is actually January 1, 2023, but September 2022 was the last month for which sales were provided and so October 1, 2022 was chosen as the closest reasonable date for time-adjustment purposes without resorting to extrapolating the trend. It is highly unlikely that anything greatly changed in the market between October 1, 2022 and January 1, 2023, the fourth quarter. However, it is known that residential and vacant land prices were appreciating through October 1, 2022. If these trends continued, the median sales ratios reported here will be slightly over-stated, not under-stated.

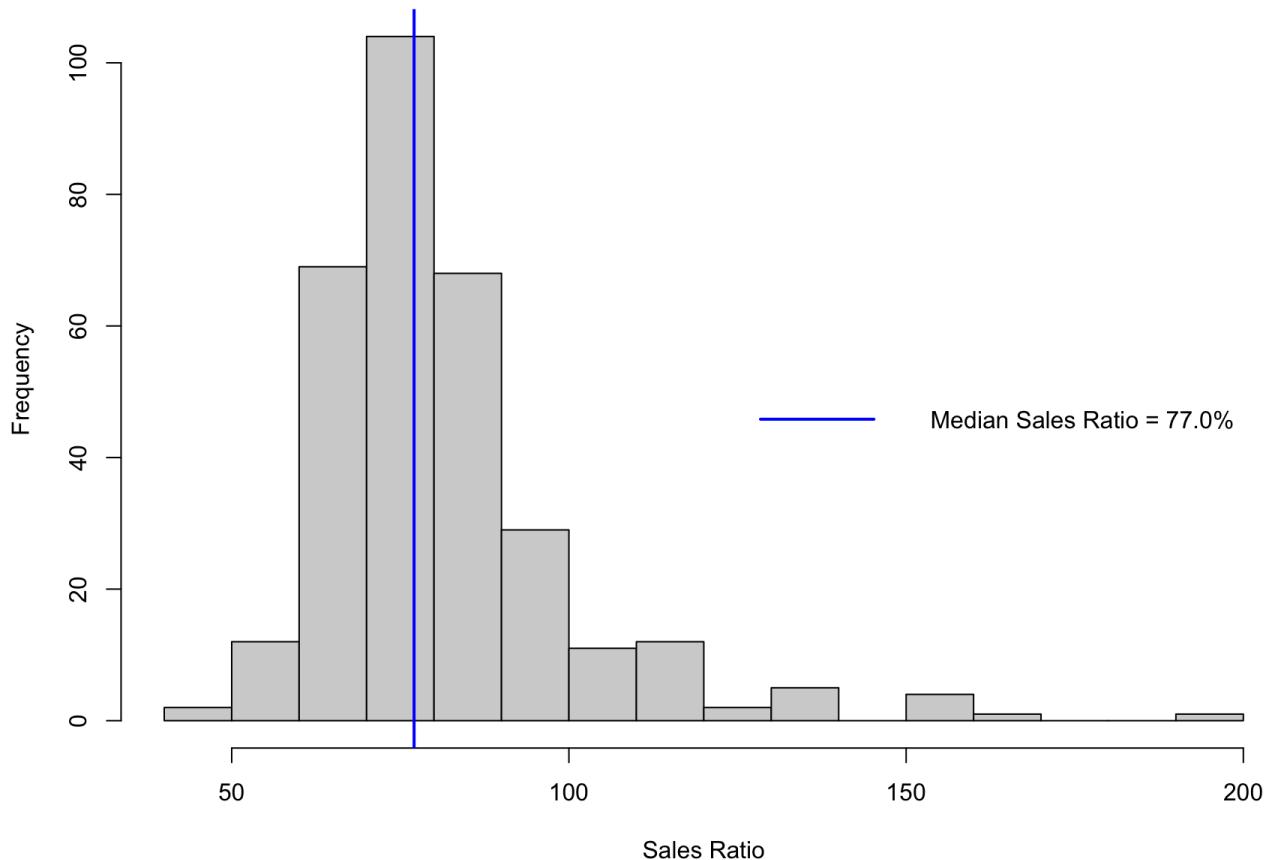
Data filters are applied in order to produce a sales sample that is appropriate for analysis. This sales ratio study was conducted on sales provided directly by Wampler-Eanes; these sales were also qualified for analysis by Wampler-Eanes. Sales for residential properties were from January 2021 and September 2022. Sales for all property types were from January 2018 through September 2022. All sales must have an assessed value and a sale price of at least \$1000 in order to be included in the analysis.

Outliers have unusual values that are far from the center of the distribution and could occur for a variety of reasons. Outliers can compromise the results of a sales ratio study. Therefore, it is necessary that outliers be dealt with appropriately. There are two kinds of outliers: sales ratio outliers and sale price value outliers. Sales ratio outliers are sales ratios with unusually small or large values which could distort certain measures like the Coefficient of Dispersion (COD). Sales ratio outliers, if any, are trimmed by class according to the “1.5 x IQR procedure,” with a logarithmic transformation of the sales ratio used to achieve greater distributional symmetry. The report lists how many sales ratio outliers were removed by property type; the numbers of outliers removed were well within the reasonable maximum limits given in the IAAO Standard on Ratio Studies. Similarly, value outliers are sales with unusually small or large sale prices which could distort the Coefficient of Price-Related Bias (PRB). Value outliers, if any, are trimmed by class according to the “3 x IQR procedure,” with a logarithmic transformation of the sale price used to achieve greater distributional symmetry. The less stringent standard is used for value outliers to allow for a wider range of sale prices. There were no properties removed as value outliers in this sales ratio study.

Because not all properties sell in a given period of time, all properties that do sell make up a sales sample of the population of properties. Point estimate statistics calculated from a sales sample inherently contain sampling error, defined as the type of error resulting solely from the sampling process. For example, if 100 samples of a given size are drawn from a given population of properties, then 100 point estimate statistics will be calculated. The difference between the 100 point estimate statistics is explained by sampling error. Confidence intervals account for sampling error and thus serve as a measure of the precision for the calculated point estimate statistic as an estimate of the unknown population parameter with a given degree of confidence. For example, if the point estimate of the median sales ratio is 92.5% and the 90% confidence interval for the unknown population median sales ratio is 90.5% to 94.5%, the best estimate of the unknown population median ratio is 92.5% and it can be said with 90% confidence that the population median sales ratio is in the range of 90.5% to 94.5%. This study includes confidence intervals with point-estimate statistics. Confidence intervals can also be used to conduct statistical hypothesis testing. In fact, conclusions about the population of properties, including non-compliance with IAAO Standards, cannot be made without using statistical hypothesis testing to account for sampling error. Therefore, all conclusions made in this sales ratio study are made using statistical hypothesis testing. All confidence intervals used in this analysis are 90% two-sided intervals, and all statistical hypothesis tests are stated informally and are done at the alpha = 5% level.

Ratio studies typically include measures of assessment level and assessment uniformity. The assessment level is a measure of central tendency for the distribution of sales ratios. The median sales ratio is the middle value of the sales ratios sorted in increasing order, if the number of sales ratios is odd, or the average of the two middle sales ratios, if the number of sales ratios is even. The median is resistant to the effect of sales ratio outliers and is the preferred measure for monitoring assessment performance according to the IAAO Standard on Ratio Studies. The IAAO standard used for the median sales ratio is 90% to 110%, in order to allow for reasonable variation from market value. The following plot demonstrates the sales ratio distribution for residential properties in Amelia County around the median sales ratio.

### Histogram of Sales Ratios Around the Median Sales Ratio - Residential Properties



Assessment uniformity is a measure of the variability of the sales ratio distribution. Ratio studies are usually concerned with a general measure of overall variability, like the Coefficient of Dispersion (COD), and a measure of variability that specifically measures vertical inequity, like the Coefficient of Price-Related Bias (PRB). The Coefficient of Dispersion (COD) is a general measure of the precision of a set of assessed values and is equal to the average absolute deviation of the sales ratios from the median sales ratio divided by the median sales ratio. The COD provides a general measure of how tightly the sales ratios are distributed around the median sales ratio. The lower the COD, the more tightly the sales ratios are distributed around the median sales ratio. Conversely, the higher the COD, the more spread out the sales ratios are around the median sales ratio. The IAAO standard range used for the COD varies by class of property (see the following table). The Coefficient of Price-Related Bias (PRB) is a measure of market-value vertical inequity and is based on regressing the percent difference between the sales ratios and the median sales ratio versus the log base 2 of a market value proxy. Market-value vertical inequity is when properties with different market values have different assessment levels. The PRB gives an indication of whether the vertical inequity, if any, is in a regressive (favoring higher-valued properties) or progressive (favoring lower-valued properties) direction by its sign. If the PRB is negative, the vertical inequity is regressive; if the PRB is positive, the vertical inequity is progressive. The IAAO Standard on Ratio Studies states that the PRB standard range is -10% to 10% and that values outside of this range constitute unacceptable vertical inequities. IAAO also gives general guidance that values of the PRB should fall within the range of -5% to 5%.

This report does not engage in an analysis of selective reappraisal, sometimes referred to as sales chasing. The data was not readily available to perform such an analysis.

Strata	IAAO Standard for the COD	Count Before Outlier Removal	Count After Outlier Removal
Commercial	5% to 25%	28	25
Land	5% to 25%	260	257
Manufactured	5% to 20%	63	60
Residential	5% to 20%	320	307

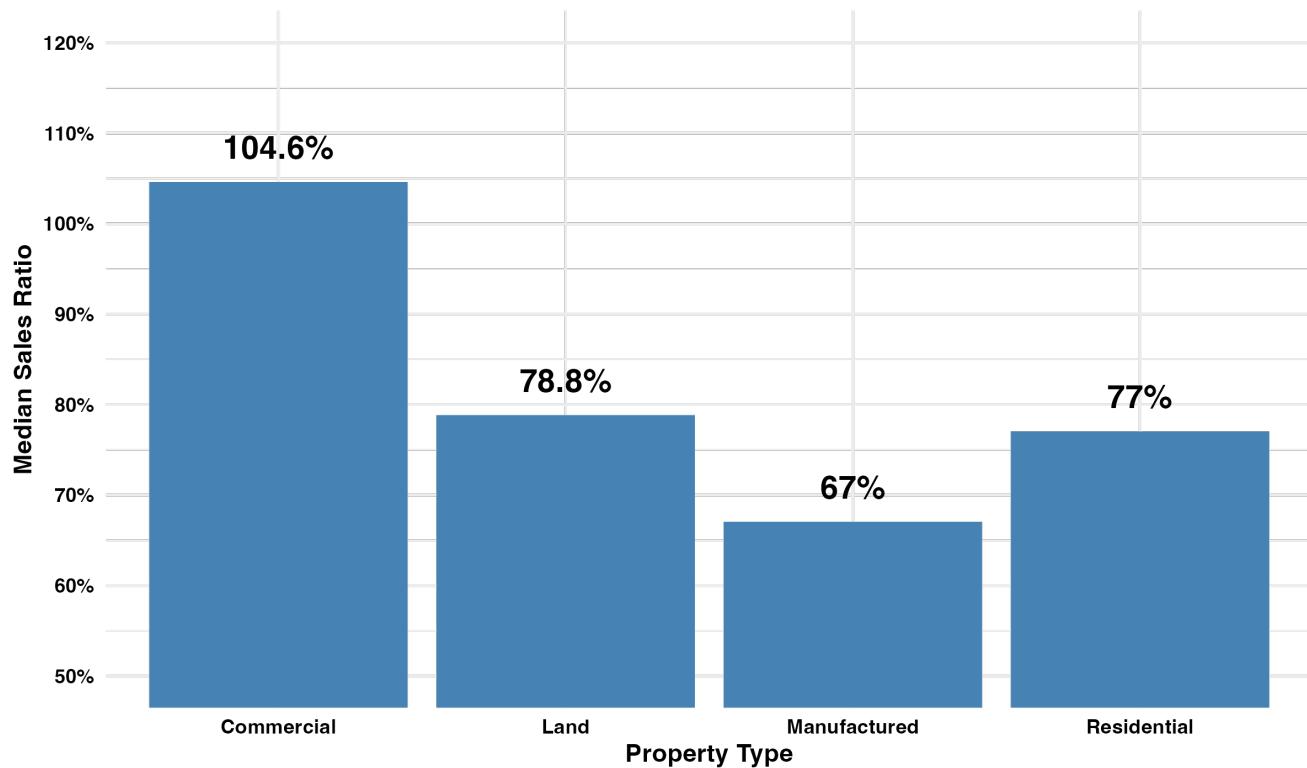
## Ratio Study Findings

The following table lists the relevant sales ratio statistics by property type, including the point estimate and the associated 90% confidence interval.

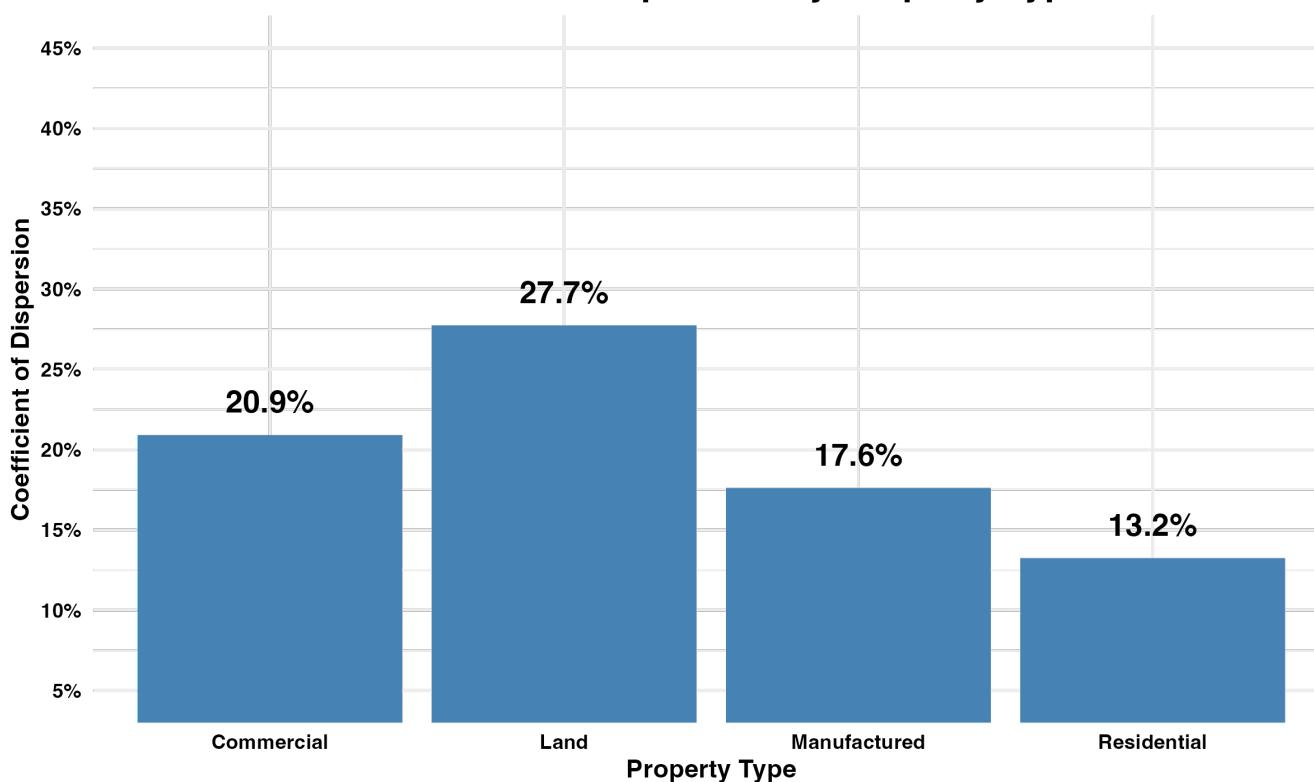
Strata	Median Sales Ratio	Coefficient of Dispersion	Coefficient of Price-Related Bias
Commercial	104.6% (91.5%, 112.4%)	20.9% (16.0%, 29.5%)	-3.9% (-10.1%, 2.3%)
Land	78.8% (73.3%, 81.4%)	27.7% (25.7%, 30.6%)	-8.3% (-11.5%, -5.1%)
Manufactured	67.0% (62.8%, 69.8%)	17.6% (14.8%, 22.0%)	-10.7% (-21.6%, 0.1%)
Residential	77.0% (75.4%, 78.1%)	13.2% (12.3%, 14.5%)	5.0% (2.3%, 7.6%)

The following plots demonstrate graphically the values of the median sales ratio and the coefficient of dispersion by property type from the table.

## Median Sales Ratio by Property Type



## Coefficient of Dispersion by Property Type



From these results, the ratio study findings are as follows:

### **Assessment Level**

- ◆ The median sales ratio for commercial properties (104.6%) meet the IAAO standard of 90% to 110%. However, the median sales ratio for residential properties (77.0%), manufactured properties (67.0%), and land (78.8%) do not.
- ◆ Manufactured properties have a median sales ratio that is statistically significantly less than all of the other property type categories.
- ◆ Commercial properties have a median sales ratio that is statistically significantly greater than all of the other property type categories.
- ◆ Although not mentioned in the table, there is not a statistically significant difference between the median sales ratio for residential/agricultural vacant land of size less than 20 acres (78.8%), between 20 and 99.99 acres (79.4%), and greater than 99.99 acres (77.2%). Larger parcels are land are being treated fairly with respect to smaller parcels of land.

At first blush, it may not seem like a problem for certain property types or the County as a whole to be under-assessed with respect to fair market value. After all, this may reduce appeal volume, somewhat mute any public outcry about the value increases associated with a reassessment such as this, and tax rates can be set to achieve the desired level of tax revenue. However, the IAAO Standard sets this as best practice for a reason, and the County would have been best served not to have gone down this path, for the following reasons.

- ◆ Untethering assessed values from market value may have the unintended consequence of eroding public trust in the reassessment process. Trust can be easy to lose and difficult to win back.
- ◆ Under-assessing properties in this manner will likely necessitate that the County do another reassessment sooner than anticipated. State Code 58.1-3259 says that localities should assess at “100 percent fair market value” and that “an assessment ratio lower than 70 percent” would be “proof that such locality has failed to assess at 100 percent.” It is of note that Wampler-Eanes includes this State Code 58.1-3259 on Page 9 of its 2023 Reassessment Manual provided to Amelia County. The overall median sales ratio in Amelia County as of October 1, 2022 is approximately 76.9%, indicating that another reassessment will be right around the corner should property values continue to rise. Frequent reassessments are a good thing but not under this circumstance. The County may not be prepared financially or logically to produce a reassessment again so quickly.
- ◆ On average, the disparity in assessment levels means that manufactured property owners are being given a relative break whereas commercial property owners are paying more than their relative fair share; this creates unfairness in the system.
- ◆ Through this practice of under-assessment, the County is leaving part of the expected public service property tax revenue uncollected. In a typical upward trending market, the median sales ratio will decrease over time and so will the percentage of centrally-assessed public service property tax revenue that the County can collect. But, it is an entirely different situation for a reassessment to have a median of approximately 76.9% right from the start. The total public service property value in the County for 2023 was \$57,848,668. According to David Seay at the State Department of Taxation, the State calculates the median sales ratio used in calculating the adjustment made to public service property value taxable by Amelia County using what they call a non-trailing sales ratio study. This non-trailing study was conducted in 2023 using the new values from the 2023 reassessment and sales that occurred in 2022, producing a median sales ratio of 79.2% and resulting in an inability to collect taxes on about 20.8% of the public

service property value. Should the market continue to increase, the amount of uncollected tax revenue from public service properties will continue to rise.

### **Assessment Uniformity**

- ◆ The coefficient of dispersion (COD) for commercial, manufactured, and residential properties are acceptable under IAAO Standards. The degree of non-uniformity present in these categories is within acceptable limits.
- ◆ The COD for residential/agricultural land does not meet the IAAO standard because the COD (27.7%) is statistically significantly outside of the standard range of 5% to 25%. This indicates that the assessment of these land properties was less uniform than industry standards permit.
- ◆ All property type categories meet the IAAO Standard for the coefficient of price-related bias (PRB), indicating that if any vertical inequity exists that it is within acceptable limits.
- ◆ The IAAO Standard on Ratio Studies also recommends that the median sales ratio for each stratum be statistically significantly within 5 percent of the overall median sales ratio (in this case, the range of 73.0% to 80.7%). This standard is not met in Amelia County because manufactured residential and commercial properties both have median sales ratios that are statistically significantly outside of this range. This indicates a lack of uniformity originating from differing assessment levels between property types.

While it is good that vertical inequity is not an issue in the 2023 Reassessment and that commercial, manufactured housing, and residential properties have acceptable degrees of non-uniformity as measured by the COD, residential / agricultural vacant land properties are assessed a little too non-uniformly as a class and there is non-uniformity present based on differing assessment levels between property type categories.

The 2023 Reassessment simply meets some standards found in the IAAO Standard on Ratio Studies but not others. The results of this study be considered closely in deciding on a course of action.

### **Wampler-Eanes Ratio Study Practices**

This report previously described the fact that Wampler-Eanes performs sales ratio studies throughout the assessment process, a best practice as laid out in the IAAO Standard on Ratio Studies. This report also describes how the Commissioner of the Revenue's Office received a final ratio study from Wampler-Eanes. It is encouraging that the Commissioner's Office receives and reviews these studies. It is clear through the meetings associated with this project that both the Commissioner of the Revenue's Office and Wampler-Eanes believe that the overall level of assessment is around 90% in Amelia County as of January 1, 2023; in fact, Wampler-Eanes overtly stated that they were targeting something close to this level. This report demonstrates that the overall level of assessment is not 90%, however. Instead, the overall median sales ratio as of October 1, 2022 is actually approximately 76.9%, putting the County out of step with IAAO standards and putting it precariously close to the 70% threshold prescribed in the State Code. This section addresses how this could happen by examining the sales ratio study practices of Wampler-Eanes, which are mixed.

There are some good things about the sales ratio studies performed by Wampler-Eanes for Amelia County. These studies cover a reasonable period of time to draw in enough sales for analysis, calculate statistics based on sales validated by the company, and include meaningful stratifications of properties in different property type groups.

There are also many deficiencies in their sales ratio studies, however, which lead to a misleading picture about the true value of the calculated sales ratio statistics.

- ◆ Wampler-Eanes relies primarily on the mean sales ratio rather than the median sales ratio. The IAAO Standard on Ratio Studies recommends that the median sales ratio be used instead of the mean sales ratio as the primary measure of the assessment level when measuring the quality of a set of assessed values for general purposes. The mean sales ratio tends to be biased upward in a typical sales ratio distribution that is right-skewed, meaning that the mean sales ratio is often higher than the median sales ratio. Simply put, using the mean sales ratio caused Wampler-Eanes to believe the assessment level was higher than they otherwise would have using the median sales ratio.
- ◆ Wampler-Eanes does not use time-adjusted sale prices in their ratio studies, as recommended in the IAAO Standard on Ratio Studies. Conventionally, sales from a period of time are used to measure assessment performance and develop valuation models but the statutory assessment date is a single-point in time, in this case, January 1, 2023. In situations where there is a statistically significant time trend in sale prices, as is the case here, the sale prices should be adjusted as closely as possible to an estimate of the sale price on this date in order to get a true picture of assessment level and uniformity. The practice of not using time-adjusted sale prices more greatly affects the measurement of the assessment level. In an upward trending market, as is the case here, not using time-adjusted sale prices tends to over-state the actual level of assessment, and in downward trending markets it tends to under-state the actual level of assessment. This is because using sales from a period of time effectively tends to result in the average or midpoint of the trend being used (which in this case means sometime near the end of 2021) to calculate the assessment level statistics. We do not want to measure the assessment level of the assessed values at a point back near the end of 2021, however, because the effective date of the reassessment is January 1, 2023. In 2021 and 2022, there was a strongly upward trending market in Amelia County for residential and vacant land property type groups, causing Wampler-Eanes to over-state the median sales ratio for these groups by approximately 10 percentage points because the market had appreciated roughly 10 percentage points between the end of 2021 and the end of 2022.
- ◆ It is typical for sales ratio study samples to include outliers. The IAAO Standard on Ratio Studies recommends a distributional-based trimming procedure for handling outliers and specifically recommends against arbitrarily set trimming limits. Wampler-Eanes employs the use of arbitrary trimming limits of 50% to 150% and 75% to 125% in their sales ratio study, meaning that all properties outside of these limits would be excluded from that iteration of the study. The IAAO Standard gives guidance against this practice because it may distort the calculated sales ratio statistics by removing too many outliers and doing so without respect to the actual distribution of the sales ratios. In this case, using the narrower trimming limits of 75% to 125% mathematically tends to inflate the measure of the assessment level, making it appear larger than it should be. Too many outliers could also be removed; using trimming bounds of 75% to 125%, Wampler-Eanes removed 25.3% of the residential improved sales in that sales ratio study stratum (not including double-wides) which is above the recommended limit of 10% found in the IAAO Standard on Ratio Studies. This practice could have been another reason Wampler-Eanes believed the measure of the assessment level was acceptable when in fact it was too low. Artificial trimming limits such as these also tend to make the measures of assessment uniformity, such as the COD and PRD, appear better than they actually are.

It is clear these three sales ratio study practices, along with a desire to assess most property type groups on average well below their fair market value, contributed to the low median sales ratios present in the various non-commercial property type groups. Based on sales ratio studies performed by Wampler-Eanes, it appears that

they actually intended to assess commercial properties, on average, at around 100% of their fair market value, instead of targeting some lower percentage as they did for other property type groups.

## **Recommendations for Amelia County**

The following general recommendations are made for Amelia County based on observations made during this independent review:

- ◆ This report indicates that the assessment and ratio study practices used by Wampler-Eanes fall short of best practices in some areas. Stronger requirements should be in place for future contracts with external mass appraisal firms that specifically address issues brought up in this report. For example, mass appraisal firms should be required to target fair market value in their valuation process rather than some other percentage.
- ◆ The IAAO Standard on Property Tax Policy currently recommends an annual reassessment of all real property in local jurisdictions, with the principle being that more frequent reassessments enable a local jurisdiction to best adhere to the current market value standard. If this is impractical, increasing the frequency of the standard reassessment cycle would provide more stability to the assessed values in relation to fair market value and provide local taxpayers with a more predictable assessment cycle.
- ◆ Based on an overall assessment level that is probably at most 76.9% as of January 1, 2023, the County should begin preparing for a new reassessment as soon as possible. The current overall assessment level is likely lower than 76.9% because I believe that property values have likely risen between October 1, 2022 and the present time. Recall also that the State Department of Taxation has already calculated a median sales ratio of 79.2% using new 2023 assessed values and 2022 sales in its non-trailing study dated June 1, 2023. The earliest practical effective date for a new complete reassessment would likely be January 1, 2026, given the current date and the amount of time it takes to perform a complete reassessment. A more limited reassessment focusing on updating values without a complete data recollection may be able to be completed with an effective date of January 1, 2025.
- ◆ The County should invest in additional educational opportunities and resources for the Commissioner's Office so that the Commissioner's Office can better monitor the contract assessor's performance using sales ratio studies submitted to them.