



Are you paying too much in property taxes?

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As a mortgage lender, I get a lot of questions on the difference between assessed property values and current market value. Recently, we hear a lot of people upset about their assessed value. They feel their home is worth less than the assessed value and feel they are overpaying in property taxes. If you think your assessment is out of whack, fight back. What follows is a guide to a successful challenge. For more detailed advice, you can go buy The National Taxpayers Union's *"How to fight property taxes"* (\$9.95).

The first thing you should do is **review your property tax record**. You can find this on line. The record should contain basic information on your home and lot size. The number of bedrooms, baths, special features such as a finished basement or fireplaces etc... The county appraiser that did your assessment will measure the outside of the house but many times does not come inside. So a simple error maybe in the number of bedrooms or baths will carry forward year after year. This type of error in your square footage etc...Would be a valid reason for your request to be accepted. Another thing that is possible is that you apply for a permit to do a renovation and didn't finish your renovation. There may be an error in your assessment linked to this type of scenario. Errors like this are fairly straightforward to fix.

The second thing you can do is look into any **tax relief exemptions** you may qualify for. If you are a veteran, elderly or disabled, look into these and see if you qualify. Most tax relief programs are not automatic and you have to apply for them. Doing so can save hundreds or thousands of dollars. In Wake County, the deadline is June 1st to apply for these programs.

If the above two are not in your favor, and you believe that your home isn't worth as much as the county says, it's time for **an official appeal**. You need to appeal in Wake County by the date that the board adjourns each year, this is sometime in early April. You'll need to put in some hours to prove your case. Your goal is to establish that the market value of your house at the time the assessment was done, was lower than what it was assessed at. You are not able to use the overall drop in property values as proof. It would be a good idea to hire an independent appraiser and ask them to make the appraisal effective as of 1/1/2008. They would be using comparable sales from late 2007 to complete their appraisal. Dave Cozzarelli, an independent appraiser states "the

easiest way to lower your taxes is to show a discrepancy in the square footage.” He says on occasion, if you have a home that has a very large two story family room or foyer, the tax records may show you have more square ftg than what you have. Dave also says that it is important to study your tax bill and appeal quickly when you get the newly assessed value, rather than wait a few years later. We see a lot of people bringing up discrepancies now rather than a few years ago when the values came out.

Jerry Bowers, a staff appraiser in Wake County says “The County does lower taxes when there have been errors. Sometimes if there are issues with topography of your lot, the land value of your lot may be assessed too high.” For example if the lot is very steep and drops off your back yard, that would be a potential reason for the lot value being less than your neighbor’s flat lot. Mr. Cozzarelli agrees with this and says that the utility of your lot, for example if your lot contains marsh land or anything that affects the actual usability of your lot, can affect your land value. Being close to a land fill or airport, may limit the utility or enjoyment of your lot. Mr. Bowers also mentioned that is important to review the grade quality of construction on your tax record along w/ the land value. Both the grade of construction and land value should be consistent with those in your neighborhood. If there are discrepancies with these issues, bring them up in your formal appeal. The appeal process here in Wake County requires you to go in front of a board.

To win an appeal, it may be helpful to watch someone else do it. Attend a board meeting. Make sure to keep your appeal factual & succinct. Do not bring up property values across the country or in your state. Hold your ground and give pictures/ handouts of homes similar to yours that support a lower value. Show reasons why your house is worth less. For example if you are on a busy street or have a horrible view compared to other homes in your neighborhood. If the board turns you down, you still can apply for an appeal to the NC Property Tax Commission. You need to apply within 30 days of the board’s decision to you.

Locally, we currently assess property values every 8 years. The last time properties were assessed was 2008, so we are due our next assessment in 2016. For more information on your property taxes, visit your local county site. In Wake County that would be www.wakegov.com. We as lenders, use the actual property tax bill based on your county assessed value when computing taxes on your mortgage loan.