

Mecklenburg delays property tax update at least a year

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Many Mecklenburg homeowners will get a reprieve from larger tax bills as county commissioners agreed unanimously Tuesday to delay putting new tax values on properties until at least 2010.

But as they voted to delay the revaluation, commissioners also pledged to make future property assessments more frequently – as often as every two years.

Mecklenburg last reassessed properties in 2003.

Tuesday's vote followed weeks of pleas from residents and elected officials who wanted commissioners to back away from a planned 2009 revaluation. Many worried that homeowners would have to pay higher taxes in a poor economy. Some also said housing prices could decline more in the coming months, meaning that assessed values set by the county might be inaccurate.

Countywide, home values have increased by an average of 20 percent since the last revaluation in 2003, though some properties have risen by as much as 400 percent and others have declined.

County staff has said a revaluation would correct inequities across the county because some homeowners are paying more or less in taxes than their home is worth on the market.

Democratic commissioners had supported that position.

Earlier this fall, commissioners were deadlocked along party lines on whether to do a revaluation in 2009. The impasse broke gradually – pushed by growing uneasiness over the economy and turnover among commissioners.

Five new members have been sworn in on the county board in recent weeks.

Only county to wait

Mecklenburg was among 26 N.C. counties scheduled to do a revaluation in 2009, but appears to be the only one to have put off the process. Chatham County commissioners recently backed away from plans to delay their reassessment, in part, after leaders learned that waiting would cost nearly \$300,000 in lost tax revenue from utility companies.

Caldwell County – the only other area in the Charlotte region with a revaluation planned for 2009 – will start sending out new home values in February, said Tax Administrator Mack Chandler.

Mecklenburg had planned to reassess properties in 2007, but delayed it for two years to add new technology and redeploy staff in the tax assessor's office.

State law requires counties to conduct revaluations at least once every eight years, so commissioners wouldn't be able to delay a revaluation beyond 2011.

Commissioners asked county staff to study the pros and cons of reassessing properties in 2010 versus 2011, though most appeared to be leaning for the later revaluation.

Fairer to homeowners

Republican Karen Bentley, who first led calls in October to delay the revaluation, said waiting will be fairer to homeowners.

While the Charlotte region experienced steady growth in home prices in many of the years since the 2003 revaluation, it recently has been hit hard by slumping sales and falling values. Home prices fell 3.5 percent in Charlotte for the 12-month period ending in September, the worse decline in the market, according to the latest S&P/Case-Shiller Home Price Index.

Some commissioners said they worried that the county would receive many appeals if the county revalued properties before the housing market settled.

But, while putting off a revaluation may save property owners some money for at least a year, it will be expensive for the county.

Tax Assessor Garrett Alexander has said a delay would cost about \$300,000 in staff time and other administrative costs.

In addition, the county could lose millions in revenue from utility companies because of a state law allowing the businesses to receive a tax break in the fourth and seventh years after the last revaluation. Mecklenburg could lose about \$5 million if the average price of homes remains about 20 percent above the values set five years ago.

Alexander said tax revenue from new construction could help recover some of what is lost from the utility taxes. But any remaining gap would have to be paid for from other parts of the county's budget.

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