



FULTON COUNTY TAXPAYERS ASSOCIATION

Non-Profit Advocate Of Lower Property Taxes In Atlanta/Fulton

March 2006

Your Latest Property Assessment: Will It Be Fair Market Value Or An Estimate By Some Trainee?

Next month – April - you and 288,000 other property owners in Atlanta and Fulton County are scheduled to receive your latest Notice of Assessment Change. You have 45 days from the date of the Notice to file an appeal. Your assessment – multiplied by the millage – is the basis of your property taxes. According to the recent audit – by the highly-reputable CPA firm of Cherry, Bekaert & Holland – **“Fulton County’s property assessment operations are in such disarray that it threatens the accuracy of the assessments.”**

At its last monthly meeting on February 15, 2006, the Fulton County Board of Commissioners passed – on a split vote – a Resolution proposing new experience requirements for the members of the Board of Assessors, stricter conflict of interest rules and staggered terms. Sadly, this is not the solution to the problem. **What is urgently needed is a revamping of the entire department, making the Board of Assessors – and the 168 professional employees – accountable to the County Manager.** The FCTA – through careful research – has developed a seven-step solution described below.

The Problem

The audit indicated that “mistakes and mismanagement are so rampant that Fulton County’s tax base is not likely to be fair and equitable or reasonably reflect market value.” What are some of

the most egregious findings by the auditors?

- **“Many County Tax Appraisers Are Not Qualified”:**
Based on a sample of 25 senior level County Appraisers, the auditors concluded that “Ten (40%) did not meet certification level mandated by Fulton County guidelines and fourteen (56%) did not meet the continuing education requirements of the County guidelines. The result, according to the auditors: “The Board of Assessors cannot ensure that the property valuations are accurately and equitably determined by qualified personnel.”
- **“Appraisals Assigned To Trainees”:**
According to the audit, “Based on a sample of 25, 18 out of 25 (72%) residential appraisal assignments were assigned to trainees, with no evidence of quality review by Senior Appraisers.” The result, according to the auditors: “There is no assurance that property valuations are performed in accordance with applicable laws and regulations or that resulting property values are fair, reasonable and uniform.” Confirming this is the former Chief Appraiser of Fulton County, John Cunningham, who informs me: “The square footage of most homes – as recorded on the Property Cards – is questionable.”
- **“Residential Property Appraisals Not Conducted In Accordance With Law”:**
According to the auditors: “Georgia State Law requires that each residential property be visited

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We'll Miss You, Jackie!

Our Executive Director, Jacqueline Echols, Ph.D., is leaving for Benedict College in Columbia, South Carolina to pursue her field of academics. We'll miss you, Jackie and wish you the very best!

every three years. We found a majority of the properties in our sample of over 1,000 properties had last been visited in excess of the three year window, many in excess of seven years. State Law also requires that the Fulton County Tax Assessors' Office update their Cost Tables – the underlying basis for property valuations – at least every three years. Fulton County's Cost Tables were last updated in 1991." The result, according to the auditors: "The potential is that the Tax Digest is undervalued because of the outdated cost tables, inaccurate property characteristics and inappropriate appraisal technologies."

- **"Inadequate Controls Over The Tax Appeal Process":**
The audit states that "Tax Assessors' Office records indicate frequent links between certain Tax Appraisers and certain Taxpayer Representatives. In one case, 55% of the appeals handled by one County Tax Appraiser were withdrawn, with 94% of the withdrawn appeals associated with a single Taxpayer Representative who is normally paid a contingency on the reduction amount of tax owed by the taxpayer." The result, according to the auditors: "The valuation of properties is open to potential abuse and reduces public confidence in the perception of the property tax process."
- **"Gratuities From Taxpayer Representatives":**
The audit states that "Members of the Fulton County Board of Assessors and management of the County Tax Assessors' Office accepted gratuities from Taxpayer Representatives who were actively working on appeals in the County." The result, according to the auditors: "The integrity of the Board of Assessors and the Office of Tax Assessors is damaged and certain property valuations may have been derived in a less than independent manner."
- **"\$9 Billion Classified As Tax-Exempt":**
Of the total assessed value of \$44.6 billion, the auditors found "9,501 tax-exempt properties with an appraised value of approximately \$9 billion." The auditors tested a total sample of 230 tax-exempt parcels and found that 80% did not support tax exempt status. The result, according to the auditors: "Tax bills are potentially understated because properties are not being taxed and the overall value of Fulton County properties is materially misstated due to the fact that the tax-exempt properties have not been included in the valuation process."
- **"The Methodology For Compiling The Tax Digest Is Not Adequate":**
The audit states: "The methods and process used by the Board of Assessors for compiling the Tax Digest are not adequate. First, the Fulton County Tax Assessors' Office uses the mean ratio not the median ratio as required. Based on the fact that the Tax Assessors' Office has not complied with mass appraisal methodologies, properly managed tax-exempt properties, equitably processed tax appeals, the Tax Digest is not likely to be fair and equitable, or to reasonably

reflect fair market value.” The result, according to the auditors: “Tax billings and related venues are not reasonably reflective of the properties in Fulton County or their respective fair market values.”

The Solution

The FCTA has consulted with highly-respected property assessment and appraisal experts nationwide. Here are the basic elements of a successful solution based on the consensus of these experts:

- * **Board Of Assessors & Staff Should Be Accountable To The County Manager:**

As in the case of every other Fulton County Department, the Board of Assessors – together with its 168 professional staff – should be accountable to the County Manager, with the approval of the Board of Commissioners. This is fundamental.

- **Reviews Must Be Performed On All Professional Staff:**

The next step should be a professional review, by the County Manager, of each of the professional staff, summarily firing those who have been involved in gratuities or kick-backs from Taxpayer Representatives. Unqualified employees should be given 90 days to obtain their certification. Given the scope of work, there is a pressing need for additional, competent professional staff. Although the Chief Appraiser is the nominal Head of Department, it is the County Manager who should authorize the Chief Appraiser to hire far more competent employees.

- **The County Manager Should Provide The Oversight To Enforce Laws:**

Reviews of every appraisal by a Senior Appraiser, a visitation of each property once every three years, and an update of the Cost Tables at least every three years are laws that should be enforced by the County Manager.

- **Professional Review Of Tax-Exempt Properties:**

The County Manager should designate an independent professional firm to review the 9,501 tax-exempt properties to recommend which should be returned to the tax rolls.

- **An Independent Annual Audit:**

Since this Fulton County Department is directly involved in \$112 billion in appraised value (\$44.6 billion in assessed value), the County Manager should appoint a full-time Inspector within the Department and the Department should be independently audited annually.

- **Improved & Separate Boards of Equalization For North & South Fulton:**

Finally, the appeals process must be more equitable: the property owner has 45 days from the date of the Notice of Assessment Change, to appeal based on Uniformity (Is your value comparable to similar properties?) and Value (Did the Tax Assessors assign the correct value to your property?). Appeals are heard by a 3-person Board of Equalization at the downtown County Government Center, 141 Pryor Street. Although the Boards of Equalization are a division of the County Manager’s Office, the members of these Boards are selected from the Grand Jury. Most members of the Boards of Equalization are not adequately trained or experienced in appraising properties. In addition, 79% of the individuals comprising the Boards of Equalization live in the City of Atlanta and are not truly familiar with properties in North and South Fulton. Part of any meaningful solution to the problems of our assessments should be better-trained members of the Boards of Equalization and decentralization of the hearings so that all appeals in North Fulton are heard by Boards of Equalization held at the North Fulton County Government Center – comprising residents of North Fulton - while all appeals in South Fulton are heard by Boards of Equalization held at the South Fulton County Government Center – comprising residents of South Fulton.

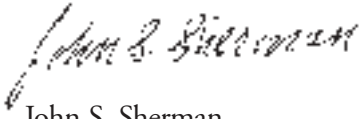
- **General Assembly Must Approve These Changes:**

A House Bill 1187 – amending Article 5 of Chapter 5 of Title 48 of the Official Code Of Georgia Annotated – has been introduced in the House of Representatives by Representative Wendell Willard, co-sponsored by Representatives Mark Burkhalter, Harry Geisinger, Bob Holmes, Ed Lindsey and Joe Wilkinson. Passage of this Bill 1187 is urgently needed to implement the changes mentioned above.

Call To Action

To assure that your property taxes are fair and accurate, members of the FCTA – their family and friends – are urged to email the following members of the House of Representatives and the Fulton County Board of Commissioners, imploring the House Members to pass HB 1187, and the Board of Commissioners to implement the proposed recommendations.

Kind regards,



John S. Sherman
President

Members of the House

Hon. Wendell Willard, 49th District

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Hon. Mark Burkhalter, 50th District

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Hon. Harry Geisinger, 48th District

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Hon. Joe Wilkinson, 52nd District

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