

2020 Reappraisal

Submission of Schedule of Values,
Standards and Rules



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Overview

Wake County has begun the reappraisal process for 2020.

- Submission of the Schedule of Values (SOV) is the first step in the process.
- This is the first time Wake County has conducted reappraisal on a four-year cycle.

Today's agenda item is designed to:

- Provide a brief description of reappraisal and why it is required.
- Lay out the schedule for the coming months.
- Ask the Board to accept the SOV and schedule a public hearing.

About Reappraisal

What is Reappraisal?

- The process of appraising real estate parcels countywide at fair market value and, if applicable, present-use value as of a specific date.
- The upcoming reappraisal will value approximately 395,000 parcels and will be effective as of **January 1, 2020**.

Why Perform a Reappraisal?

- Reappraisals are performed to re-establish a fair and equitable tax burden between properties.
- North Carolina law requires counties to perform a countywide reappraisal at least once every 8 years. Appraised tax values in Wake County currently reflect fair market value as of January 1, 2016.

Reappraised Property Types

What Property is Included?

- All residential and commercial land throughout Wake County
- This includes exempt property and permanent structures on the land

What Property is Not Included?

- Personal property such as business equipment (computers, desks, chairs, machinery, equipment)
- Motor vehicles, boats, airplanes
- Public utility property (electric/nuclear power generation, gas companies, bus lines, railroads)

These property types are appraised annually

Reappraisal History

| | 1992 | 2000 | 2008 | 2016 | 2020 |
|---|---------|---------|---------|-----------|---------|
| Total Parcels | 165,000 | 230,000 | 325,000 | 360,000 | 395,000 |
| Single Family Properties | 105,000 | 150,000 | 258,000 | 283,700 | 310,000 |
| % Change from Reappraisal | 43% | 43% | 40% | 5% | |
| Taxable Real Property Value Post-Reappraisal | \$21 B | \$43 B | \$94 B | \$118.3 B | |

2020 Reappraisal

- The local commercial and residential markets have been robust since 2016.
- Components of the tax base have increased in value at different rates by property type and location.
- The broad ranges and rates in the proposed Statement of Values (SOV) serve as guideposts to set new assessed values.
- There are dozens of property and location specific adjustments that may factor in to each property assessment.
- Preliminary results may be ready to share beginning in October.

Schedule of Values (SOV)

What is the SOV?

- Provides the NC General Statutes that must be followed when appraising properties and administering a property tax program in North Carolina.
- Discusses market value and present use value.
- Discusses the three approaches to value and the concept of highest and best use.
- Provides summaries and broad ranges of the parameters and schedules in the CAMA (Computer Assisted Mass-Appraisal) system that are used in appraising land, residential improvements, and commercial improvements for ad valorem tax purposes in Wake County.
- Provides an example of how a residential property is appraised for ad valorem tax purposes and how to read a property record card.

Why the SOV ?

The base rates, schedules, ranges and adjustment factors contained in the SOV and CAMA system will be used in future years to:

- Appraise structures built after January 1, 2020 to derive an appraised value as if the structure did exist on January 1, 2020.
- Appraise land subdivided, split, combined or rezoned after January 1, 2020 to derive an appraised value as if the changed land condition did exist on January 1, 2020.

This is the most difficult concept for property owners to understand regarding the SOV.

Requisites for SOV Adoption

- Per NCGS 105-317, the SOV is required to be submitted to the Board of Commissioners by the Tax Administrator at least twenty-one (21) days before adoption.
- A public hearing must be scheduled at least seven (7) days before adoption.
- The SOV is available for review in the Wake County Department of Tax Administration, Suite 3800 located in the Wake County Justice Center and at www.wakegov.com/tax.
- Upon adoption by the Board of Commissioners, notice of such adoption must be advertised for four (4) consecutive weeks. The SOV can be appealed to the State Property Tax Commission for thirty (30) days.

Project Dates 2019

September

3rd - Submission of the SOV to the Board of Commissioners

4th & 5th - Advertise notice of upcoming public hearing

16th - Hold a public hearing on the SOV

October

7th - Adoption of the SOV by the Board of Commissioners

8th, 15th, 22nd, and 29th - Advertise adoption of the SOV

November

7th - Last day to appeal the SOV to the State Property Tax Commission

Project Activities

October through December

- Perform field reviews, monitor the market, review results, adjust and QC.
- Share preliminary results with stakeholders.

Early January 2020

- Finalize values and extract data from CAMA system to prepare Notice of Appraised Value for mailing.

Mid January 2020

- Property owners receive Notice of Appraised Value.

Notice of Appraised Value

The Notice of Appraised Value mailed to property owners in mid-January will provide:

- A description of the reappraisal process.
- Relevant statistics and results.
- An explanation of the appeal process and instructions on initiating an appeal.
- Contact information for the Wake County Department of Tax Administration.
- Locations of online tools being developed to assist property owners.
- Information regarding tax relief programs allowed by State law.

2020 Reappraisal Schedule

January to March 2020

Informal appeals process administered by Wake County appraisers.

Mid April

Board of Equalization & Review convenes (appointed in February).

Mid to Late May

Board of Equalization & Review adjourns from accepting additional appeals.

Remainder of 2020

The Board of Equalization & Review holds hearings to review timely filed appeals. Results may be appealed to the State Property Tax Commission.

Customer Service

General Tax Office Help:

Fully staffed and trained call center (919) 856-5400

General Help Email:

taxhelp@wakegov.com

Reappraisal Call Center: (operational when notices mailed)

Fully staffed and trained call center (919) 856-7257

Reappraisal Email: (operational when notices mailed)

reappraisal@wakegov.com

Actions

For today, the Board is being asked to:

- Accept the proposed Schedule of Values.
- Schedule a public hearing on the proposed Schedule of Values at their next Board meeting on September 16.
- Direct the Tax Administrator to advertise the submission and the date/time of the public hearing.
- Questions?