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## SAVVY CITIZEN PROPERTY TAX REASSESSMENT

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### Is now the time for Mecklenburg to revalue?

**Yes: Democrats say setting new values makes sure people pay their fair share of taxes. No: Republicans say residents could face higher tax bills, and the market could slump further.**

By Fred Clasen-Kelly  
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Posted: Monday, Oct. 27, 2008



William McKee, 38, worries that the taxes on his Chantilly neighborhood home might double. Mecklenburg County officials are debating whether to reassess the value of homes next year. JOHN D. SIMMONS - jsimmons@charlotteobserver.com

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*Three ways to arm yourself with information:*

**1 Participate:** County commissioners are scheduled to decide whether to proceed with the scheduled revaluation Nov. 5. The 6 p.m. meeting at the Government Center is open to the public. To proceed, the county would schedule a Nov. 18 public hearing.

**2 Research:** How could a revaluation affect you? Check home sales and tax values in your neighborhood at [charlotteobserver.com/local](http://charlotteobserver.com/local). Our interactive map shows appreciating, stable and declining neighborhoods, and what that could mean for your tax

bill.

**3 Go to the source:** Complete listing: Go to <http://meckcama.co.mecklenburg.nc.us./relookup/>. County site shows your official tax value. You can see comparable sales in your neighborhood.

- [What is revaluation?](#)

The process of appraising land, homes, and other buildings for tax purposes. N.C. counties must conduct a countywide revaluation of all real property within the county at least every eight years. Mecklenburg County last conducted a revaluation in 2003.

Why are they done?

Revaluations are conducted to ensure that property owners bear a share of the total tax burden that is proportionate to the value of taxable property they own. Infrequent revaluations in high-growth areas can result in individual valuations that double, triple or even quadruple from one revaluation to the next.

Why are they controversial?

Many individual real property owners receive increased tax bills in revaluation years, though some owners will get smaller bills. It's impossible to predict now how much taxpayers will owe because commissioners won't set a tax rate until months later.

What's the timeline?

Typically, the tax assessor values property on Jan. 1. County commissioners and city councils adopt their budgets and set the property tax rate later in the year.

SOURCE: UNC School of Government

## Poll

Should Mecklenburg County reassess home values this year?

Yes

No

Not long after William McKee moved into his east Charlotte house seven years ago, he watched his property taxes nearly double to about \$2,650 a year.

Now with the small business he owns feeling the pinch of the economic slowdown, McKee fears his taxes will double again.

“This doesn't seem like a good time to increase taxes on folks,” McKee said.

The Mecklenburg County Board of Commissioners is split over a proposal that would delay

new property appraisals scheduled to start in January. Resetting home values often leads to bigger tax bills.

Republican commissioners want to push back the process one year, saying they don't want homeowners paying higher taxes during an economic downturn.

Democrats and county administrators say the revaluation should move forward.

Thousands of homeowners – many in high foreclosure neighborhoods — are paying too much for taxes while others are not paying their fair share, they said.

At stake for many home and business owners are hundreds, if not thousands of dollars, in property tax payments.

County officials estimate property values have increased 20 percent on average in Mecklenburg since 2003. In some neighborhoods, they say, prices have jumped as much as 400 percent.

By law, counties must conduct revaluations at least once every eight years. Mecklenburg last reassessed property in 2003.

Appraisers are scheduled to begin setting values effective Jan. 1 on the county's 350,000 residential and business properties. Their goal is to set tax values as closely as possible to market value.

The reappraisals are used to determine tax bills that generate revenue to operate local governments.

The board of commissioners would set the tax rate later in the year.

But even if it cuts the tax rate, neighborhoods that have seen values with above-average appreciation likely will see an increase in taxes.

A typical homeowner in Mecklenburg with a \$176,000 home now pays \$1,296 a year in county property taxes.

In April, the Observer published an analysis of 31,000 sales from the previous two years. The findings showed property values rose significantly in older neighborhoods in south Charlotte and older close-in areas, such as Dilworth and Plaza Midwood.

Home prices lagged in neighborhoods west of uptown around Interstate 85, stretching northward to Independence Boulevard on the east side, the analysis showed.

Republican commissioner Karen Bentley last week proposed delaying the reappraisal process until 2010.

Falling home prices and other instability in the economy won't allow for an accurate assessment, Bentley and other Republicans said.

Conducting the revaluation now could force residents to pay higher taxes than they should if

home prices continued to drop, she said.

"This is a unique economic situation," Bentley said. "There's enough going on, it makes sense to delay."

But an estimated 30,000 homeowners are paying more in property taxes than they should, based on 2003 appraisals, county Tax Assessor Garrett Alexander said. As many as half of them live in high-foreclosure neighborhoods, he said.

Danilo Pelletiere, research director for the National Low-Income Housing Coalition in Washington, said it's likely that unfair tax burdens are a factor in foreclosures.

"A lot of these folks are really making every dollar count," Pelletiere said. "If you're getting stretched by extra taxes that means you're in deeper trouble."

Democratic commissioners say the county should rectify the problem as soon as possible.

"Good government and fairness demand that we put everybody on equal footing," Democrat Parks Helms said. "The disparity increases the longer you wait."

Martha Cary Eppes, who lives in the Wilmore neighborhood, wants the county to wait before resetting tax values.

The housing bubble helped fuel skyrocketing home prices in the neighborhood near uptown, Eppes said.

A vacant house on her street, she said, has broken windows, overgrown weeds, a sinking kitchen floor and often attracts vagrants.

It sold last year for \$355,000. The owner had bought it the year before for \$287,000.

Eppes and other neighbors may have to pay more because neighboring home prices affect estimates of a home's worth.

She bought her home in 2003 for \$127,500. The same year, the county estimated the home's tax value at \$71,200.

Eppes, president of the Wilmore Neighborhood Association, said she is worried that longtime residents will not be able to afford higher taxes.

"People are afraid of being taxed out of their homes," Eppes said. "To reevaluate now would penalize a lot of residents."

HELP, a community organizing group, is lobbying local government officials to provide property tax relief for families with low incomes who live in neighborhoods near uptown.

Affluent newcomers are buying dilapidated houses, refurbishing them and selling them for two to three times their previous worth, said Alice Bennett, a member of HELP, which stands for Helping Empower Local People.

“People are afraid of what's going to happen next.”

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**Reg2801** wrote on 10/27/2008 01:11:26 PM:

diggndeeper, yes, your first alternative is currently being used in CA, called Prop 13 (it's actually been in place since 1978). So someone who's been in the home for a long time pays far less than the new owner next store in the same size house on the same size lot. Not sure if that's better, though, only because it's a statewide mandate in CA and the state is obviously scrambling to make ends meet. I like it because it allows for folks that are buying a home they plan on retiring in, sooner or much later, to better plan on future expenses in their retirement years.

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**michaelh24** wrote on 10/27/2008 01:04:52 PM:

I have a suggestion for the Dems, take a freakin economics class! You don't want to be raising taxes during recessions, that's how we get into the D word. If you want to re-evaluate, wait until the economy is showing positive numbers. If these guys sweep the house and congress, we are screwed.

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**freeordie** wrote on 10/27/2008 12:58:12 PM:

If the law says counties must conduct revaluations at least once every eight years and they were last adjusted in 2003, then given the current economic climate it only