

August 25, 2022

MECKLENBURG AND GASTON COUNTIES TO REVALUE COMMERCIAL PROPERTY IN 2023

North Carolina law requires counties to revalue all property within their jurisdiction every 4 to 8 years. The resulting value is used to calculate property taxes for the next 4 to 8 years. The year in which a county decides to revalue properties is called the Revaluation Year. Mecklenburg County's last Revaluation Year was 2019. This means that your property tax bill for the years 2019, 2020, 2021, and 2022 has been based on the value of your property as of January 1, 2019. Mecklenburg and Gaston Counties' next Revaluation Year for commercial and residential property will be 2023. The new value will be the value of your property as of January 1, 2023. ("New Value") Property owners will receive a Notice of New Value in the mail during the month of January, and should review the Notice carefully and make note of any appeal period deadlines.

How is Property Value Assessed?

Property value includes both the value of the land and improvements thereon. **Land** might be a lot in a neighborhood, a 5-acre shopping center site, or 100 acres of woods. Improvements include both buildings and structures, as well as site improvements such as parking lots, pools, patios, and/or other features that add value to your property. It is important for property owners to use the County Tax Assessor's **website** to confirm that the County valued property based on the correct acreage and improvements.

The Counties will use prior sales from 2020, 2021, and 2022 to determine the New Value, and that is what your property tax bill for 2023 until the next Revaluation Year will be based upon. The County cannot increase or decrease the New Value based on changes in market values between Revaluation Years.

Given that the market has seen unprecedented highs in **real estate** values over the past couple of years, we can expect to see a significant increase in both commercial and residential New Values. For example, when Union County revalued its property in 2021, real estate tax values increased an average of 35%, with property owners seeing a corresponding increase in property taxes.

Can You Appeal Your Property Value?

If the County's New Value substantially exceeds what your property is actually worth, you have the right to appeal the New Value either through an informal appeal process or directly to the Board of Equalization and Review. An appeal to the Board of Equalization and Review is a quasi-judicial process. This means that the Board acts as a judge or jury and renders its decision based on

material, competent and substantial evidence presented during the Hearing. In making its decision, the Board has the authority to reduce the New Value, increase the New Value, or confirm the New Value. If you are dissatisfied with the Board of Equalization and Review's decision, you have the right to appeal the Board's decision to the Property Tax Commission in Raleigh. If your appeal is successful, the resulting reduced New Value will be used to calculate your property taxes until the next Revaluation Year.

Whether or not to appeal depends on a variety of factors, including property type, the amount by which the New Value exceeds the current market value, and how much in tax savings you can expect to receive from the desired reduction. You should consider your time, as well as the costs and expenses associated with mounting an appeal.

You should know that you can only challenge the New Value based on market value during the 2023 Revaluation Year. The New Value can be appealed in 2024 or after; however, the reasons to appeal between Revaluation years are limited. You can appeal the New Value if, for example, the County based the New Value on incorrect information, or a change has occurred on your property. You cannot appeal between Revaluation years because you sold property for less than tax value, or because the real estate market has declined.

How JAH Can Help

Johnston Allison Hord attorneys secured millions of dollars in reductions for our clients during the 2011, 2014, and 2019 Revaluation Years. These properties included **mixed-use developments**, multi-family, **commercial**, **retail**, office, residential, and special use properties such as golf courses. We look forward to working with you to navigate this process. If you have any questions regarding the upcoming Mecklenburg and Gaston Counties' property Revaluation, **[contact us here](#)**.

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