

## Real Estate Alert - "New Changes to the NC Property Tax Appeal Process"

Brian Pearce by February 16, 2012

According to ancient lore, the Mayans have long predicted 2012 might bring the end of the world. The Mayans may not be correct about that, however, it is a certainty that 2012 will bring changes to property tax values for property owners in Guilford County. **Starting in March, property owners will start receiving notices from the Guilford County Tax Department regarding the "new" assessed value for their properties in Guilford County.** As always occurs with a re-valuation, these "new" values are sure to stir controversy and dismay among property owners. With that in mind, property owners should realize they do not have to just blindly accept the "new" values because they do have avenues to appeal the assessments.



### 5 steps for appealing a "new" value:

- 1. Contact the Guilford County Tax Department directly and ask for an informal meeting.** The tax department is already notifying the citizens it speaks to that it would rather be contacted by e-mail or regular mail than by phone. If you do choose e-mail or regular mail, be sure to follow up if you don't get a prompt reply.
- 2. If the informal process does not work, a property owner can go ahead and file a written notice of appeal with the Guilford County Board of Equalization and Review.** The written notice of appeal needs to be filed before the Board of Equalization and Review adjourns for the year. The date of adjournment has not yet been announced by the tax department. The hearing before the Board of Equalization and Review will be informal, meaning the testimony is not sworn and the rules of evidence do not apply. But, the property owner should attend prepared to argue her case. Therefore, the property owner should have evidence with her as to why the assessment does not accurately reflect the fair market value of her property. After hearing the evidence, the Board of Equalization and Review will determine whether the property has been appraised and taxed in conformity with statutory requirements.
- 3. If the Board of Equalization and Review does not provide the relief the property owner seeks, the property owner can then appeal to the North Carolina Property Tax Commission.** This appeal must be filed within 30 days after notice of the Board of Equalization and Review is mailed to the property owner. The notice of appeal is marked as received by the Property Tax Commission either on the day that the notice is post marked by the United States Postal Service, or if not post marked by the United States Postal Service, on the day the Property Tax Commission actually receives the notice. If the notice of appeal is not received within the required time period, there are grounds to automatically dismiss the appeal. If the notice of appeal is received on time, the Property Tax Commission will provide the property owner with a form AV14 (Request for Hearing). The form AV14 needs to be returned to the Property Tax Commission within 30 days of its mailing. The form AV14 can only be completed by the property owner or an attorney licensed in North Carolina.
- 4. Once the form AV14 is filed, it is typical that there will be a lengthy delay before the matter is actually set for hearing.** During this time, the parties can serve each other with written discovery. A party can also request an informal meeting with the tax department by contacting the Property Tax Commission. Employees assigned to the Property Tax Commission will help arrange this meeting and can serve as informal mediators at the meeting. When the matter goes to hearing, the hearing will be quasi-judicial, meaning testimony will be sworn and the North Carolina Rules of Evidence will apply. There will be a presumption that the assessment is correct. This presumption can be rebutted though, by the production of material, substantial, and competent evidence that tends to show that either an arbitrary or an illegal method of valuation was used and that the assessment substantially exceeded the true value in money of the property.
- 5. If the property owner does not get the relief they sought from the Property Tax Commission, the property owner then has a right to appeal to the North Carolina Court of Appeals.** This appeal must be filed within thirty (30) days of entry of the final decision by the Property Tax Commission. There is also an immediate right to appeal to Superior Court if the property owner alleges that the tax that was imposed was imposed through clerical error, was an illegal tax, or was levied for an illegal purpose. These cases are rare, but the relief is available if the facts are in place.

All in all, a property owner can appeal a property tax valuation through several levels in an effort to get a fair value assessed to their property. However, throughout the process, the property owner should keep in mind they must present meaningful and competent evidence to support their case and must comply with the time frames and rules discussed in this article in order to ensure they have a chance to be successful in getting the value they seek.

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