

Item Title: Contract for Appraisal Services to Support Wake County Tax Administration

Specific Action Requested:

That the Board of Commissioners authorizes the County Manager to enter into a multi-year contract with Vincent Valuations LLC to provide talent acquisition, training and development, and mass appraisal services subject to terms and conditions acceptable to the County Attorney.

Item Summary:

Purpose: Multi-year service agreements require the Board of Commissioners' approval.

Background: Prior to the 2024 revaluation, the Department used a combination of staff and contract appraisers to augment and replace permanent appraisal staff in listing and appraising all newly created parcels and new construction. These contracted staff also assisted with valuation review and informal hearings while staff appraisers work on revaluation activities. For the 2024 revaluation, annual and revaluation tasks were conducted with staff appraisers, with assistance from a small subset of contract appraisal staff that provided talent acquisition, training and development, and mass appraisal services.

As of September 2024, approximately 5,000 appeals are still pending, and some taxpayers will exercise their right to appeal the decision of the BOER to the State of North Carolina Property Tax Commission. As County staff continue its work for appeals of the 2024 revaluation, and prepares for future revaluations, some contracted services is required to augment existing staff levels. Staff recommends contracting again with Vincent Valuations LLC for these services is prudent for Wake County Tax Administration.

Strategic Plan: This action supports routine County operations not specifically identified in the Wake County Strategic Plan.

Fiscal Impact: The total cost of the contract is approximately \$1.735 million between FY 2025 and FY 2027. The FY 25 cost is budgeted in the existing revaluation appropriation. Future costs will be paid through the Tax Administration revaluation budget.

Additional Information:

Tax Administration is responsible for appraising, assessing, and listing all real estate and personal property within Wake County, its municipalities and related service districts. For a revaluation, real estate must be appraised at fair market value, which is the most probable price a property would bring in a competitive and open market. Property values for a revaluation are determined by comparing what similar properties are selling for, what it would cost to replace a property, the potential income or highest and best use of property, and many other factors.

The current revaluation is effective as of January 1, 2024. County-wide, the overall change in residential property value increased 53 percent while commercial property value increased 45 percent. In January 2024, updated assessed values were provided to property owners; these owners had until March 1, 2024, to request an informal review of their assessed value. Property owners had until May 15, 2024, to formally appeal their assessed value to the Wake County Board of Equalization and Review (BOER). Of the County's roughly 427,000 parcels as of January 1, 2024, there were 3.7 percent (roughly 15,900) requests for an informal review and 2.1 percent (roughly 8,950) formal appeals to the BOER. For the 2024 revaluation, the median sales ratio was 0.98, the coefficient of dispersion was 5.24, and the price related differential was 1.0074. These are excellent statistical measures and all well within the standards for a successful revaluation established by the International Association of Assessing Officers.

Vincent Valuations LLC has served Tax Administration well, and has performed all services for talent acquisition, training management and supervision of contract appraiser personnel, and mass appraisal activities as outlined in its current contract. Doing so allowed Tax Administration to focus on activities and communications needed for a successful 2024 revaluation.

Approximately 5,000 appeals are still pending, and inevitably some taxpayers will exercise their right to appeal the decision of the BOER to the State of North Carolina Property Tax Commission. As the Department continues its work for appeals of the 2024 revaluation, and prepares for future revaluations, a very modest level of contracted services is required to augment existing staff levels. Contracting again with Vincent Valuations LLC for these services is prudent for Wake County Tax Administration.

Attachments:

None.