

New Castle County Assessment and Appeal Process

**Presentation by
New Castle County Office of Finance**



Today's Presentation

- Overview of County's assessment process
- Roles and Responsibilities in appeal process
- Paths of an appeal
- Commerce court case
- Municipalities
- Example of an appeal stipulation

New Castle County Assessment Process

- An Assessor within the Assessment Division of the Office of Finance assesses properties in the County. Each Assessor has a Delaware Assessor or Appraiser license issued by the State of Delaware.
- An Assessor assesses a property consistent with the Uniform Standards of Professional Appraisal Practice, and the standards of the International Association of Assessing Officers.
- Assessments must be uniform within the County. Del. Const. Art. VIII, § 1. To ensure uniformity, the County uses the base year method. The County currently uses a base year of 1983.

New Castle County Assessment Process

- The County presents annual assessment rolls to the Board of Assessment Review (“BOAR”) by February 15th. *9 Del. C. § 1322(a)*.
- Assessment rolls are available for public inspection and the County provides notice of availability. *9 Del. C. § 8310; § 8312*.
- A property owner must file an assessment appeal by March 14th. *9 Del. C. § 8311(a)*.
- The County also prepares quarterly supplemental assessment rolls. *9 Del. C. § 8338*. An owner may appeal a supplemental assessment within 30 days after notice. *9 Del. C. § 8343*.

Assessor process for an appeal

- Assessment Division reviews every assessment appeal that is filed. The appealed property is reviewed by an Assessor.
- Assessor evaluates the data and comparable properties that the Appellant has presented in his/her appeal. Assessor visits the property to determine the accuracy of the County's data, such as square footage, and views the condition of the property.
- Comparable properties are examined by either aerial pictures or physical visit.
- Assessor establishes what he/she believes to be the correct assessment of the property based on 1983 market value in compliance with professional standards and guidelines. The Uniform Standards of Property Appraisal Practice ("USPAP") provide the primary guidance for appraisal standards.
- If an appeal is on a commercial property, assessor uses 1983 Income and/or 1983 Replacement Cost in addition to any 1983 sales of similar commercial properties.
- State law *requires* each County board of assessment or Office of Finance to correct errors in assessment lists, to revise all valuations and assessments in their counties, and to lower or increase the assessments and valuations. 9 Del C. § 8302. See § 8311 (appeals and corrections by Board of Assessment Review).

Paths of an appeal

- There are several possible paths that Assessment will follow based on the value that the assessor arrives at for the property.
 1. The appeal is deficient:
County presents the appeal to the Board of Assessment Review (BOAR) for dismissal.
 2. The appeal is withdrawn by the Appellant:
 3. The Assessor's value matches the original assessment:
County defends that value in front of the Board of Assessment Review (BOAR)
 4. The Assessor's value is lower than the original assessment but higher than the Appellant's requested value:
County offers a stipulation to the Appellant for that value. If the Appellant disagrees, the County defends that value in front of the Board of Assessment Review (BOAR).
 5. The Assessor's value matches the Appellant's requested value:
County offers a stipulation to the Appellant for their value.

BOAR Appeal Process

- The BOAR hears appeals by property owners of annual or supplemental assessments. *9 Del. C. 1318(1)*. Owner appeals must be filed in accordance with the rules and forms established by the BOAR. *9 Del. C. § 1318(4); 9 Del. C. § 8311(a)*.
- The BOAR hears assessment appeals four times a year. *Bd. of Assess. Rev. of New Castle Cty. R of Proc., Art. IV § 1*.
- The BOAR is a public body and its hearings are subject to the Freedom of Information Act. *29 Del. C. § 10002(h)*.
- The BOAR deliberates and decides appeals at the hearings, and thereafter, the BOAR issues written decisions. *9 Del. C. § 8312(b)*. If the taxpayer disagrees with the BOAR decision, the taxpayer may appeal to the Superior Court. *9 Del. C. § 8312(c)*.

Discussion of *Commerce Assocs.*

Facts: The building (1201 N. Orange St.) was brand new in 1983. The County assessment was \$432,900 for a floor unit. The owner of several floor units asserted that the proper assessed value was \$249,000 per unit, based upon the depreciation the owner asserted had occurred to each floor unit.

The Delaware Supreme Court held that:

- The County “must consider what the value of the units --- in their current conditions--- would have been in 1983, and so must the [BOAR].”
- The County and the BOAR “must consider all relevant factors bearing on what the units, in their current conditions, would have been valued in 1983. That includes the age of the office building and the resulting depreciation.”

Information on number of appeals filed

- Total outstanding appeals as of 1/1/2017 422
- Total outstanding appeals closed through 3/19/2018 410-
- Total outstanding appeals still open as of 3/19/2018 12

- Total current appeals filed by the 3/14/2018 due date 174

Municipalities may conduct their OWN Assessments

- Municipalities may conduct their own assessments or use County assessments. The exception is that municipalities must use County assessments for agricultural, horticultural or forest uses. *22 Del. C. § 1101-1106.*
- The City of Dover conducts its own assessments and reevaluations.
 - City of Dover Code § 102-1. – Valuation and assessment: Beginning in 2010 and every five years thereafter, unless otherwise directed, the City of Dover reevaluates and reassesses property.
- The City of Wilmington’s Board of Assessment is empowered to assess property and to hear appeals.
 - Wilmington City Charter § 6-115. – Board of Assessment: The board of assessment shall fairly assess all real and personal property taxable by the city in the manner as now or thereafter required by law.
 - Wilmington City Code § 4-101. Outlines the powers of their board of assessment.
 - Although these sections do not speak to the board’s composition, the Board certification for Fiscal Year 2018 listed the City Solicitor, Finance Director and Auditor as board members.

City of Wilmington adopts County Assessments

- City of Wilmington Code § 44-31. – Adoption of county annual and quarterly assessments of municipal property.
 - This section of City code adopts the County assessments and states, “The use of the county assessments shall continue in effect from year to year until revoked by ordinance adopted by the council of the city. During such time that the city adopts county assessments, the director of finance shall designate a point of contact. This designee’s responsibilities shall include providing support for the county’s efforts in researching assessment appeals involving city properties, as well as providing testimony and evidence during public hearings. The liaison shall also monitor the county board of assessment review and share findings and updates pertinent to the city with the director of finance and city council.”

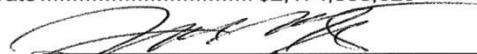
**BOARD OF ASSESSMENT
OF THE CITY OF WILMINGTON
CERTIFICATION OF ASSESSMENT ROLL
FISCAL YEAR 2018**

TO THE DEPARTMENT OF FINANCE:

We, members of the Board of Assessment, hereby certify, in accordance with Wilm. C. (Charter) §6-109(a), that the New Castle County Assessment Report for District 26, as adjusted to reflect the City's tax exemptions, is the official assessment roll or list of the City of Wilmington.

The total assessment and exemptions are as follows:

Total assessment.....	\$3,565,189,858
Total exemptions.....	\$1,390,336,833
Total assessment subject to tax rate.....	\$2,174,853,025



Luke W. Mette

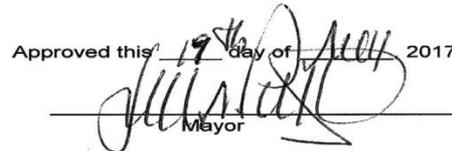

Patrick T. Carter


Tamara S. Thompson

Approved as to form this 15th
day of March, 2017



Assistant City Solicitor

Approved this 19th day of April, 2017


Mayor

Example of an Appeal Stipulation

• Original assessed value of property	\$43,032,000
• <u>Assessed value requested by appeal</u>	<u>9,500,000</u>
• Assessed value at risk	\$33,532,000
• Assessed value accepted by Appellant (through stipulation process)	\$34,663,100
• Assessed value reduction from stipulation	\$8,368,900
• Assessed value saved through stipulation	\$25,163,100

Taxes Saved by Stipulation

Compliment from City of Newark

- The City of Newark’s Finance Director, David Del Grande, recently attended a Board of Assessment Review hearing to observe the County’s defense of a property in the City of Newark. After the hearing, Mr. Del Grande sent an email to express his approval for the work the Assessment Office did on the appeal. Some excerpts from that email are...
 - *“I would like to thank you for your hard work in preparing”*
 - *“Your team presented a convincing case that was evident in the 5-0 decision made by the Board”*
 - *“We understand all the work that goes into these appeals and appreciate your diligence”*