

2019 County-wide Reassessment of Real Properties

August 19, 2019



Why do we reassess property?

- Fair market value is constantly changing due to factors such as location, market demand, age, physical condition, and the state of the economy
- Reassessment ensures that property taxes are determined based on fair market value
- Intent that property owners will pay no more or less than their fair share of the property tax burden



Reassessment Program

- Auditor conducts a county-wide reassessment of all Real Property every 5 years
- Over 250,000 properties
- Based on fair market value as of December 31, 2018
- Last reassessment was based on values as of December 31, 2013
- Increases limited to 15% **“THE CAP”** if ..
 - *No additions or improvements made to property*
 - *No assessable transfer of interest*
- Assessment notices went out in July
- Property tax bills will be issued in October



IMPACT OF THE 15% CAP ON PROPERTY OWNERS

Scenario 1

No Change in Market Value

Prior Fair Market Value

CAP Base
12/31/2013

Maximum
15% Increase
to CAP

Fair Market
Value in 2014

Taxable Value
was capped

2014

Tax Year
2014 CAP

Reassessment
Market Value

Tax Year 2014
Taxable Value

Land	\$ 25,000.00	\$ 28,750.00	\$ 35,000.00	\$ 28,750.00
Improvements	\$ 125,000.00	\$ 143,750.00	\$ 175,000.00	\$ 143,750.00
Total	\$ 150,000.00	\$ 172,500.00	\$ 210,000.00	\$ 172,500.00

No Property Changes/Improvements Since Last Reassessment

2019

CAP Base
12/31/2018

Tax Year
2019 CAP

Reassessment
Market Value

Tax Year 2019
Taxable Value

Land	\$ 28,750.00	\$ 33,062.50	\$ 35,000.00	\$ 33,062.50
Improvements	\$ 143,750.00	\$ 165,312.50	\$ 175,000.00	\$ 165,312.50
Total	\$ 172,500.00	\$ 198,375.00	\$ 210,000.00	\$ 198,375.00

CAP Value
Carry Forward

Maximum
15% Increase
to CAP

New Fair
Market Value

Taxable Value

Scenario 2

Increase in Market Value

	CAP Base 12/31/2013	Tax Year 2014 CAP	2014 Reassessment Market Value	Tax Year 2014 Taxable Value
Land	\$ 25,000.00	\$ 28,750.00	\$ 35,000.00	\$ 28,750.00
Improvements	\$ 125,000.00	\$ 143,750.00	\$ 175,000.00	\$ 143,750.00
Total	\$ 150,000.00	\$ 172,500.00	\$ 210,000.00	\$ 172,500.00

No Property Changes/Improvements Since Last Reassessment

	CAP Base 12/31/2018	Tax Year 2019 CAP	2019 Reassessment Market Value	Tax Year 2019 Taxable Value
Land	\$ 28,750.00	\$ 33,062.50	\$ 50,000.00	\$ 33,062.50
Improvements	\$ 143,750.00	\$ 165,312.50	\$ 225,000.00	\$ 165,312.50
Total	\$ 172,500.00	\$ 198,375.00	\$ 275,000.00	\$ 198,375.00

Scenario 3

Increase in Market Value

	CAP Base 12/31/2013	Tax Year 2014 CAP	2014 Reassessment Market Value	Tax Year 2014 Taxable Value
Land	\$ 25,000.00	\$ 28,750.00	\$ 35,000.00	\$ 28,750.00
Improvements	\$ 125,000.00	\$ 143,750.00	\$ 175,000.00	\$ 143,750.00
Total	\$ 150,000.00	\$ 172,500.00	\$ 210,000.00	\$ 172,500.00

Property Changes/Improvements Since Last Reassessment

	CAP Base 12/31/2018	Tax Year 2019 CAP	2018 Additions	2019 Reassessment Market Value	Tax Year 2019 Taxable Value
Land	\$ 28,750.00	\$ 33,062.50	\$ -	\$ 50,000.00	\$ 33,062.50
Improvements	\$ 143,750.00	\$ 165,312.50	\$ 50,000.00	\$ 275,000.00	\$ 215,312.50
Total	\$ 172,500.00	\$ 198,375.00	\$ 50,000.00	\$ 325,000.00	\$ 248,375.00



IMPACT ON HCS MILLAGE

Assessed Value Comparisons

	2018 Assessed Billed	2019 Assessed W/O Growth	Assessed Value Change	2019 Assessed Plus Growth	New Growth
Residential Real Property	649,445,630	678,221,550	28,775,920	707,473,200	29,251,650
All Other Real Property	1,239,541,077	1,403,662,267	164,121,190	1,499,958,817	96,296,550
Total Real Property	1,888,986,707	2,081,883,817	192,897,110	2,207,432,017	125,548,200
Personal Property	157,823,191	138,360,005	(19,463,186)	138,360,005	-
Vehicles	184,962,035	147,266,772	(37,695,263)	147,266,772	-
Total For Operations	1,582,326,303	1,689,289,044	106,962,741	1,785,585,594	96,296,550
Total For Debt Service	2,231,771,933	2,367,510,594	135,738,661	2,493,058,794	125,548,200

Source: Horry County Assessor

Points to Ponder

- There **will be** appeals regarding the value of property
- The County **expects** that residential exemptions (**4%**) will increase
- The “Rollback” millage calculation does not provide any consideration for the above issues
- The current financing model for facilities includes **expected** growth from reassessment

Impact of Change in Property Use

- Property placed on tax rolls

		Assessment	Assessed		
	Home Value	Ratio	Value	Millage	Taxes
City of Myrtle Beach	100,000	6%	6,000	72.9	437.40
County	100,000	6%	6,000	41.6	249.60
School	100,000	6%	6,000	118.1	708.60

- Owner applies for residential exemption

		Assessment	Assessed		
	Home Value	Ratio	Value	Millage	Taxes
City of Myrtle Beach	100,000	4%	4,000	72.9	291.60
County	100,000	4%	4,000	41.6	166.40
School	100,000	4%	4,000	118.1	-

SC Code 12-37-251 (E)

Formula for “Rollback Millage”

$$\frac{\text{Prior year taxes levied}}{\text{Adjusted total assessed value}}$$

Adjusted total assessed value **excludes:**

- Property or improvements not previously taxed
- New construction
- Renovation of existing structures
- Assessable transfers of interest (property changes)

SC Code 6-1-320

Millage may be adjusted by the following:

- The average CPI for the most recent 12 month period (2.44%)
- New in 2007, the percentage increase in the population (3.46% increase 2017 to 2018)
- Three year “look back” for millage increases allowed pursuant to the above items that have not been previously imposed
- A deficiency, catastrophic event, or compliance with a court order.

General Fund Calculation

2018-19 Taxes Levied	194,784,368
Total Assessed Value	1,689,289,044
Millage Calculation	115.3
Apply CPI (2.44%)	118.1
Current Millage	123.1
Millage Decrease	(5.0)

Debt Service Calculation

2018-19 Taxes Levied	22,317,719
Total Assessed Value	2,367,510,594
Millage Calculation	9.4
Current Millage	10.0
Millage Decrease	-