

ORANGE COUNTY 2017 PROPERTY REVALUATION

FEBRUARY 2017

WHAT IS A REVALUATION?

Revaluation is a process by which all property tax assessments within a taxing jurisdiction (Orange County) are reassessed to their market value as of a specific revaluation date. It is sometimes called a reappraisal or mass appraisal. In this process, the tax office reassesses all real property (land, buildings and other improvements to the land) as of the revaluation date. Arms-length market sales are used to estimate new tax assessments during this process as well as other market data such as income or expense information and market building cost information.

This updated tax assessment is effective until the next county-wide revaluation. Orange County's current revaluation date is effective for January 01, 2017.



Who Conducted the Revaluation?

The Orange County Tax Office conducted this revaluation "in-house". This means our own personnel in the tax office evaluated properties and current market data and established new tax assessments. By having the revaluation conducted with current personnel, we feel this yields a high-quality revaluation and better tax assessments for your tax dollars.



What are property taxes and where does the money go?

Unlike Federal and State taxes, which are based on income, local property taxes are based on the value of real property and certain types of personal property. Just as Federal and State taxes pay for designated programs, and services, our local property taxes provide revenue to support specific services in the county, such as schools, public safety and human services programs.

WHY HAVE A REVALUATION?

The State of North Carolina requires counties to conduct a revaluation at least once every eight years (NC General Statute 105 – 286). The purpose is to redistribute the tax burden based on current market data and maintain equitable and uniform property values among property owners throughout the county. As time elapses between revaluations, properties may increase or decrease in market value at different rates. The State of North

Carolina charges counties with assessing property based on current market data as of each revaluation date.

When does the revaluation take effect?

The Orange County Tax Office has been reviewing market sales, compiling studies and maintaining a list of current tax base inventory since the last revaluation, January 1, 2009. Tax Office appraisers began reviewing all properties for the 2017 revaluation in mid-2014. The resulting values are effective for January 1, 2017. Real property tax bills mailed in July 2017 will reflect the new revaluation tax assessment.

When will I find out my new tax assessment?

New value notices will be mailed to all taxpayers who own real property in Orange County on March 3, 2017. These values are available on our website as of February 28, 2017 at bit.ly/ocnctaxsearch.

HOW ARE PROPERTY TAXES DETERMINED?

The total value of all the property in the county is called the tax base. Once all the county agencies and departments submit their annual operating budgets to the county manager, the county manager submits the total budget with recommendations to the county commissioners for approval. The Board of Commissioners sets the tax rate when the budget is adopted each June. A similar process is completed for each of the municipalities: Chapel Hill, Carrboro, Hillsborough, and Mebane. The Board of Commissioners sets the tax rate when the budget is adopted each June. A similar process is completed for each of the municipalities: Chapel Hill, Carrboro, Hillsborough, and Mebane.

Why appraise at market value?

North Carolina General Statute 105 – 283 requires counties to assess all property, both real and personal property, at its true value in money.

True value shall be interpreted as meaning market value. NCGS 105 – 284 establishes a uniform assessment standard. This standard in effect penalizes counties who are not assessing property at market value as of the date of last revaluation.



HOW ARE MARKET VALUES DETERMINED?

Various tools are used to extract data from the market. Sales files, sales questionnaires, multiple listing service, revenue stamps, cost books and ratio studies are a few examples.

The best source for establishing residential market values is arms-length sales of reasonably comparable properties. Such properties are similar in location, age, size, style, condition and other features that may have an effect on market value.

Will all property values change during a revaluation?

Most likely, yes. However, not all property values will change at the same percentage. Market values may have increased or decreased more for some neighborhoods and property types than for others. One purpose of a revaluation is to ensure assessed values reflect changes that have occurred in the marketplace since the last countywide revaluation.

Will my taxes change as a result of revaluation?

Although the value of your property does affect your share of taxes, the actual amount you pay is determined by budgetary needs of the jurisdictions in which your property is located (county, town, fire districts, etc.). Governing boards of these taxing units decide what services the jurisdiction will provide in the coming year and how much money the jurisdiction will need to provide these services. A tax rate is then adopted to generate the necessary tax dollars. Your value multiplied by the tax rate for your jurisdictions within the County, plus relative fees, will determine the amount your tax bill.

WHAT IF I DISAGREE WITH MY NEW TAX ASSESSMENT?

Instructions for appealing your value will be included with your new value notice. The first step in appealing your value is to review your property characteristics on our website:

bit.ly/ocnctaxsearch. The NC Residential Square Footage Guidelines suggests a reasonable margin of difference is 5% in heated area. In mass appraisal, measurements are rounded to the nearest foot.

That alone may create slight variations in total calculated heated area. If your property characteristics are accurate, you should review our online sales bank located here:

bit.ly/ocncsalesbank. The sales bank is sorted by neighborhood thereby allowing easy review of sales within your own neighborhood. Our tax values should fall within the range as determined by

sales in the subject neighborhood. A 5% variance should be allowed here as well. Properties do not have a single, scientific value. Rather, a value range exists. After your review, if you still wish to file an appeal, complete and mail the informal appeal form that accompanied your new value notice. The form and instructions are also available on our website:

bit.ly/ocnctaxappeal. Keep in mind that the informal review will be to ensure your property is assessed at a reasonable market value as of the revaluation date, January 1, 2017. Therefore, an informal appeal could result in an increase, decrease or no change in assessment. The deadline to file an appeal informally is April 30, 2017. Results of the informal appeal will be sent via mail.

If you are not satisfied with the results at the informal level, or if an informal appeal was not submitted by April 30th, a formal appeal is the next step. As of May 1, 2017, and until it adjourns (date to be determined), formal appeal forms may be submitted to the Orange County Board of Equalization and Review (BOER). A hearing date is set for you to appear before the Board to present evidence supporting a change in value. Results of the BOER appeal will be sent to you via mail as a BOER Decision Notice. If you are not satisfied with the results at the BOER level, you may appeal to the North Carolina Property Tax Commission (NCPTC). Information concerning how to appeal to the NCPTC will be included on the BOER Decision Notice.



Who Do I Contact If I Have Questions?

If you have questions concerning the value of your property call the Tax Office at 919-245-2100, option 2. You may also email our office with your questions: reval@orangecountync.gov. We are located at 228 South Churton Street, Suite 200 in Hillsborough (2nd floor above Weaver Street Market in the Gateway Center). If you want to know more about tax rates or the County budget, contact the Orange County Finance Office at 919-245-2151.