Billboard Structures

Valuation Guide

2019

(Effective for Tax Year 2019)

North Carolina Department of Revenue
Local Government Division
Property Tax Section

Overview

Based on the experience gained with the implementation of the first Billboard Structures Valuation Guide, we have made revisions to the current guide to reflect the changes in costs associated with the construction of billboards. We feel these changes will simplify the valuation process used by the local taxing jurisdictions and enhance the uniformity and accuracy in the valuation of outdoor advertising for mass appraisal purposes. In this guide, the base cost has already been determined with the additional improvements included in the square foot base cost. This cost per square foot has been extended out to a total value for each specific class with the billboard structure categorized by type of construction, size, and height above ground level. In addition, a current depreciation schedule has been provided at the back of the guide. The appraiser will locate the type and size of each billboard, make any necessary construction adjustments, and then apply the appropriate depreciation to come up with the billboard value for assessment purposes.

The Billboard Structures Valuation Guide is effective for January 1, 2019. The methodology is based on current data and is not applicable to prior years. Counties adopting these schedules should also consider this as a guide for the mass appraisal of billboards, understanding that it will not cover every possible sign type and configuration. The appraiser may need to make additional adjustments for location, conditions, and other structures not covered by these schedules.

The values provided in the classification tables include the cost conversion factor, derived from data made available in the Producer Price Indexes prepared by the Bureau of Labor Statistics. This factor will take into consideration any changes in the cost to construct billboards and will keep the guide updated on a yearly basis.

Introduction to Billboards

An outdoor advertising sign in the form of a billboard consists of at least one display panel and the supporting framework. Billboards may be freestanding, mounted to buildings, or attached to other structures. Modern billboards conform to engineering standards and are constructed of steel, while older billboard structures are made of wood or angle iron frames. A billboard may be smaller than the permitted size. This allows for the addition of a cutout or extension within the square foot envelope of the permitted area. Billboards vary in display position and size, but the industry standard display faces include:

6 ft. x 12 ft. = 72 square feet
8 ft. x 12 ft. = 96 square feet
10 ft. x 22 ft. = 220 square feet
10 ft. x 24 ft. = 240 square feet
12 ft. x 25 ft. = 300 square feet
10.5 ft. x 36 ft. = 378 square feet
12 ft. x 40 ft. = 480 square feet
14 ft. x 48 ft. = 672 square feet
16 ft. x 60 ft. = 960 square feet
20 ft. x 50 ft. = 1,000 square feet

The typical arrangements of display faces include: single face, double face, V-built, side- by-side, stacked, and tri-build configurations.

Billboard companies enter into sales contracts for advertising space on their billboards. Advertisements are designed and/or produced by a billboard company or an advertising agency in response to client specifications. Advertising space is often marketed for a group of billboards rather than for a single billboard. Group sales are called "showings." Showings are based on demographic information and are designed to target a market with a specified level of advertising exposure. The client has no interest in the real property.

Billboard sites are typically leased from an unrelated third party who owns the land or structure to which the billboard is affixed. The owner of the site generally has no interest in the billboard structure. A billboard site, the land or structure upon which a billboard is situated, is generally limited to an area large enough to accommodate the billboard structure and foundation, as well as enough space to provide for service and maintenance work.

Valuation of Billboard Structures

As with the appraisal of other property for local tax purposes, the three accepted approaches to value (income, sales comparison, and replacement cost less depreciation) should be considered when valuing billboard structures.

The sales comparison approach requires verifiable accurate sales information of individual billboards. Outdoor advertising structures are generally sold in bulk and the transfers include ongoing concern and host agreements. These transfers typically are not recorded on filed deeds; therefore, it may be difficult to obtain information on the sale of billboards. When information becomes available, an allocation of the sales price for billboard structures may be necessary.

The income approach requires net operating income to be capitalized into a value for a specific property. The income realized from the sale of advertising space is business income that may be difficult to obtain and may include income components that should not be considered when determining property tax valuation in North Carolina. Additionally, if the income approach is used, economic rent must be applied. Therefore, careful consideration and accurate income analysis must be made or the income approach will not yield reliable results.

There are many difficulties inherent in the appraisal of billboards when applying the sales comparison and the income approach to value. For assessment purposes in North Carolina, our office recommends these structures be treated as personal property and appraised using the cost approach. The cost approach provides an efficient methodology to uniformly value billboard structures. In fact, the use of this guide to value billboard structures has been supported and affirmed by the North Carolina Court of Appeals in the Interstate Outdoor Incorporated vs. Johnston County case filed on September 16, 2014. The replacement cost less depreciation avoids the complicated allocation process and other issues associated with the income and sales comparison approaches.

The data contained in this guide is based on information extracted from material costs, labor, and other integral components of billboard construction. The valuation of each sign will be determined by calculating the replacement cost new (RCN) and then deducting depreciation based on an effective age depreciation schedule. The effective age schedule is provided to assist appraisers in estimating loss in value due to physical depreciation, functional obsolescence, and economic obsolescence. The depreciation schedule is based on a 25-year life for wooden structures and a 50-year life for steel structures. It is recommended that the depreciation not be lowered more

than 35 percent remaining good on both wood and steel structures, as long as the structures are continuing to produce a viable income stream. For the vast majority of billboards, no negative or positive adjustment is appropriate for physical condition. As long as a billboard structure can support a sign face, the physical condition most likely has little effect on the income stream, and therefore, the physical condition may not be particularly important. Only the worst structures, and perhaps the very best billboards, will fall outside of the recommended schedules.

This guide is a publication of:

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WORKS CITED

"Guidelines for the Assessment of Billboard Properties." State of California, Board of Equalization: 2002

International Association of Assessing Officers. "The Valuation of Outdoor Advertising Structures." *Assessment Digest*, Volume 13, Number 4, 1991

State of New Jersey, Department of the Treasury, Division of Taxation, Real Property Appraisal Manual of New Jersey Assessor's, "Assessment of Billboards."

Oregon Department of Revenue, *Billboard Cost Factors (Off Premise Outdoor Advertising) Revised 2007*

Wright, Jeffrey and Paul Wright. *Billboard Appraisal: The Valuation of Off-Premise Advertising Signs.* United State of America, 2001

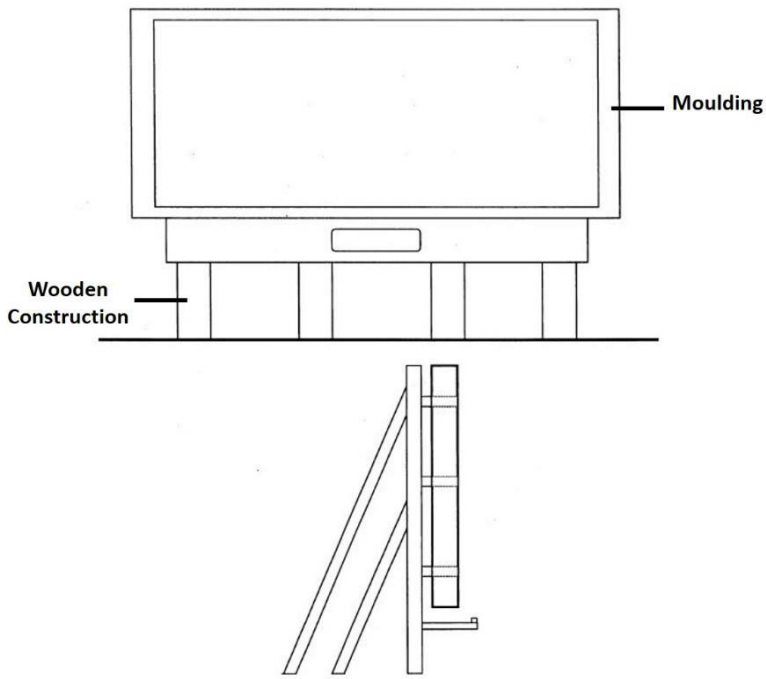
Billboard Categories and Definitions

For assessment purposes, billboards are grouped into four structural classifications, or categories, based on the building materials used and the underlying support system. The four classifications include: wood, steel frame, multi-mast steel, and monopole.

CLASS 1 WOOD STRUCTURE

This class of billboards is constructed with wood posts or pole supports with dimensional lumber as the secondary support (A-frame) with a wood or metal catwalk and a single display panel. Supports may be imbedded in the ground. There may be a foundation of concrete or gravel. Lighting, if present, is either fluorescent or mercury vapor.

ILLUSTRATION OF WOOD STRUCTURE



WOOD SINGLE FACE

WOOD V-BUILT

CLASS 1-WOOD POLE A FRAME CONSTRUCTION

BASE SPECIFICATIONS

1. STRUCTURE - Wood support poles or posts.

2. FOUNDATION - Embedded in ground or equivalent.

3. PLATFORM OR CATWALK -Included in Base.

4. PANELS - Included in Base.

5. APRON - Included in Base.

6. LIGHTING - Included in Base.

7. ADDITIONAL PANELS - None.

TOTAL BASE COST PER STRUCTURE

1A- SINGLE FACE WOOD A FRAME

Size	0-20' HAGL	21-30' HAGL	31-40' HAGL	41-55' HAGL	56-80' HAGL	80+' HAGL
300'	$ 7,510	$ 8,340	$ 10,000	$ 10,900		
378'	$ 8,800	$ 9,800	$ 11,790	$ 12,670		
480'	$ 10,410	$ 12,240	$ 15,910	$ 16,550		
672'	$ 14,050	$ 16,550	$ 21,570	$ 22,360		

1B- DOUBLE FACE WOOD A FRAME

Size	0-20' HAGL	21-30' HAGL	31-40' HAGL	41-55' HAGL	56-80' HAGL	80+' HAGL
300'	$ 9,800	$ 10,900	$ 13,110	$ 14,130		
378'	$ 11,390	$ 12,670	$ 15,230	$ 16,430		
480'	$ 14,000	$ 16,430	$ 21,350	$ 22,250		
672'	$ 19,010	$ 22,360	$ 29,030	$ 30,140		

1C- V BUILT AND SIDE BY SIDE WOOD A FRAME

Size	0-20' HAGL	21-30' HAGL	31-40' HAGL	41-55' HAGL	56-80' HAGL	80+' HAGL
300'	$ 15,010	$ 16,670	$ 20,030	$ 21,680		
378'	$ 17,620	$ 19,560	$ 23,450	$ 25,480		
480'	$ 20,790	$ 24,460	$ 31,820	$ 33,030		
672'	$ 28,200	$ 33,140	$ 43,040	$ 44,710		

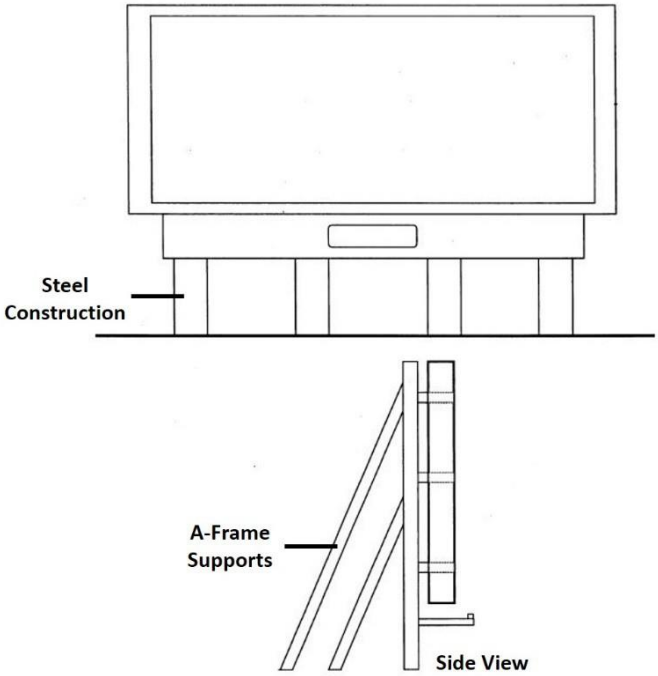
CONSTRUCTION ADJUSTMENTS

See worksheet for construction adjustments

CLASS 2 STEEL A-FRAME CONSTRUCTION

This class of billboards is constructed with angle iron or steel supports with metal framing, catwalk, and a single display panel. Supports may be imbedded in the ground. There may be a foundation of concrete or gravel. Lighting, if present, is either fluorescent or mercury vapor.

ILLUSTRATION OF STEEL A-FRAME CONSTRUCTION



STEEL A-FRAME DOUBLE FACE

STEEL A-FRAME V-BUILT

CLASS 2- STEEL A FRAME CONSTRUCTION

BASE SPECIFICATIONS

1. STRUCTURE - Steel pole, angle iron, I beam or equivalent as primary support.

2. FOUNDATION - Concrete gravel or equivalent.

3. PLATFORM OR CATWALK -Included in Base.

4. PANELS - Included in Base.

5. APRON - Included in Base.

6. LIGHTING - Included in Base.

7. ADDITIONAL PANELS - None.

TOTAL BASE COST PER STRUCTURE

2A- SINGLE FACE A FRAME STEEL

Size	0-20' HAGL	21-30' HAGL	31-40' HAGL	41-55' HAGL	56-80' HAGL	80+' HAGL
300'	$ 19,330	$ 21,470	$ 25,570			
378'	$ 20,210	$ 23,770	$ 30,470			

2B- DOUBLE FACE A FRAME STEEL

Size	0-20' HAGL	21-30' HAGL	31-40' HAGL	41-55' HAGL	56-80' HAGL	80+' HAGL
300'	$ 26,060	$ 28,970	$ 34,490			
378'	$ 28,380	$ 33,400	$ 42,810			

2C- V BUILT A FRAME STEEL

Size	0-20' HAGL	21-30' HAGL	31-40' HAGL	41-55' HAGL	56-80' HAGL	80+' HAGL
300'	$ 38,590	$ 42,870	$ 51,050			
378'	$ 40,390	$ 47,540	$ 60,940			

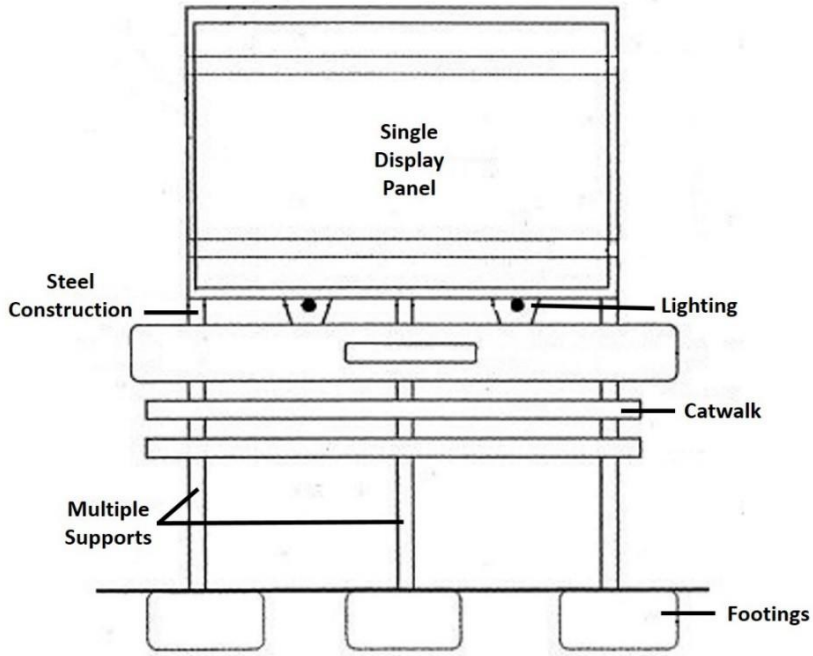
CONSTRUCTION ADJUSTMENTS

See worksheet for construction adjustments

CLASS 3 MULTI-MAST STRUCTURE

This class of billboards is constructed with steel poles, I-beam or equivalent as primary support, with a catwalk, and a single display panel. Lighting is fluorescent or mercury vapor.

ILLUSTRATION OF MULTI-MAST STRUCTURE



STEEL MULTI-MAST DOUBLE FACE STACKED DISPLAYS

STEEL MULTI-MAST DOUBLE FACE

CLASS 3- MULTI MAST STEEL

BASE SPECIFICATIONS

1. STRUCTURE - Steel pole, angle iron, I beam or equivalent as primary support.

2. FOUNDATION - Concrete gravel or equivalent.

3. PLATFORM OR CATWALK -Included in Base.

4. PANELS - Included in Base.

5. APRON - Included in Base.

6. LIGHTING - Included in Base.

7. ADDITIONAL PANELS - None.

TOTAL BASE COST PER STRUCTURE

3A- SINGLE FACE MULTI MAST STEEL

Size	0-20' HAGL	21-30' HAGL	31-40' HAGL	41-55' HAGL	56-80' HAGL	80+' HAGL
300'	$ 23,010	$ 25,570	$ 30,440			
378'	$ 27,410	$ 30,470	$ 36,270			
480'	$ 31,840	$ 35,350	$ 42,100			
672'	$ 37,810	$ 42,040	$ 50,040			

3B- DOUBLE FACE MULTI MAST STEEL

Size	0-20' HAGL	21-30' HAGL	31-40' HAGL	41-55' HAGL	56-80' HAGL	80+' HAGL
300'	$ 31,100	$ 34,560	$ 41,150	$ 48,990		
378'	$ 37,410	$ 41,570	$ 49,490	$ 58,910		
480'	$ 42,380	$ 47,080	$ 56,050	$ 66,730		
672'	$ 49,760	$ 55,290	$ 65,820	$ 78,380		

3C- V BUILT MULTI MAST STEEL

Size	0-20' HAGL	21-30' HAGL	31-40' HAGL	41-55' HAGL	56-80' HAGL	80+' HAGL
300'	$ 37,410	$ 41,570	$ 49,490	$ 58,910		
378'	$ 46,070	$ 51,210	$ 60,940	$ 72,540		
480'	$ 52,300	$ 58,100	$ 69,160	$ 82,360		
672'	$ 62,220	$ 69,110	$ 82,290	$ 97,950		

CONSTRUCTION ADJUSTMENTS

See worksheet for construction adjustments

CLASS 4 MONOPOLE STRUCTURE

This class of billboards is constructed with tubular steel support (of various circumferences), tubular steel framing, metal catwalk and a single display panel. The foundation is concrete. Lighting is fluorescent or mercury vapor.

ILLUSTRATION OF MONOPOLE

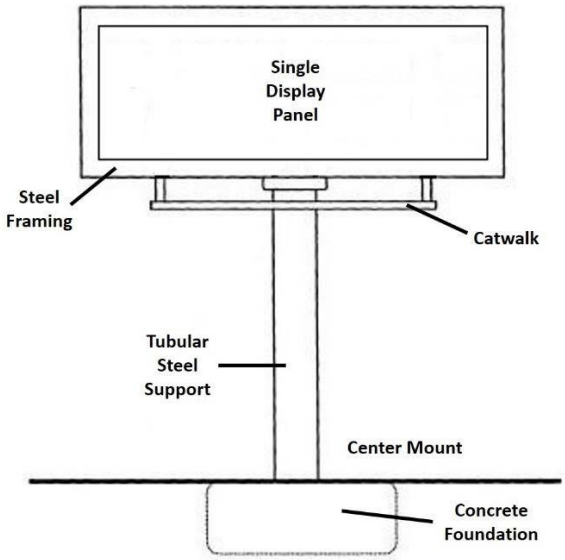
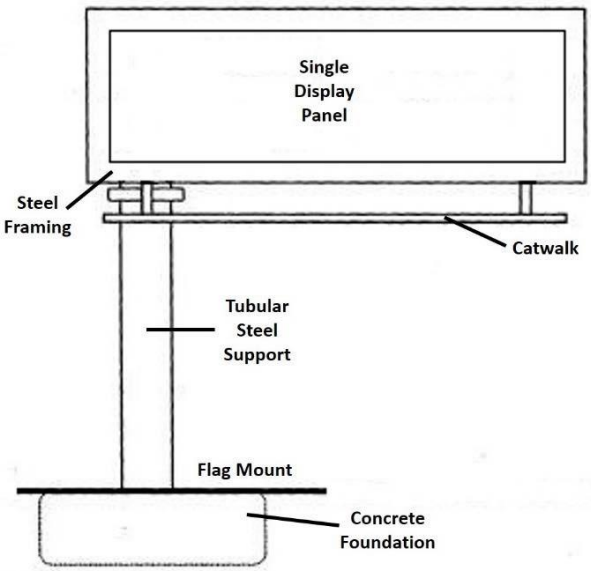
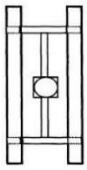


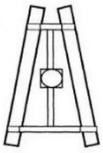
ILLUSTRATION OF MONOPOLE



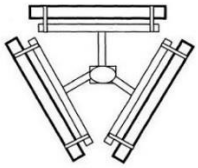
DISPLAY CONFIGURATIONS



Double Face



V Face



Tri-sided

FLAG MONOPOLE DOUBLE FACE

CENTER MONOPOLE DOUBLE FACE

CENTER MONOPOLE V FACE

CENTER MONOPOLE TRI-SIDED

CLASS 4- STEEL MONOPOLE CONSTRUCTION

BASE SPECIFICATIONS

1. STRUCTURE - Tubular Steel Supports.
2. FOUNDATION - Poured concrete.
3. PLATFORM OR CATWALK -Included in Base.
4. PANELS - Included in Base.
5. APRON - Included in Base.
6. LIGHTING - Included in Base.
7. ADDITIONAL PANELS - None.

TOTAL BASE COST PER STRUCTURE

4A- SINGLE POLE SINGLE FACE CENTER MOUNTED MONOPOLE

Size	0-20' HAGL	21-30' HAGL	31-40' HAGL	41-55' HAGL	56-80' HAGL	80+' HAGL
300'	$ 25,080	$ 27,690	$ 32,930	$ 38,140	$ 48,600	$ -
378'	$ 26,290	$ 30,690	$ 39,490	$ 48,260	$ 65,820	$ -
480'	$ 38,440	$ 42,380	$ 50,260	$ 58,150	$ 74,060	$ -
672'	$ 51,230	$ 55,260	$ 63,390	$ 71,510	$ 87,840	$ 102,310
960'	$ 61,330	$ 65,400	$ 73,510	$ 81,620	$ 97,960	$ 120,320
1000'	$ 67,770	$ 71,830	$ 79,950	$ 88,060	$ 104,420	$ 126,760

4B- SINGLE POLE SINGLE FACE PARTIAL FLAG MONOPOLE

Size	0-20' HAGL	21-30' HAGL	31-40' HAGL	41-55' HAGL	56-80' HAGL	80+' HAGL
300'	$ 26,070	$ 28,810	$ 34,240	$ 39,710	$ 50,490	$ -
378'	$ 27,470	$ 32,040	$ 41,150	$ 50,260	$ 68,510	$ -
480'	$ 39,930	$ 44,050	$ 52,270	$ 60,490	$ 77,050	$ -
672'	$ 52,970	$ 57,280	$ 65,820	$ 74,390	$ 91,420	$ 106,310
960'	$ 63,550	$ 67,830	$ 76,410	$ 84,940	$ 101,980	$ 125,190
1000'	$ 70,230	$ 74,500	$ 83,050	$ 91,630	$ 108,540	$ 131,890

4C- SINGLE POLE SINGLE FACE FULL FLAG MONOPOLE

Size	0-20' HAGL	21-30' HAGL	31-40' HAGL	41-55' HAGL	56-80' HAGL	80+' HAGL
300'	$ 39,100	$ 41,010	$ 47,810	$ -	$ -	$ -
378'	$ 41,210	$ 45,600	$ 54,380	$ 63,170	$ 80,730	$ -
480'	$ 56,230	$ 59,700	$ 66,730	$ 73,730	$ 87,950	$ -
672'	$ 60,610	$ 64,720	$ 72,940	$ 81,170	$ 97,550	$ 112,880
960'	$ 70,900	$ 74,960	$ 83,050	$ 91,180	$ 107,550	$ 131,000
1000'	$ 78,670	$ 82,620	$ 90,520	$ 98,420	$ 113,990	$ 138,570

CONSTRUCTION ADJUSTMENTS

See worksheet for construction adjustments

CLASS 4- STEEL MONOPOLE CONSTRUCTION (CONTINUED)

BASE SPECIFICATIONS

1. STRUCTURE - Tubular Steel Supports.

2. FOUNDATION - Poured concrete.

3. PLATFORM OR CATWALK -Included in Base.

4. PANELS - Included in Base.

5. APRON - Included in Base.

6. LIGHTING - Included in Base.

7. ADDITIONAL PANELS - None.

TOTAL BASE COST PER STRUCTURE

4D- SINGLE POLE DOUBLE & V FACE CENTER MOUNTED MONOPOLE

Size	0-20' HAGL	21-30' HAGL	31-40' HAGL	41-55' HAGL	56-80' HAGL	80+' HAGL
300'	$ 36,670	$ 38,720	$ 42,810	$ -	$ -	$ -
378'	$ 39,930	$ 42,140	$ 46,580	$ 51,050	$ 60,060	$ -
480'	$ 46,380	$ 50,380	$ 58,390	$ 66,390	$ 82,290	$ -
672'	$ 55,650	$ 59,960	$ 68,510	$ 77,050	$ 94,280	$ 113,410
960'	$ 64,990	$ 69,620	$ 78,840	$ 88,060	$ 106,540	$ 131,000
1000'	$ 71,340	$ 75,960	$ 85,170	$ 94,410	$ 112,880	$ 137,450

4E- SINGLE POLE DOUBLE & V FACE PARTIAL FLAG MONOPOLE

Size	0-20' HAGL	21-30' HAGL	31-40' HAGL	41-55' HAGL	56-80' HAGL	80+' HAGL
300'	$ 38,050	$ 40,190	$ 44,470	$ -	$ -	$ -
378'	$ 41,480	$ 43,820	$ 48,480	$ 53,150	$ 62,490	$ -
480'	$ 48,200	$ 52,390	$ 60,710	$ 69,040	$ 85,640	$ -
672'	$ 57,650	$ 62,180	$ 71,180	$ 80,160	$ 98,070	$ 135,550
960'	$ 67,610	$ 72,390	$ 81,950	$ 91,520	$ 110,760	$ 156,700
1000'	$ 74,270	$ 79,050	$ 88,630	$ 98,180	$ 117,430	$ 164,240

4F- SINGLE POLE DOUBLE & V FACE FULL FLAG MONOPOLE

Size	0-20' HAGL	21-30' HAGL	31-40' HAGL	41-55' HAGL	56-80' HAGL	80+' HAGL
300'	$ 51,480	$ 53,470	$ 57,430	$ -	$ -	$ -
378'	$ 56,100	$ 58,270	$ 62,610	$ 66,950	$ 75,720	$ -
480'	$ 56,480	$ 61,280	$ 70,830	$ 80,400	$ 99,650	$ -
672'	$ 61,560	$ 66,730	$ 77,050	$ 87,400	$ 108,210	$ 123,990
960'	$ 75,840	$ 80,400	$ 89,510	$ 98,650	$ 117,200	$ 143,910
1000'	$ 81,510	$ 86,290	$ 95,840	$ 105,410	$ 124,660	$ 151,340

CONSTRUCTION ADJUSTMENTS

See worksheet for construction adjustments

CLASS 4- STEEL MONOPOLE CONSTRUCTION (CONTINUED)

BASE SPECIFICATIONS

1. STRUCTURE - Tubular Steel Supports.

2. FOUNDATION - Poured concrete.

3. PLATFORM OR CATWALK -Included in Base.

4. PANELS - Included in Base.

5. APRON - Included in Base.

6. LIGHTING - Included in Base.

7. ADDITIONAL PANELS - None.

TOTAL BASE COST PER STRUCTURE

4G- TRI-SIDED CENTER MOUNTED

Size	21-30' HAGL	31-40' HAGL	41-55' HAGL	56-80' HAGL	80+' HAGL
300'					
378'					
480'					
672'		$ 117,200		$ 151,340	$ 214,050
960'					
1000'					

4H- TRI-SIDED STACKED CENTER MOUNTED

Size	21-30' HAGL	31-40' HAGL	41-55' HAGL	56-80' HAGL	80+' HAGL
300'					
378'					
480'					
672'		$ 109,550			
960'					
1000'					

CONSTRUCTION ADJUSTMENTS

See worksheet for construction adjustments

Billboard Valuation Worksheet

Total Base Cost of Structure	$_____
Construction Adjustments:	
Additional Reported Costs	+_____ = _____
Stacked Displays: Add 25%	+_____ = _____
No Illumination: Deduct 5%	-_____
Replacement Cost New (RCN)	=_____
Apply Percent Good from Depreciation Schedule pg. 25	x_____
Value of Billboard Structure	=_____ A.
Additional Adjustments (if needed):	
Tri-vision/Digital Face Cost	$_____
Apply Percent Good from I-8 Schedule pg. 24	x_____
Value of Tri-vision/Digital Sign Face	=_____ B.
BILLBOARD VALUE (Line A + Line B)	$_____

Special Valuation Information

Additional Reported Costs – Add any additional costs provided by the sign owner for non-typical construction costs such as foundational, electrical, or façade costs due to the design of the billboard.

Stacked Displays – Up to two display panels are included in the base cost per structure as indicated in the tables. For billboard structures with more than two display panels, where the panels are stacked one on top of the other, add 25% of the indicated value back into that value to account for the additional construction costs.

Illumination – For signs without lighting, remove 5% of the sub-total costs.

Tri-vision/Digital Sign Faces – Reported costs for Tri-vision/Digital faces should be valued using the I-8 depreciation schedule found on page 24. Apply the percent good factor to the face cost.

Side-by-Side Displays – Where the billboard structure configuration is indicated to be horizontally side-by-side and of **steel construction**, appraise this constructed arrangement as one billboard structure. Add the square footage of the faces together to determine the face size of the structure.

Sign Face Default – In situations where the reported size of the sign face is not shown on the valuation grid, appraise this sign by defaulting to the next largest sized sign face provided in the list of standard face sizes.

Sign Face Above Standard – Where the billboard owner's reported size of the sign face is greater than the highest standard size, divide the base cost of the table's highest standard face size by that square footage number and then multiply that number times the reported face size to arrive at the base cost.

Billboard Structure Appraisal Examples

Refer to sample schedule I-1 on page 18 for data used in the following examples.

Example #1

Using page 6 in the guide, the description shows a **1-C** Side-By-Side Wood A-Frame Structure at a 25' HAGL with the largest panel face at 300 square feet. The structure has 4 panel faces and is in a side-by-side configuration. The panel faces are not illuminated (lighted) and the structure was originally built in 2005.

The base cost using the data provided indicates an amount of $16,670. Because there are 2 additional panel faces, the appraiser must add 25% to the base cost. So, $16,670 + $4,168 (25% of $16,670 = $4,168) = $20,838. Because the structure is not illuminated, the appraiser must subtract 5% from the total cost of $20,838. So, $20,838 - $1,042 (5% of $20,838 = $1,042 rounded) = $19,796. The year of original construction was 2005, so the sign is 14 years old for the 2019 listing of this asset. From the depreciation table on page 25 of the guide, a wood constructed billboard structure that is 14 years old, has a 44% good factor of value remaining, or 56% depreciation applied to the adjusted base cost. So, the appraiser applies 56% depreciation to $19,796 (56% of $19,796 = $11,086 rounded) by subtracting $11,086 for a final appraised value of **$8,710**.

Example #2

Using page 10 in the guide, the description shows a **3-B** Double Face Multi-Mast Steel Structure at a 40' HAGL with the largest panel face at 378 square feet. The structure has 4 panel faces and is in a stacked configuration. The panel faces are illuminated (lighted) and the structure was originally built in 2008.

The base cost for the data provided indicates an amount of $49,490. Because there are 2 additional faces and the structure is in a stacked configuration, the appraiser must add 25% to the base cost. So, $49,490 + $12,373 (25% of $49,490 = $12,373 rounded) = $61,863. The cost for illumination (lighting) has already been included in the base cost so no additional reduction in cost is necessary. The year of original construction was 2008, so the sign is 11 years old for the 2019 listing of this asset. From the depreciation table on page 25 of the guide, a steel constructed billboard structure that is 11 years old, has a 78% good factor of value remaining, or 22% depreciation applied to the adjusted base cost. So, the appraiser applies 22% depreciation to $61,863 (22% of $61,863 = $13,610 rounded) by subtracting $13,610 for a final appraised value of **$48,253**.

Example #3

This is an example of how to appraise a billboard structure that has digital sign face, a tri-vision/tri-fold sign face, or an LED sign face.

Using page 12 in the guide, the description shows a **4-A** Single Pole Single Face Center Mounted Monopole Structure at a 40' HAGL with the panel face at 378 square feet. The panel face has a cost of $150,000 due to being a digital, tri-vision, or LED constructed component and the panel face is illuminated (lighted).

The base cost for the data provided indicates an amount of $39,490. The cost for illumination (lighting) has already been included in the base cost so no additional reduction in cost is necessary. The year of original construction was 2009, so the sign is 10 years old for the 2019 listing of this asset. From the depreciation table on page 25 of the guide, a steel constructed billboard structure that is 10 years old, has an 80% good factor of value remaining, or 20% depreciation applied to the adjusted base cost. So, the appraiser applies 20% depreciation to $39,490 (20% of $39,490 = $7,898) by subtracting $7,898 for an adjusted value attributable to the structure of **$31,592**.

Next, the $150,000 cost reported by the sign owner is depreciated using the I-8 Schedule from the 2019 North Carolina Department of Revenue Cost Index & Depreciation Schedules. This depreciation schedule is listed on page 24 in this guide book and on page 20 of the 2019 Cost Index & Depreciation Schedules document and it has a 25% good factor of value remaining in the 10th year. Therefore, 75% depreciation is applied to the sign face cost reported by the owner. So, the appraiser applies 75% depreciation to $150,000 (75% of $150,000 = $112,500) by subtracting $112,500 for an adjusted value attributable to the sign face of **$37,500**.

The last step is to combine the adjusted value of the sign structure with the adjusted value of the sign face. So, by adding the structure value of $31,592 to the sign face value of $37,500 gives a final appraised value of **$69,092**.

Billboard Structure Appraisal Example Schedule I-1

Business Name: Crystal Clear Advertising Account: 1234567 County: Wake Year: 2019

SCHEDULE I-1 BILLBOARDS - OUTDOOR ADVERTISING STRUCTURES

	Panel Numbers	DOT Permit Number	Location	City/District/None	Build Date	Class and Type	HAGL Feet	Display Face Sq. Ft.	Stacked Display? (Y or N)	Side-By-Side Display? (Y or N)	Illuminated? (Y or N)	Original Display Face Equipment Cost for Electronic/Digital or Tri-Vision	County Identification Number
Ex. 1	306,307,308,309	078-368	US 701 Bypass, 300' N/O Hwy 130	Holly Springs	2005	1C	25	300	N	Y	N		
Ex. 2	510,511,512,513	078-229	1302 S. Madison St.	Apex	2008	3B	40	378	Y	N	Y		
Ex. 3	4402	078-520	SR 130, 1 mile E/O US 64	Knightdale	2009	4A	40	378	N	N	Y	150,000	

Billboard Structure Definitions

Additional Panels: For purposes of appraisal in the Billboard Structures Valuation Guide, up to two sign panels are included in the base cost per structure as indicated in the tables. More than two sign panels (additional panels) on one structure would require a positive adjustment in the valuation of the total structure.

Apron: Decorative trim at the bottom of the billboard sign where a billboard company logo is typically displayed.

Back-To-Back: Billboard structure configurations where two display panel faces are parallel to one another such that the backs of the advertising (back view) face each other. The advertising on each panel of the billboard structure faces in opposite directions.

Base Cost per Structure: All of the component costs related to the construction of the billboard structure itself such as material costs, labor, permit fees, freight costs, engineering costs, and installation costs. This is not a conclusive list, but it is provided to indicate that all costs whether direct or indirect are included in the base cost amount unless specifically noted.

Base Index Year: For purposes of appraisal in the Billboard Structures Valuation Guide, the year 2009 has been established as the base index year from which all increases or decreases to the construction costs of erecting a billboard is determined.

Billboard: A large panel or flat surface that is intended for viewing an advertisement or notice from extended distances and is typically constructed of wooden posts or steel beams.

Catwalk: The platform located underneath the sign face, either in front or in back of the billboard sign, used as support for the maintenance crew.

Center Mount: Steel monopole structure in which the supporting column is affixed to the center of the display panel.

Cost Conversion Factor: A factor that represents the percentage price increase or decrease of a cost amount over a previous 12-month period after establishing a base index year.

Cut Outs: The portions of the panel display which are attached to or cut out from the face in order to emphasize a certain figure and draw the attention of the sign reader.

Depreciation Schedule: A valuation table that calculates the product of a trending factor and a straight-line depreciation factor to arrive at the replacement cost new less depreciation. The percentage amounts are also known as the percent good factors.

Digital Display: Light emitting diode panel faces that are internally illuminated matrix displays constructed with tiny silicon chips that are capable of producing light in a variety of colors.

Display Face (Panel): The flat area normally rectangular in shape where the advertisement is displayed.

Double Face: A billboard structure that has two display panels, also known as back-to- back configuration, which are parallel to each other and facing in opposite directions.

Economic Obsolescence: A loss in remaining value due to reasons external to the property.

Extension: A part of the advertisement display that extends beyond the typical rectangular face in order to create better visual impact.

Flag Mount: A steel monopole structure in which the supporting column is affixed to the left or the right of the center of the display panel.

Footings: The concrete pad sunk into the ground which is used to solidify the structure keeping it in an upright position.

Foundation: The material used at the base of a billboard structure to keep the structure in an upright position. The foundation could be the natural soil composition, poured in gravel, or poured in concrete.

Functional Obsolescence: A reduction in functional capacity or efficiency that impacts the value of the property which is caused by factors inherent in the property itself.

Height above Ground Level (HAGL): The distance in feet from the ground level to the lowest edge of the bottom molding of the billboard display face (panel).

Illumination: Light fixtures attached to a sign so that the message is visible in hours of darkness.

Leased Billboard Site: The location where a billboard structure is erected that is typically owned by an unrelated third party who receives rental income through a contract with the billboard owner.

Lighting: Fixtures attached to the billboard structure that provides illumination during hours of darkness.

Molding: Decorative frame surrounding the printed message on the display face.

Multi-Mast Steel: A billboard structure that is constructed with several steel poles or I- beam steel supports.

Panel (Display Face): The flat area normally rectangular in shape where the advertisement is displayed.

Physical Depreciation: The loss in value due to physical wear and tear.

Replacement Cost New (RCN): The cost to replace the utility of a property with new construction using the best available materials and construction methodology.

Side-By-Side: A type of billboard configuration where two faces are arranged together in a horizontal line, one beside the other, with both display panels facing in the same direction.

Single Face: A billboard structure that has one display panel facing in one direction.

Stacked Display: Billboard structure that contains multiple display panels which are set above one another in a vertical configuration.

Steel A-Frame: A billboard structure that is constructed with angle iron or steel supports with metal framing and a single display panel. The supports are imbedded in the ground at an angle that resembles the letter "A".

Steel Monopole: A billboard structure that is constructed with a single tubular steel support imbedded in a concrete footing pad.

Stringers: Wooden or steel braces attached to the back of a billboard panel that functions to support the display face. These are also known as cross-members.

Triangle or Tri-Built: A billboard structure having three display panels arranged in the shape of a triangle with each panel facing in a different direction.

Tri-Vision or Tri-Fold: A type of billboard structure where the panel display face is made with triangular louvered narrow vertical panels that periodically rotate to display three different advertising messages in a predetermined sequence.

Uprights (Supports): Vertical posts, pipes or beams, mounted into the ground that keep a billboard structure in an erect position.

V-Built: A billboard structure having two or more display panels that are not parallel to each other, facing in opposite directions where the configuration resembles the letter "V".

Wood Pole A-Frame: A billboard structure that is constructed with wooden post supports and a single display panel. The supports are imbedded in the ground at an angle that resembles the letter "A".

Schedule I-1

Business Name _____ Account _____ County _____ Year _____

SCHEDULE I-1 BILLBOARDS - OUTDOOR ADVERTISING STRUCTURES

Panel Numbers	DOT Permit Number	Location	City/District/None	Build Date	Class and Type	HAGL Feet	Display Face Sq. Ft.	Stacked Display? (Y or N)	Side-By-Side Display? (Y or N)	Illuminated ? (Y or N)	Original Display Face Equipment Cost for Electronic/Digital or Tri-Vision	County Identification Number

Billboard and Outdoor Advertising Structures Instructional Page

Follow these instructions when filing information related to Schedule I –1:

1. Complete the top section of the Schedule I-1 form by providing your company name, the county account number, the name of the county where the asset is located and the year of listing. See area "1" on diagram below.

2. Provide your company's billboard panel identification number. If there are multiple panels/faces on one structure, indicate all the panel numbers that are associated with that one structure. See area "2" on diagram below.

3. Fill in the NC Department of Transportation Permit Number assigned to this specific billboard if applicable. Refer to DOT form OA-1, "Application for Outdoor Advertising Permit" for permit number. Write "N/A" in column if DOT permitting is not required. See area "3" on diagram below.

4. Give a brief description of the sign location by using street names and mileage distances from nearby intersections. Please record the county parcel identification number (PIN) for this site if available. See area "4" in diagram below.

5. Indicate what jurisdiction the billboard sign is located in. Record city name, fire or special district name, or "none" if the billboard sign is in the county jurisdiction only. See area "5" in diagram below.

6. Provide the year the billboard sign was originally constructed and completed. For situations where a digital face is added to an established billboard structure, populate the cell with the original year of construction first, and then show the year the digital face was added. See area "6" in diagram below.

7. From the NC Department of Revenue's "Billboard Structures Valuation Guide", show the Class and Type of Billboard construction indicated in the description pages. See area "7" in diagram below.

8. Indicate the HAGL in feet (HAGL is the distance from the ground level to the bottom edge of the billboard face). HAGL is the acronym for "Height above Ground Level". See area "8" in diagram below.

9. Calculate the total square footage of the display panel face and record the data. For structures with more than one (1) panel face, populate the cell with the square footage amount of the largest panel face on the structure. Do not add all the panel face square footages together. Just show the square footage amount of the largest panel face on the structure. See area "9" in diagram below.

10. Indicate whether the billboard faces are stacked one on top of the other in a vertical configuration. Record a "Y" for Yes or an "N" for No. See area "10" in diagram below.

11. Indicate whether the billboard faces are side by side in a horizontal configuration. Record a "Y" for Yes or an "N" for No. See area "11" in diagram below.

12. Indicate whether the billboard sign is illuminated (lighted) or not. Record a "Y" for Yes or an "N" for No. See area "12" in diagram below.

13. Provide all costs related to the construction of the Digital billboard face. Include the cost of any partial Digital sign face superimposed over a typical billboard display. Also, list all costs related to the construction of any Tri-Vision or Tri-Fold billboard face. If the guide is followed, the county appraiser will value these sign faces on an I-8 depreciation schedule. Then the county appraiser will use the additional information in columns "2" through "12" to appraise the billboard structure itself minus the billboard face. The calculated value of the face will be added to the calculated value of the structure for a total valuation for digital and tri-vision/tri-fold billboard signs. Area "13" on the diagram below is the place for listing the cost of the face of the Digital and Tri-Vision/Tri-Fold signs.

14. The last column is reserved for county use to assign a county identification number for internal tracking purposes. See area "14" in diagram below.

The "Billboard Structures Valuation Guide" can be viewed by going to: www.ncdor.gov/reports-and-statistics/billboard-structures-valuation-guide.

You may also obtain a printable blank copy of the "Billboard Listing Form" (Schedule I-1) using the link above.

Note: Report any "Construction in Progress" expenditures on Page 1 under the Group 2 section of the annual business personal property listing form.

1

Business Name_____Account_____County_____Year_____

SCHEDULE I-1 BILLBOARDS - OUTDOOR ADVERTISING STRUCTURES

2 Panel Numbers	3 DOT Permit Number	4 Location	5 City/District/None	6 Build Date	7 Class and Type	8 HAGL Feet	9 Display Face Sq. Ft.	10 Stacked Display? (Y or N)	11 Side-By-Side Display? (Y or N)	12 Illuminated? (Y or N)	13 Original Display Face Equipment Cost for Electronic/Digital or Tri-Vision	14 County Identification Number

2019 Cost Index and Depreciation Schedules

State of North Carolina
Department of Revenue
Property Tax Section

Effective 1/1/2019

Schedules H, I, Valuation Table
Historical (Original) Cost
Percent Good Factors

		Schedule H						Schedule I						
Year		Trend			Life			Trend			Life			
Acq'd	Age	Factor	4	5		10	20	Factor	5	8			10	12
2018	1	1.00	75	80		90	95	1.00	80	87			90	92
2017	2	1.02	51	61		82	92	1.01	61	76			81	84
2016	3	1.03	26	41		72	88	1.01	40	64			71	76
2015	4	1.03	25	25		62	82	1.00	25	50			60	67
2014	5	1.04				52	78	1.00		37			50	58
2013	6	1.05				42	74	1.00		25			40	50
2012	7	1.06				32	69	1.01					30	42
2011	8	1.07				25	64	1.00					25	33
2010	9	1.10					61	1.00						25
2009	10	1.11					56	1.00						
2008	11	1.12					50	0.98						
2007	12	1.17					47	0.97						
2006	13	1.18					41	0.96						
2005	14	1.22					37	0.96						
2004	15	1.24					31	0.96						
2003	16	1.26					25	0.94						
2002	17	1.26						0.95						
2001	18	1.26						0.95						

Do not apply the trend factors to the percent good factors. The percent good factors already have the trend factors incorporated. This is true for all schedules in this manual.

Billboard Depreciation Schedule

EFFECTIVE AGE (in years)	YEAR	25 YEAR LIFE (wood)	50 YEAR LIFE (steel)
1	2018	96%	98%
2	2017	92%	96%
3	2016	88%	94%
4	2015	84%	92%
5	2014	80%	90%
6	2013	76%	88%
7	2012	72%	86%
8	2011	68%	84%
9	2010	64%	82%
10	2009	60%	80%
11	2008	56%	78%
12	2007	52%	76%
13	2006	48%	74%
14	2005	44%	72%
15	2004	40%	70%
16	2003	36%	68%
17	2002	35%	66%
18	2001	35%	64%
19	2000	35%	62%
20	1999	35%	60%
21	1998	35%	58%
22	1997	35%	56%
23	1996	35%	54%
24	1995	35%	52%
25	1994	35%	50%
26	1993		48%
27	1992		46%
28	1991		44%
29	1990		42%
30	1989		40%
31	1988		38%
32	1987		36%
33	1986		35%
34	1985		35%
35	1984		35%
36	1983		35%
37	1982		35%
38	1981		35%
39	1980		35%
40	1979		35%
41	1978		35%
42	1977		35%
43	1976		35%
44	1975		35%
45	1974		35%
46	1973		35%
47	1972		35%
48	1971		35%
49	1970		35%
50	1969		35%