
WAKE COUNTY PROPERTY TAX REVALUATION – HOW TO APPEAL YOUR INCREASED PROPERTY VALUE

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If you own property in Wake County, you have likely received a notice from the Wake County Tax Department of the new value assigned to your property effective January 1, 2020. If you are like most property owners in Wake County, you may find that the new tax value of your property is a significant increase from the 2019 value. On average, the assessed values of residential properties increased by 20%, and commercial properties increased by 33% from their 2019 values.

By law, every county in North Carolina is required to appraise all real property in the county at least every eight years. Wake County has chosen to shorten the time between reappraisals, now reappraising property every four years. This is intended to allow the assessed tax values of properties in Wake County to better track changes in the market. The current revaluation, effective on January 1, 2020, is the first time that Wake County has performed a county-side revaluation since January 1, 2016.

An increase in property value does not necessarily mean an increase in property taxes. The specific property tax rates applicable for 2020 will not be set until later this year, so the exact impact on property taxes caused by the increased values is not yet known. However, Wake County is expected to target, at least initially, a “revenue neutral” tax rate, meaning a tax rate that generates the same amount of tax revenue in 2020 as was generated in 2019, despite the overall increase in property tax values. This likely means that Wake County will implement lower tax rates in 2020. Despite the expected reduction in the tax rate, a significant increase in property tax value may still result in an overall increase in the property taxes of a given piece of real estate.

North Carolina law requires that real estate be appraised at “fair market value.” This is defined as the price at which the property would change hands between a willing buyer and a willing seller in an arms-length transaction. Additionally, North Carolina law requires that taxes be levied uniformly. In other words, similar properties must be valued similarly. If the new value assigned to your property does not reflect its fair market value, or does not appear to reflect uniform valuation when compared to similar properties, it may be necessary to appeal Wake County’s valuation.

Any property owner in Wake County who disagrees with the newly assessed value of their property may file an appeal, which can be done in one of two ways. A property owner may file a request for an “informal review” of their assessment by the tax department. The deadline for submission of an informal review request is March 1, 2020. An informal review can be requested on the Wake County tax department’s website or by submitting a 2020 Informal Review Form by mail. An informal review request should be accompanied by information sufficient to support the property owner’s opinion of value.

If the property owner is unsatisfied with the result of the informal review, or if the property owner missed the informal review deadline, a formal appeal may be filed, which will be evaluated and heard by the Wake County Board of Equalization and Review. Formal appeals may be filed with the Board of Equalization and review from March 2, 2020 through May 28, 2020.

If a property owner remains unsatisfied with the valuation of their property after receiving a decision from the Board of Equalization and Review, the decision may be further appealed to the Property Tax Commission, which is a commission that hears property tax appeals from every county in North Carolina. Tax valuation decisions may be further appealed to the North Carolina Court of Appeals.

In order to evaluate whether an appeal of Wake County's new tax value is appropriate, property owners should consult with attorneys experienced in property valuation matters. Our firm has an experienced team of property tax professionals to assist our clients in appealing their 2020 property tax valuations. Tuggle Duggins has handled hundreds of tax appeal claims across North Carolina and stands ready to help you evaluate whether a tax appeal is appropriate for your specific property. For more information, please contact Nathan Duggins at nduggins@tuggleduggins.com or 336-271-5246, Mike Fox at atmfox@tuggleduggins.com or 336-271-5244, or Ben Hintze at bhintze@tuggleduggins.com or 336-271-5247.

100 North Greene St. Suite 600
Greensboro, NC 27401

P.O. Box 2888
Greensboro, NC 27402

Phone: 336.378.1431
Fax: 336.274.6590