



JASON E. MUMPOWER
Comptroller

March 31, 2026

MEMORANDUM

TO: Tommy Hyatt
Giles County Assessor of Property

FROM: Bryan Kinsey, AAS *BLK*
Director, Division of Property Assessments

SUBJECT: 2026 Appraisal Ratio

Pursuant to Tenn. Code Ann. §§ 67-5-1601 — 1606, the Division of Property Assessments (DPA) has completed the 2026 appraisal ratio study for Giles County. Appraisal ratio studies measure the relationship between appraised values established in the most recent revaluation year and current market value reflected in the sale prices of arm's-length sales verified by the assessor's office. The study also included a proportionate number of 100% ratios added to represent public utility property.

The overall median ratio for all assessed property is the measure of central tendency historically certified by the State Board of Equalization (SBOE) as the appraisal ratio for each county. The overall median ratio of **0.7238** will be recommended to the SBOE at its April 13, 2026 meeting.

Personal property and public utility assessments are equalized by the appraisal ratio adopted by the SBOE. Keep this in mind when determining the total assessment to be used in the budget and tax rate process.

Thank you for your cooperation and assistance in this effort. If you have any questions, please contact Macy Brower, Assistant Director, at 615.401.3023.

c: Giles County Trustee
Giles County Mayor

Issue Paper — State Ratio Study (April 2026)

How the Ratio Impacts the Property Tax Penny



Summary

Giles County will have a reappraisal in 2027. In preparation, the State recently completed a ratio study — a comparison of assessed values to actual sale prices — to measure how current property assessments compare to market values.

The county collects property taxes on three main types of property: real estate (land and buildings), personal property (primarily business equipment, vehicles and machinery), and utility property.

The county's ratio is **0.7238**, indicating that, on average, values on the tax rolls are below current market levels, which is typical prior to reappraisal.

The state uses this ratio to adjust personal property and utility property so all property types are taxed fairly. This process does not change the tax rate, but it will change how much revenue the county receives.

What the Ratio Means (Why This Happens)

- The ratio is based on real estate sales and reflects how assessed values compare to today's market
- Between reappraisals, real property values stay mostly unchanged
- Personal property and utilities, however, are updated regularly

Without this adjustment, those property types would be taxed on more current (higher) values than real estate. The state corrects this by applying the ratio to bring those values down for fairness.

What Will Happen This Year

Because the ratio is 0.7238 (below 1.00):

- The state will reduce the taxable value of personal property and utility property
- This reduction is automatic and required
- The county does not control this adjustment

Example:

If a business has \$100,000 in equipment, it will be taxed on \$72,380 instead of \$100,000.



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Why This Matters for the Budget

This adjustment has a direct financial impact:

- It reduces part of the county's tax base
- A smaller tax base means less revenue generated per penny of tax

In practical terms, even if the tax rate stays the same, the county will collect less revenue from these property types than it otherwise would have.

What Determines the Impact

The overall impact depends on whether growth offsets this ratio reduction.

In most cases, growth (such as new construction) offsets the loss in value. If growth is not sufficient, the county could face a revenue shortfall. The full impact will not be known until the Assessor establishes the FY26–27 penny value.

What a Revenue Gap Means

If the reduction is not offset, the Commission must decide:

- Reduce expenditures
- Use Fund Balance (reserves)
- Adjust the tax rate to maintain revenue

These are the only tools available to address any shortfall.

Key Takeaways

- The ratio is **0.7238**, reflecting pre-reappraisal conditions
 - The state will reduce certain property values for fairness
 - This will lower part of the tax base
 - The tax rate does not automatically change, but revenue will be impacted downward
 - The final impact depends on whether penny growth offsets the reduction
 - The Commission will need to assess, and if necessary, take action to close the gap
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Reference

Additional information is available through the [CTAS article on ratio studies and equalization.](#)

Conclusion

This is not just a technical adjustment—it is a budget variable.

The ratio study will reduce part of the tax base, and the Commission should be prepared to address the impact during the budget process if growth does not offset it.