

SECTION I:
INTRODUCTION

PREFACE

This edition of the personal property appraisal manual represents our continued effort to improve the quality of personal property assessment in North Carolina. It is our hope that the use of this manual will be of assistance to all county property appraisers as you undertake the difficult task of personal property valuation. It is our intention to keep this manual as current as possible, and any suggestions or comments you have will be appreciated.

This edition features updated legal, listing, and machinery & equipment appraisal sections. The addition of the Statewide Abstract is also incorporated in this manual. The manual will continue to evolve with each subsequent publication as we learn more about the appraisal of personal property. We would like to recognize the contributions of our former staff members, Roger Ellis and Jim Wagner for their work on the earlier editions of the manual. In addition, we would like to thank all the support staff of our office for their efforts in preparing the manuscript.

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INTRODUCTION

Appraisal of Personal Property

The listing and appraisal of personal property for ad valorem tax purposes is a complex task which can create a major problem in an assessor's office if not done in a professional manner that promotes uniformity and equity among all business taxpayers.

The appraisal of real property is made easier by the volume of books and trade journals published, as well as the number of courses offered by various appraisal institutes. The valuation of personal property, on the other hand, has not had the benefit of similar treatment. While the subject has not been covered as diligently, the basic rules of appraisal apply to both classes of property.

Purpose of Manual and Course

The main purpose of the course is to provide an overview of the listing, assessing, and processing of business personal property taxes as they are administered in the day-to-day environment and operation of the local county tax department. Another useful purpose of the business personal property course is to satisfy one of the basic education requirements for county assessors and appraisers pursuant to G.S. 105-294. This course can also help meet the continuing education requirements necessary in order to remain current as a county assessor or appraiser.

The purpose of the manual is to lend written support to the business personal property tax course as it sets out to educate, equip, inform, and provide instruction on the various aspects of personal property taxation. The manual has been developed to provide broad guidance in the appraisal of personal property through the use of generally accepted techniques and procedures. It should be used as a ready resource and reference book to provide guidance in matters concerning personal property. This manual merges accounting principles and accepted appraisal practices into a sound methodology for the mass appraisal of personal property, commonly referred to as “The accounting approach to value.”

In summary, the manual is intended to be an overall guide that deals with various classes of personal property used in connection with a business enterprise. It has been developed as a text for instructional purposes and also as a reference guide in the appraisal process. It represents a convenient tool for use by the appraiser in exercising sound appraisal judgment, but it is not intended to cover every situation that may be encountered in the appraisal process.

Scope of Manual and Table of Contents

This manual covers the following areas:

- Section I: Introduction
- Section II: Definitions and Terms
- Section III: Classification of Real and Personal Property
- Section IV: Legal Requirements in North Carolina
- Section V: Accounting for Appraisers
- Section VI: Listing and Processing
- Section VII: The Appraisal of Personal Property
- Section VIII: The Appraisal of Business Personal Property
- Section IX: Support Materials

2019 Cost Index And Depreciation Schedules