

Color of Law
**ONGOING
COMMUNITY
DIALOGUE**

New Property REVALUATION PRIMER

February 1, 2019

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How is your Property Tax Bill Calculated:



Property Tax Calculation Example:

Land (Lot) Value	\$ 30,000
Building (House) Value	\$ 90,000
Total Appraised Value	\$120,000

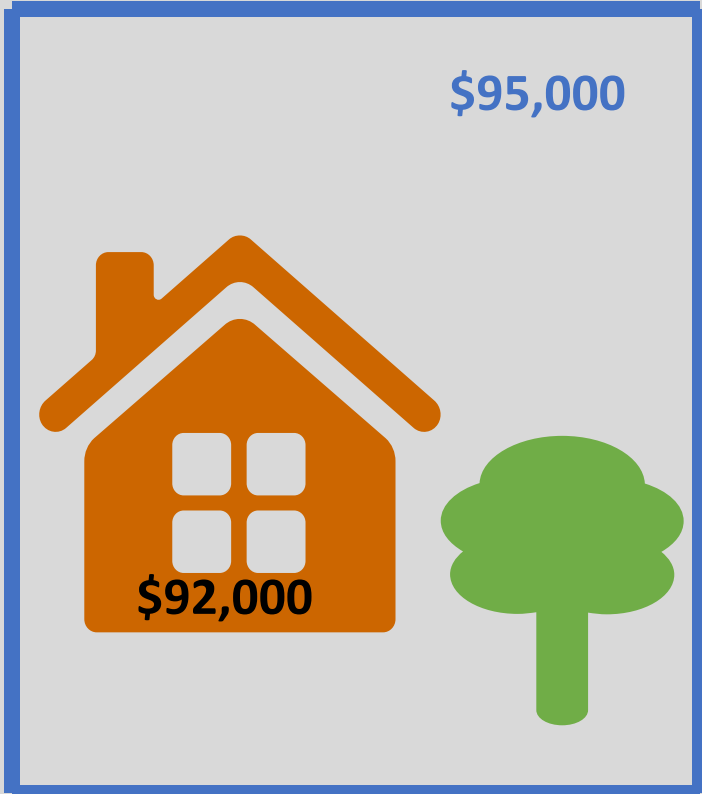
Current Tax Rate (per \$100)		
County Tax Rate	\$ 0.8232	----- County
City Tax Rate	\$ 0.4887	----- City
Total Tax Rate	\$1.3119	

Property Tax Amount (Total Appraised Value * Tax Rate) **\$1,574**

What you received was a new Appraisal Value NOT a New Tax Bill.

EXAMPLE 1

\$120,000



New Property Tax Calculation with NEW APPRAISAL Example:

Land (Lot) Value	\$ 95,000 (217% Increase)
Building (House) Value	\$ 92,000 (2% Increase)
Total Appraised Value (OLD \$120,000)	\$187,000 (56% Increase)

New TAX RATE
NOT YET SET BY EITHER CITY OR COUNTY

New Tax Rate (per \$100)	
County Tax Rate	\$0.8232 ----- County
City Tax Rate	\$0.4887 ----- City
Total Tax Rate	\$1.3119

Property Tax Amount (Total Appraised Value * Tax Rate) \$?????

How will the City/County set the new Tax Rate?

(How much \$ they need to Operate)

- Option 1 -- **“Revenue Neutral”** New Tax Rate
 - They have the **same amount of money to spend after the Revaluation (adjusted for inflation)**

- For Example:

- Total Residential Home Valuation \$800,000,000 (\$800 MM)
- Combined Current Tax Rate \$1.3119
- **Projected Revenue to Operate City/County \$ 10,495,200**

- **REVENUE NEUTRAL with Revaluation**

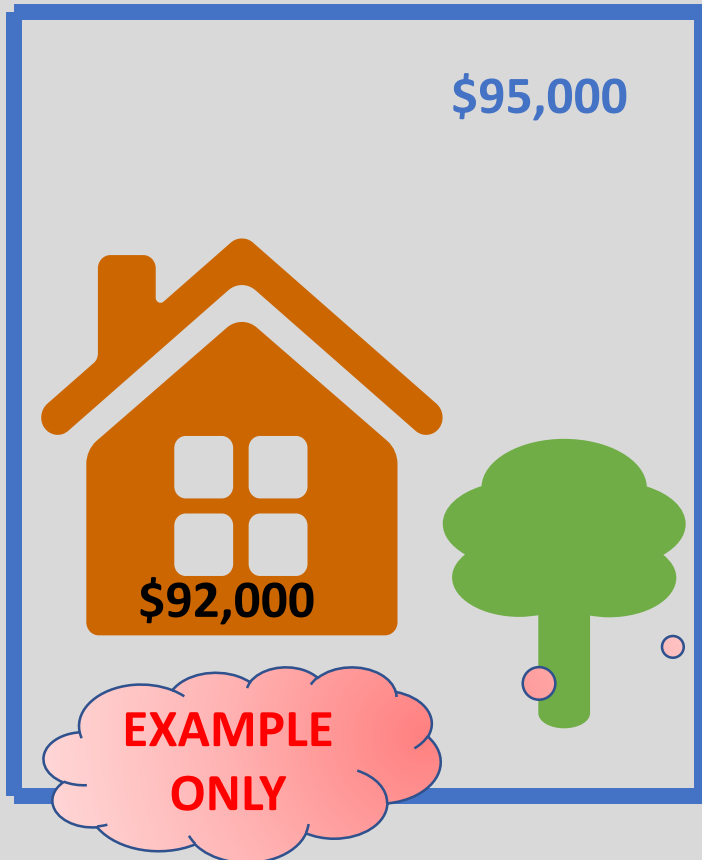
- Total Residential Home Valuation \$1,144,000,000 (43% Increase)
- Total Revenue to Operate City/County \$ 10,742,887 (2.36% Increase)
- **New Combined Tax Rate Could Be \$ 0.9391**

Example
ONLY

If the City and County set their Tax Rates to Be “Revenue Neutral” then the lower new rate will PARTIALLY offset the new appraisal amount increase.

EXAMPLE 1

\$120,000



Example: New Property Tax Calculation with NEW APPRAISAL Example: (Assuming “Revenue Neutral New Tax Rate on Residential)

Land (Lot) Value	\$ 95,000 (217% Increase)
Building (House) Value	\$ 92,000 (2% Increase)
	<hr/>
Total Appraised Value (OLD \$120,000)	\$187,000 (56% Increase)

New Tax Rate (per \$100)	NOT YET SET BY EITHER CITY OR COUNTY	
<u>County Tax Rate</u> \$ 0.5757	----- County	\$1,075
◦ <u>City Tax Rate</u> \$ 0.3417	----- City	\$ 639
Total Tax Rate	\$0.9174	

Property Tax Amount (Total Appraised Value * Tax Rate) \$ 1,716 (9% Increase)

How do you estimate your new Tax Bill **IF** the City/County adopt a 'Revenue Neutral' new TAX RATE?

New Valuation % Increase	ESTIMATED New Property Tax % Increase
20%	-15%
40%	-1%
60%	14%
80%	28%
100%	42%
125%	60%
150%	77%
175%	95%
200%	113%
225%	131%
250%	148%

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NOTE: THIS IS AN APPROXIMATION OF THE POTENTIAL TAX BILL CHANGE BASED UPON A 'REVENUE NEUTRAL' NEW TAX RATE BY BOTH THE COUNTY & THE CITY.

YOUR BILL WILL PROBABLY GO UP BUT BY NOT BY THE SAME % YOUR PROPERTY REVALUATION INCREASED

What matters more Valuation \$ Increase or Valuation % Increase

High Property Value Neighborhoods

Neighborhood	Original Property Value	Revaluation	Property Valuation \$ Chg.	Property Valuation % Chg.
Myers Park	\$ 1,395,600	\$ 1,883,900	\$ 488,300	35%
Eastover	\$ 2,138,500	\$ 2,787,300	\$ 648,800	30%

Much Higher \$ Chg. ↑

Neighborhood	Original Property Tax	"New" Property Tax	Property Tax \$ Change	Property Tax % Change
Myers Park	\$ 18,382	\$ 17,614	\$ (768)	-4%
Eastover	\$ 28,129	\$ 26,025	\$ (2,104)	-7%

Decrease in Property Tax Amount

Historically Lower Property Value Neighborhoods

Neighborhood	Original Property Value	Revaluation	Property Valuation \$ Chg.	Property Valuation % Chg.
Belmont	\$ 83,700	\$ 167,100	\$ 83,400	100%
Smallwood	\$ 60,200	\$ 193,000	\$ 132,800	221%

Much Higher % Chg. ↑

Neighborhood	Original Property Tax	"New" Property Tax	Property Tax \$ Change	Property Tax % Change
Belmont	\$ 1,172	\$ 1,604	\$ 432	37%
Smallwood	\$ 863	\$ 1,875	\$ 1,012	117%

Increase in Property Tax Amount

What can you do?

- Review the details on your property.
 - If you need help then look online at (<https://www.mecknc.gov/AssessorsOffice/MeckReval/Pages/FAQs.aspx>)
 - Or contact Assessor's Office at 980-314-4226 or AssessorQuestions@MeckNC.gov.
- Explore if you are eligible for Property Tax Relief. Below are several state programs that you should explore to see if you qualify. (<https://www.mecknc.gov/TaxCollections/Pages/TaxRelief.aspx>)
 1. LOW-INCOME HOMESTEAD EXCLUSION
 - North Carolina allows low-income homestead exclusions for qualifying individuals. Qualifying owners must apply with the Assessor's Office between January 1 and June 1. If you qualify, you can receive an exclusion of the taxable value of your residence of either \$29,500, or 50% (whichever is greater).
 - Low Income Homestead Exclusion sample qualification requirements.
 - >65 or Permanently Disabled
 - Taxable Value exclusion of \$29,500 or 50% (whichever is greater)
 - **Income < 2017 \$29,500 (approx. 40% AMI)**
 - Owner >= 5 years
 - Must apply again annually
 2. DISABLED VETERANS HOMESTEAD EXCLUSION
 - Honorably Discharged
 - **Disability is Service Related**
 - **NO AGE or INCOME Requirement**
 3. PROPERTY TAX DEFERRAL FOR THE ELDERLY OR TOTALLY AND PERMANENTLY DISABLED ("CIRCUIT BREAKER")
 - This program is available instead of Homestead Exclusion for elderly or disabled homeowners whose income does not exceed 150% of the income eligibility limit* for the Homestead Exclusion.
 - **Deferred Taxes - until sale of the property**
 - **Income <\$44,250 (approx. 60% AMI)**

New Program- City of Charlotte - Aging in Place

- **Program Qualifications & Considerations**

- The City of Charlotte has developed the Aging in Place program to support senior homeowners who want to continue to live in their home in spite of incurring substantial tax increases due to property revaluation. Aging in Place offers grants to low-income to moderate-income senior homeowners that allow them to age in place. Homeowners wishing to participate in the program must meet the following qualifications.

- Program Qualifications

1. **Age 65 or older by the end of the calendar year** for which assistance is being requested (2019)
2. Application must be submitted for primary residence
 - a) Only one application will be accepted per residence
3. Residence must be located within City of Charlotte limits
4. Applicant's name must be on the deed or title to the residence
5. Applicant must have lived in the home as homeowner for at least **5 years prior** to application
6. Documented gross household yearly income **more than** \$30,200 but **not to exceed** 80% AMI (Based upon Family Size)
7. Demonstrated incurrence of a significant financial burden that threatens continued home ownership because of a **substantially increased total property tax bill due** to revaluation with a minimum increase of \$100

- Considerations

- The grant will pay for the increase in property tax burden associated with the 2019 Mecklenburg County Revaluation as compared to property tax burden in 2018
- The **grant payment will be based on the percentage increase experienced by the homeowner for their total tax burden**
- The grant will be the **lesser of the payment based on the percentage increase in tax burden or the actual increase, but not exceed \$1,000**
- Homeowners must presently not have any encumbrance attached to, or binding upon their property; including back property taxes, pending legal action, or easement disputes
- Homeowner must not presently be participating in any Mecklenburg County Tax Relief Program
- Submit an application to the City demonstrating financial need for assistance to stay in their homes due to revaluation
- Grant payments will be paid directly to the Mecklenburg County Office of the Tax Collector on behalf of the homeowner

<https://charlottenc.gov/HNS/Housing/Homeowners/Pages/Aging-In-Place.aspx>