

## REAL PROPERTY VALUATION AND APPEAL PROCESS

Prior to filing a formal appeal with Durham County Board of Equalization and Review, consider the following.



Every property owner has right of formal appeal on a yearly basis.

Appeals filing begins January 1 and/or at any time prior to adjournment of the Board of Equalization and Review or within time stipulation on "Notice of Change of Value". Appeals are for the current year and are not retroactive.

By law, the Board of Equalization and Review may consider only the value of property as of January 1 of county's most recent general reappraisal (January 1, 2008), existing or potential tax load is not appealable.

North Carolina uses an octennial General Reappraisal cycle; each county revalues all real property at least once every eight years. Durham county's cycle is equal to years 1977-1985-1993-2001-2009 etc. A county may advance its cycle by majority vote of the Board of Commissioners. As such, by resolution of the Board of County Commissioners dated November 14, 2005, Durham County advanced the regularly scheduled 2009 general reappraisal to January 1, 2008. Statewide uniform appraisal standard is 100% market value as of January 1 of a subject county's most recent general reappraisal. Therefore, all real property in Durham County reflects market value as of January 1, 2008. Each January 1 (taxable status date) following the General Reappraisal, the Market value of real property carries forward and remains constant until county's next General Reappraisal unless a change is required by G.S. 105-287. Any value change has basis in the Schedules of Values, Standards, and Rules adopted by the Board of County Commissioners for the January 1, 2008 general reappraisal; market value is retrospective to January 1, 2008; it is not the current market value.

General statute 105-287 provides for changes in real property value in non-general reappraisal years for reasons that follow:

- (1) Correct a clerical or mathematical error.
- (2) Correct an appraisal error resulting from a misapplication of the schedules, standards, and rules used in county's most recent general reappraisal.
  - (2a) Recognize an increase or decrease in the value of the property resulting from conservation or preservation agreement.
  - (2b) Recognize an increase or decrease in the value of the property resulting from a physical change to the land or to the improvements on the land.
  - (2c) Recognize an increase or decrease in the value of property resulting from a change in the legally permitted use of the property.

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The valuation change cycle is January 1 through December 31 each year.

Example: you obtain a building permit to add an addition to your dwelling on February 15. The addition is complete in August. The county Appraiser for your area makes a site visit, updates your record to include the new addition, and finalizes your value in October. The change (G.S. 105-287.2b - Physical Change) to your property value becomes effective on January 1. The Assessor's office forwards you a "Notice of Change of Value", you are of the opinion that the new value does not represent the market value of your property (as of January 1, 2001) and file an appeal during the month of January. In May, the Board of Equalization and Review hears your appeal. The board decision is "No Change". Your September real property tax bill calculates tax based on the January 1 appraisal.

The taxable status date of January 1 establishes ownership, situs (location), and value.

Remember, the taxable status date is always January 1, however the value set on the taxable status date (report date) is the 100% market value as of county's most recent General Reappraisal, or in other words, the effective date of appraisal is retrospective, in Durham's case to January 1, 2008.

When considering an appeal, weigh the following:

- Valuation criteria, is 100% market value as of January 1, 2008.
- In all appeals before county Board of Equalization and Review, it is incumbent on appealing taxpayer to persuade the board, by the greater weight of evidence, that the Assessor's value is incorrect. Moreover, taxpayer must show that the value placed on the property by the Assessor is substantially greater than market value as of January 1, 2008.
- The Board of Equalization and Review may lower, no change, or increase a value.

Market value is the criteria for taxpayer's burden of proof; defined-

- it is most probable price; it is not highest, lowest, or average price.
- it is expressed in terms of money.
- it implies a reasonable time for advertised exposure to the market.
- it implies buyer and seller are informed of uses to which the property may be put.
- it requires a willing buyer and willing seller, with no advantage being taken by either buyer or seller (neither party under duress to buy or to sell).
- it recognizes current use as well as potential use of the property.

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If you require an Appeal form:

[http://www.co.durham.nc.us/departments/txad/Property\\_Tax\\_Forms\\_and\\_Publications.html](http://www.co.durham.nc.us/departments/txad/Property_Tax_Forms_and_Publications.html)

Remember; file your appeal prior to adjournment of Board of Equalization and Review or within time stipulation on "Notice of Change of Value".

OFFICE OF TAX ADMINISTRATION