

WAKE COUNTY MARCH 21, 2016 7:28 PM

Wake commissioners OK 4-year property appraisals

HIGHLIGHTS

Appraisals linked to county property tax bills

County commissioners switch to 4-year cycle, draws GOP criticism

Improved accuracy worth the additional cost, commissioners say

The county government will conduct more frequent appraisals on all Wake properties, likely leading to more frequent tax bill



BY PAUL A. SPECHT

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RALEIGH — The county government will conduct more frequent appraisals on all Wake properties, likely leading to more frequent tax bill fluctuations.

The Wake Board of Commissioners on Monday unanimously approved a proposal to appraise county properties every four years instead of every eight years, the current practice. The move has broad ramifications.

For property owners, it could mean a higher or lower tax bill, even if commissioners keep tax rates level. A property owner's tax bill is typically based on the county's assessment, which can increase or decrease based on a variety of factors.

For the county government, it means spending about \$6 million every four years instead of about \$7 million every eight years. The county budgeted \$7.1 million for this year's reappraisal process and expects to spend about \$6.3 million in 2020.

County commissioners said Monday they hope the additional appraisals lead to more accurate property values and fewer appeals.

"I think it's important that people get an honest assessment of what their values currently are," Commissioner Jessica Holmes said.

Wake assessed county properties last year and is reviewing appeals. While appeals are down this year because many residential property values saw little to no fluctuation over the last eight years, they rose an average of 38 percent between 2000 and 2008, the last time Wake conducted reappraisals. That year, 27,500 of Wake's 360,000 landowners appealed.

The appeal process is hard on taxpayers and county staff, said Marcus Kinrade, the county's revenue director. Kinrade urged commissioners to approve the 4-year cycle, saying it would improve operations. Wake became the 40th North Carolina county to embrace a 4-year cycle. Until then, Wake was one of several North Carolina counties – including Cumberland, Durham and Mecklenburg – to appraise as infrequently as state law would allow.

Commissioners received some pushback for the move. The money for additional reappraisals should go toward departments that need it most, such as public schools or social services, Raleigh resident Joey Stansbury said.

"This is going to result in a backdoor tax increase," Stansbury said.

Republican candidates running for board seats, which are all currently occupied by Democrats, levied similar criticisms.

John Adcock of Fuquay-Varina, who's running against Morrisville councilwoman Vicki Scroggins-Johnson for new at-large District B, said the cost of allegedly "more accurate" appraisals is too high. He doubted that the new appraisal schedule would drastically reduce appeal rates.

"I haven't seen any evidence that would suggest that," Adcock said.

Craig Ralph, who's running in board District A against Commissioner Caroline Sullivan, said the board wants use the process to generate more government revenue. "I think it's a way to raise taxes without letting the public know," he said.

Former Raleigh councilman John Odom, who's running for the seat currently occupied by Betty Lou Ward, said he has no problem with the 4-year-cycle so long as commissioners adjust property tax rates to protect homeowners who might face higher bills. Otherwise, he's against it.

"It could give the government a chance to sneak in and gather your tax dollars earlier (than every eight years)," Odom said.

Property taxes don't change automatically when the Board of Commissioners adopts the newly-appraised property values. With each annual budget, county commissioners can keep rates the same regardless of the new values or they can adjust the tax rate to keep bills as stable as possible.

Commissioners on Monday said they'd review how to proceed this spring as they draft a budget for the next fiscal year, which starts in June.

"We don't want to raise taxes," Commissioner John Burns said. "We're not close to making that decision."

It'll be hard to keep bills exactly the same, he said, because the recent residential appraisals affected Wake's 12 municipalities differently. While they mostly stayed flat in Raleigh, they increase 7 percent in Apex and decreased nearly as much in Wendell and Zebulon.

Burns rejected the notion that commissioners increased Wake's appraisal frequency in order to boost tax collection. He said the county is obligated to produce a revenue-neutral rate and notify property owners if it decides to adopt a rate that increases taxes.

“We will issue a revenue-neutral tax rate so people can see what that would look like ... and stay as close to that as possible,” Burns said. “There would be nothing backdoor about it whatsoever.”

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