

How to Contest Your Real Property Revaluation Notice

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Did you recently receive a real property revaluation notice? Wake County, along with 10 other counties^[1] in North Carolina, recently revalued all of their property for ad valorem tax purposes. In Wake County, property values increased by 20% for residential property and 33% for commercial property.

These property values will remain in effect for between 4 and 8 years, depending on your particular county's revaluation schedule. In Wake County, a revaluation is done every 4 years. In other counties, the next revaluation may not take place for another 8 years. This is important because that means your tax valuation will be locked in until the county's next revaluation. If you do not appeal during the revaluation year – within the prescribed timeframe – you will be stuck with the county's new assessed value until the next revaluation.

Typically, counties send out their notices of revaluation within the first couple of weeks of January. The revaluations are sometimes incorrect, and it is critical that you understand the process of how to contest the revaluation of your property.

First, you should review the notice of revaluation to ensure it's accurate, and that the revaluation reflects the fair market value of the particular property. The fair market value is the most probable price a property would be exchanged for in a competitive and open market. Revaluation values are determined by comparing what similar properties are selling for, replacement costs, and the potential income or highest and best use of the specific property. Frequently, land that's undergone improvements, such as adding utility infrastructure, can see a big jump in value. But there may be other factors the county appraisers have failed to account for that could mitigate those increases.

If the county's revaluation of your property does not reflect fair market value, you should initiate the informal appeal process by contacting County Assessor staff. The informal appeals process in counties across the state typically takes place between February and March. The informal deadline

for filing informal revaluation appeals to the Wake County Assessor is May 30, 2020. The sooner you file your informal appeal, the better chance you have at a successful outcome. During this meeting, you can point out errors, provide comparables, or explain factors that the County Assessor failed to take into account in assessing your specific property. Often, the informal appeals process can provide the best opportunity for taxpayers to get a reduction in the assessed value.

Next, in the event the County Assessor's office doesn't revise the assessment, you must file a formal appeal to the County Board of Equalization and Review (Board of E&R). This review board is a special county board appointed to handle property tax appeals from taxpayers. This level of the appeal is more formal, with the taxpayer being allotted a specific amount of time to present his or her case and the county also having time to present its side. The Board of E&R may choose to decide the appeal immediately or choose to delay its decision and deliberate further.

Requests for a hearing before the Board of E&R must be made in writing or by appearance prior to the Board of E&R's published date of adjournment. In Wake County, the date of adjournment is May 30, 2020. A failure to make an appeal request for hearing before the Board of E&R will result in a dismissal of the appeal request. The result of a dismissal is that the taxpayer's property at issue will remain at the county's revaluation assessment until the next assessment (typically 4-8 years).

In filing both informal appeals and formal appeals to local Boards of Equalization and Review, having legal representation is beneficial, because often attorneys have developed relationships with county assessors and attorneys and are also aware of statutory and administrative nuances in the law. In addition, obtaining legal representation helps the taxpayer avoid the many pitfalls in the appeals process.

Finally, if the taxpayer's assessment is affirmed at the Board of E&R, you then may appeal to the North Carolina Property Tax Commission (Commission). The Commission is similar to a trial court. Like any trial court, it is required to follow the North Carolina Rules of Evidence. When a taxpayer appeals, the taxpayer has the burden of proof. Taxpayers may present their own cases before the commission, but are encouraged to hire an attorney. After the commission, a taxpayer may appeal a decision of the commission to the state court of appeals and state supreme court, but those bodies may choose to not hear the case as the grounds for appeal are more limited.

[1] The other North Carolina Counties with a 2020 revaluation include: Bertie; Cabarrus; Carteret; Cherokee; Dare; Halifax; Madison; Montgomery; Pamlico; and Pitt.