

# **Property Assessment Fact Sheet**

source: Tenn. State Comptroller of the Treasury, Division of Property Assessments

## **ASSESSMENT VS. TAXATION - SEPARATION OF DUTIES**

- Assessment function is distinct from taxation function
- Assessor of Property appraises and classifies the property and then applies the statutory percentages to appraisals to determine assessments
- County Commission and city governing bodies determine local property tax rates
- Taxes are collected by county Trustee and city collecting officials

## **THE ASSESSMENT FUNCTION**

### **The Assessor**

- Appraises real estate for assessment purposes.
- Tracks changes in ownership, addresses and property boundaries.
- Is required by state law to verify certain information on real estate sales with buyer or seller.
- Appraises and assesses business personal property (furniture, fixtures, machinery and equipment).
- Responds to requests for public information.
- Must possess both appraisal and administrative skills to do the job.

### **The State**

- State Board of Equalization establishes policies and procedures for local Assessors of Property and hears property appeals beyond the county level.
- Division of Property Assessments (a division of the Comptroller of the Treasury) monitors the work of Assessors to ensure proper procedures are followed, provides technical assistance during reappraisal programs, and provides manuals and educational programs for use by Assessors.

### **The Assessment Cycle**

- Property appraisals are established during periodic reappraisal programs using current real estate values on either a 6 year, 5 year or 4 year cycle.  
Knox County follows a 4-year cycle.

- Between reappraisals, the Assessor's appraisals generally remain constant, with the exception of instances where the property has changed (new buildings, additions, demolitions, etc.).
- In addition to assessing new construction annually, the Assessor's office performs a systematic field review of a portion of the county each year so that during a reappraisal cycle all parcels of property are reviewed.
- Changes to the property discovered during review may be added to, or subtracted from the property value between reappraisals, but with the appraised value based on the previous reappraisal program.

### **The Appraisal Process**

- An appraisal is an estimate of the most probable selling price of a property.
- Mass appraisal techniques are employed.
- Physical characteristics listed (dimensions, construction type, age and condition of buildings; size and features of land).
- Computer resources used as a tool to assist in the intensive analyses and calculations required.
- Assessor's experience and appraisal judgment are important.

### **The Assessment Process**

- Property is classified based on its use and statutory assessment percentages are applied to appraised values
 

Residential property	25%
Farm property	25%
Commercial and industrial property	40%
Public utility property	55%
Business personal property	30%
- Example: A residence appraised at \$ 100,000 would have an assessed value of \$25,000.
- Assessment Change Notice required to be sent when the value or classification changes.

## **Appeals**

- Basis for an appeal: owner's property value too high, another owner's value too low, incorrect classification (real vs. tangible personal property, commercial vs. farm or residential property). Tax amounts are not a valid basis for appeal.
- Steps in an appeal: informal discussion with Assessor, County Board of Equalization (meets beginning June 1), State Board of Equalization (must first appeal to county board), Chancery Court.

## **THE TAXATION FUNCTION**

- Property tax rate is established by the County Commission and city governing bodies.
- Assessor provides assessed value totals to county and city governing bodies.
- Total assessment and estimates of other revenue are combined with budget projections to determine the property tax rate.
- In a reappraisal year, if the local governing body intends to adopt a tax rate that would generate more revenue than the previous year, a public hearing must be advertised and held.

## **CONCLUSION**

- Separation of the assessment function from the taxation function protects property owners from possible unfair treatment.
- The Assessor's job is increasingly demanding in terms of the skills and professionalism required.
- The level of knowledge and detail required to appraise property for assessment purposes has dramatically increased.
- Greater detail in appraisals results in a more equitable situation for property owners.

# State of Tennessee Assessment Schedule

DATE	ASSESSMENT ADMINISTRATION FUNCTION	AUTHORITY
January 1	"Assessment Date" All ownership records, assessments, and tax maps must reflect the status of property as of January 1 of each tax year.	67-5-502(a)(1) and 67-5-504 (a)
February 1	Personal Property Schedules mailed to each business owner by this date.	67-5-903(a) and SBOE Rule 0600-05-.04(1)
February 28	Last day to pay preceding year's taxes without interest.	67-5-2010(a)(1)
March 1	<ul style="list-style-type: none"> <li>Mobile Home Forms should be mailed to each owner of land that is used as a mobile home park by this date.</li> <li>Personal Property Schedules should be returned by this date.</li> <li>Delinquency date for the preceding year's taxes.</li> <li>Last day to request a reasonable cause hearing before the State Board of Equalization (SBOE). The board shall accept such appeal from the taxpayer up to March 1 of the year subsequent to the year in which the time for appeal to the state board began to run.</li> <li>Correction of assessments pursuant to this section must be requested by the taxpayer, or initiated by the assessor, prior to March 1, no more than the second year following the tax year for which the correction is to be made. An assessor shall correct an error in coding, entry, or transcription of data, if documentation clearly establishes that an error occurred and that the error affected the property's value as of the assessment date. The assessor shall also correct errors in the ownership, location, or physical description of the property. An assessor may not revisit, as a correction of error, matters requiring an application of the assessor's judgement, such as the quality of fit or finish in a structure, the degree to which location or depreciation affects property value, or the degree of comparability of a property to others in the relevant market. Errors or omissions do not include clerical mistakes made by the taxpayer in a Personal Property Schedule.</li> </ul>	67-5-802(b)(1)  67-5-903(b) and SBOE Rule 0600-05-.04(2)  67-5-2010(a)(1)  67-5-1412(e)  67-5-509(d) & (f)(1)
March 15	Deadline to apply for greenbelt.	67-5-1005(a)(1), 1006(a)(1), and 1007(b)(1)
April	Tax Relief and Tax Freeze application deadlines are 35 days past property tax delinquency date in local jurisdiction.	67-5-802(b)(2)
April 1	Mobile Home Forms should be returned by this date.	67-5-802(b)(2)
April 15	<ul style="list-style-type: none"> <li>Record a copy of the tax maps with the register of deeds.</li> <li>Target date for data entry to the state CAMA system for assessment rolls and change notices.</li> </ul>	67-5-806(b)(1)  NA
May	Prior to May 20th the assessor must make the assessment records available to the public. Notice shall be printed in a newspaper of general circulation referencing the day that the County Board will convene and the last day that appeals will be accepted.	67-5-508(a)(1) & (2)

<b>May 1</b>	Certify tax maps to the Division of Property Assessments.	NA
<b>May 5</b>	Tax Relief applications are normally due from jurisdictions to the Division of Property Assessments.	67-5-701(d)(2)
<b>May 20</b>	<ul style="list-style-type: none"> <li>Assessments should be complete and change notices mailed.</li> <li>Deadline to apply for exemptions.</li> </ul>	67-5-504(b) and 67-5-508(a)(1) & (3)  67-5-212(b)(3)
<b>June 1</b>	County Board of Equalization meets. (except Shelby County, which convenes May 1)	67-1-404(a) and 67-1-404(c) for Shelby
<b>July</b>	Tax rate for the county should be set. (budget adopted by July 1)	5-9-404(b)(1) and 67-5-510
<b>July 1</b>	The assessor must furnish to each owner of land that is used as a mobile home park, a schedule of assessed value for each mobile home by this date.	67-5-802(b)(2)
<b>July 31</b>	Target date for data entry to the state CAMA system for tax billing documents.	NA
<b>August 1</b>	General deadline for appeals to the SBOE is August 1 or within forty-five days of the date that the notice of the County Board action was sent, whichever is later.	67-5-1412(e)
<b>September 1</b>	<ul style="list-style-type: none"> <li>Last day to file an amended Personal Property Schedule for the previous tax year.</li> <li>Last day to certify a back assessment or reassessment for the previous tax year; unless the omission or underassessment resulted from failure to file a Personal Property Schedule, actual fraud or fraudulent misrepresentation, or collusion.</li> <li>Proration shall occur for buildings or improvements that are moved, demolished or destroyed, substantially damaged, or newly completed after January 1 and before September 1. Similarly, proration may be applicable for commercial and industrial tangible personal property that is destroyed, demolished, or substantially damaged due to certain events.</li> </ul>	67-5-903(e)  67-1-1005(a)  67-5-603 and 67-5-606
<b>October</b>	Current year's taxes become due and payable on the first Monday in October.	67-1-701(a) and 67-1-702(a)
<b>December</b>	Counties on the state CAMA system should order Personal Property Schedules during December.	NA
<b>December 31</b>	Last day for Director of Division of Property Assessments to waive Tax Relief application deadlines for good and reasonable cause pursuant to 67-1-803	67-5-701(k)



# KNOX COUNTY TENNESSEE

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## The Appeals Process

**It is your yearly right to appeal the value of your property if you so choose. If you wish to appeal your property, the steps you must follow are listed below.**

### **The County Board of Equalization:**

Taxpayers must typically first appeal a disputed valuation or classification to the local county board of equalization. Some county assessors have a process for informal review of disputed assessments which may provide expedited review and correction of any contested property valuation. However, informal review is not an appeal and taxpayers must appeal to the county board of equalization should they wish to preserve their further rights of appeal.

The county board of equalization is a panel of five to seven persons empowered to hear complaints of a taxpayer and make certain changes to disputed assessments. Notice of the decision and action of the county board will be sent to the taxpayer who may accept or appeal the decision.

The Knox County Board of Equalization meets every year during the month of June.

### **Hearing before an Administrative Law Judge:**

Should a taxpayer disagree with a decision of a county board of equalization the taxpayer may appeal to the State Board of Equalization for a hearing and determination by an administrative law judge. While there is no specific timeframe for when a hearing will be scheduled before an administrative law judge, the taxpayer and county assessor will receive a notice approximately thirty (30) days in advance of any scheduled hearing.

### **Property Assessor**

**City County Building**  
Suite 204  
400 Main Street  
Knoxville, TN 37902

Phone: 865-215-2360

Fax: 865-215-3671

### **Hours:**

Monday - Friday  
8:00 am - 4:30 pm

An Initial Decision and Order regarding a taxpayer's appeal will be issued by the administrative judge within ninety (90) days of the hearing. A taxpayer has thirty (30) days from the date of the Initial Decision & Order to appeal to the Assessment Appeals Commission, otherwise the appeal becomes the final decision of the State Board of Equalization.

**The State Board of Equalization:**

A party who desires the State Board of Equalization to review a decision of the Assessment Appeals Commission must file a written petition with the Executive Secretary of the State Board within fifteen (15) days from date of the Final Decision & Order. Review by the State Board of Equalization is permissive and not guaranteed. Parties who petition for review by the board will be notified if their petition is granted.

**Chancery Court:**

A taxpayer wishing for judicial review of a final action of the State Board of Equalization must file a petition in the county where the disputed assessment was made or in an appropriate chancery court within sixty (60) days from when the order of the State Board of Equalization becomes final.



## ASSESSMENT ROLES

As currently written, the Tennessee Code Annotated (TCA), under *Title 67, Chapter 5*, places specific property assessment burdens on both the state and individual county assessors. The state is charged with performing appraisal ratio studies at specified intervals together with other specific oversight and monitoring duties. The state's role is shared across three organizations, the State Board of Equalization, the Division of Property Assessments, and the Office of State Assessed Property. The latter two agencies are both part of the Office of the Comptroller.

Among other duties, the State Board of Equalization is responsible for promulgating and publishing assessment manuals for the appraisal, classification and assessment of property *for use by local tax assessors; ensuring that all property in the state is assessed in accordance with the Constitution of Tennessee and all statutory provisions; prescribing educational and training courses for state and local assessing officials and issuing certificates to such officials who successfully complete the training and requirements prescribed by the state board; and acting upon property valuation, classification, assessment, and exemption appeals.* The Board also reviews assessments made by the Comptroller of the Treasury, and promulgates all necessary rules, regulations and procedures for implementation of tax relief to elderly low income taxpayers, homeowners totally and permanently disabled, and disabled veterans. The Board makes an annual summary of their findings available to members of the General Assembly upon request.

The Office of the Comptroller's Division of Property Assessments monitors local property assessors for compliance with assessment and appraisal procedures and acts as the first line of defense in matters of tax equity. The Office of State Assessed Property is responsible for the annual appraisal and assessment of all public utility and transportation properties.

The local assessor is charged with a broad range of activities that include the following:

1. Initial mapping and collection of data (size, construction, features of improvements) on property improvements and of the property itself (location, service by road, water and sewer availability, etc).
2. Classification of all property in his/her locality as residential, farm, commercial and industrial, public utility, or business property.
3. Verification of certain information on real estate sales with buyer or seller.
4. Updating of physical information on property, as it becomes known through on-site inspections during reappraisals, building permits information, and subdivision of property as reported by the Recorder's office.
5. Conducting periodic reappraisals of property under schedule established by the Division of Property Assessments (DPA).
6. Responding to requests for public information.





## **INTERVIEWS WITH LOCAL OFFICIALS**

Although there was no one issue that topped each of the interviewed county property assessors' lists of those things they would change, staffing and salaries was a frequently mentioned concern. It appeared to be more of a concern the smaller the county and the shorter the period of time the assessor was in office. It also appears that the relationship between the assessor and the county executive or board and the financial health of the county are important to the assessor's ability to acquire sufficient staffing resources.

The relatively short amount of time allowed for the distributions of various tax schedules and the mailing out and receipt of forms to businesses is a concern with local officials. Being able to spread the scheduled activities out over a longer period of time would allow for a less hectic pace of activities for both the assessors' offices and smaller businesses.














Local assessors are also concerned about the use by larger property owners and larger businesses of private assessment companies in the appeals process to reduce business taxes. Further study by the Comptroller of whether these appeals have indeed shifted the tax burden to the residential class may be warranted. Such a study could also examine the recent and frequent changes in the greenbelt law and how they have complicated the process of implementation and maintenance of those parcels.

## **INTERVIEWS WITH OTHER ASSESSOR PROFESSIONALS**

A common theme expressed by these professionals was the need to better determine the staffing and resources required by the assessors' offices and adequate funding for those resources. Another issue mentioned was the need for continuing education and training for assessors, their deputies, and their staffs. They also suggested that the state

- should concentrate on education, training, oversight, appeals, and only do the most technical or complex type of assessments;
- increase education related to the role of technology and information systems in property assessment;
- create more tiered or structured incentives for all assessors, their deputies and staffs to begin, continue, and advance their professional education—this could be done within the current certification structure;
- target state support for additional computers, training, staff and office resources to fastest growing counties in the Urban/Suburban and Suburban groups;
- consider the use of a staffing model, such as the Colorado model for all Assessors to use as a guide; and
- increase public understanding of the role of the local assessor in appraising property, as opposed to the setting of the tax rate.

### A property assessor's duties include:

- Property valuation: Assessors determine the value of properties for tax purposes. They consider factors like location, market value, and replacement costs. 
- Property classification: Assessors assign a use category to each property, which determines the assessment level used for taxation. 
- Property records: Assessors maintain current data on properties, including ownership records, property tax maps, and indexes of taxpayers. 
- Property mapping: Assessors create cadastral maps of the county. 
- Property inspection: Assessors inspect properties, including new construction and major improvements. They note characteristics like bathrooms, floor finish, and roofing type. 
- Property comparisons: Assessors compare properties to similar properties to help determine their value. 
- Property reports: Assessors write detailed reports on their research and observations, including the property's value and the reasoning behind their estimate. 
- Property tax rolls: Assessors prepare tax rolls for municipalities and the trustee. 
- Property tax boards: Assessors report assessments to local and state Boards of Equalization. 
- Property ownership: Assessors track changes in property ownership. 
- Property boundaries: Assessors track changes in property boundaries. 
- Real estate sales: Assessors verify information on real estate sales with buyers or sellers. 
- Public information: Assessors respond to requests for public information. 

Property assessors work for local governments, while appraisers and insurance adjusters work for private employers.