

PROPERTY TAX VALUATIONS DURING COVID-19

During this pandemic, with restaurants closing or operating at 50% capacity, and hotels operating with reduced occupancy, many have asked about the effect on their real estate values for property tax purposes.

Property tax values are set by county governments in North Carolina. The 100 counties are on a staggered schedule for revaluations. Counties must revalue every 8 years and have the option to revalue every 4 years if they choose. In 2020, 11 counties were scheduled for revaluations, including Cabarrus, Carteret, Dare, Pitt and Wake. In 2021, 26 counties are scheduled, including Buncombe, Craven, Forsyth, New Hanover, Orange and Union. Mecklenburg County's revaluation year was 2019.

A full list of counties with their revaluation schedules and tax rates is found [here](#). Link

Counties typically hire independent appraisal firms to view each property and assign a value. Appraisal work is done in the year prior, so that the new value can be set effective January 1 of the revaluation year. For example, in the 11 counties whose revaluations were in 2020, the appraisal field work was done in 2019 – before the hospitality industry felt the impact of Covid-19.

For the 26 counties scheduled to set new values effective January 1, 2021, the appraisal work is ongoing now. The appraisers should be able to account for the impact of the virus on hospitality properties in those counties. If you believe your property valuation is in error, you can appeal to a local board – called the Board of Equalization and Review. The appeal schedule is set by each county, but typically appeals must be filed in April or May of each calendar year.

Of course, the other factor in determining your tax bill is the [property tax rate](#) which is set by city and county elected bodies. Many local governments reduced their tax rates in 2020 to account for Covid-19. NCRLA reached out to the North Carolina Tax Collectors Association to assist restaurants and hotels with the impact of property taxes in 2020. In response, the Association [sent a letter](#) to its membership recommending that all jurisdictions allow a 12-month payment plan (July/August 2020 to June 30, 2021).

Restaurants and hotels should contact their local tax office to request a payment plan.