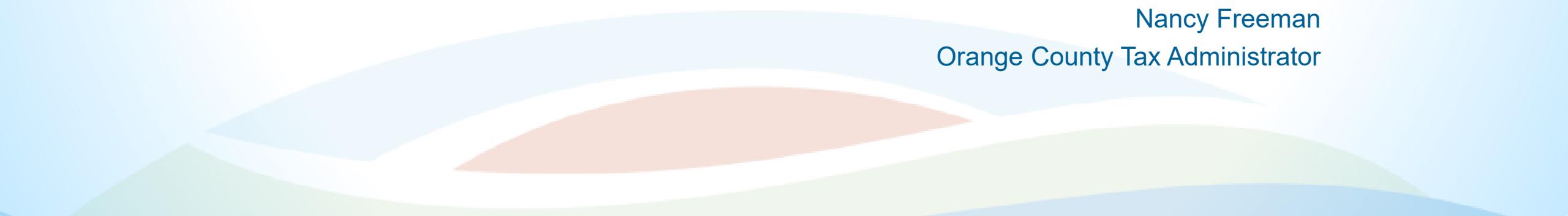




2025 Revaluation

Presentation – Chapel Hill

April 16, 2025



Nancy Freeman
Orange County Tax Administrator

What is Revaluation?

- Process of updating real property tax assessment to market value and present-use value as of a single appraisal date
- Primary goal is to equalize tax base
- Re-establish the fairness of the tax burden between properties, which change in value at different rates by location and property type.
- All residential and commercial land throughout Orange County and permanent structures
- **Does not** include Personal Property which is reappraised annually
- Required by NC General Statutes: NC law requires all counties to revalue real property at least once every 8 years, Orange has adopted a 4 year cycle.

Equalization Example

Reappraisal purpose is equalization of assessed value so that all property owners pay at 100% of market value. This shows how the market value evolves in the years between revaluations between two homes in the same neighborhood.

- At the 2021 revaluation, Home A is assessed at \$205,100, tax bill of \$640. Home B is assessed at \$295,300, tax bill of \$920.
- Both of these homes sell for \$320,000 in 2023
- Even though both properties sold in 2023 for a higher amount, the value and tax amounts do not change for either property in 2024. As a result, in 2024 Home A is paying a property tax bill that is based on only 64% of its market value, while Home B is paying property tax based on only 92% of its market value.
- At the 2025 revaluation, both homes are valued at \$320,000, and the 2025 property tax bill for each home is \$1,000.

Residential Appraisal

- Residential properties valued by Orange County Appraisal Team
 - Each appraiser is certified by the North Carolina Department of Revenue (NCDOR)
 - Must pass required courses & maintain certification with continuing education
 - Must attend NCDOR Sales-Qualifying Training
- Each sale in Orange County is reviewed and categorized as qualified or non-qualified sale
 - “Arms Length Transaction” = Qualified Sale
 - Purpose is to eliminate sales not indicative of a fair market transaction
 - Two years of sales included in sales bank used to shape the values for the revaluation.
 - [Sales bank](#) is available on our website. 8,613 sales range from January 1, 2021 through December 31, 2024.

Comparison to Other Counties

- Orange County estimates 52% increase countywide
- Survey of counties conducting a revaluation in 2025
 - Average county-wide growth of 58%, median of 56%
 - Range from 25% to 73%
 - Twenty-two counties included in the survey
- Fifteen of these counties held a revaluation in 2021
 - Average County-wide growth of 53%, median 56%
 - Range 25% to 67%

Mandatory Revaluation

In counties with rapid property value changes, state law may require earlier reappraisals. North Carolina Department of Revenue (NCDOR) monitors the amount of change in property values by reviewing the sales ratio between revaluations.

- If sales ratio becomes too high or low, NCDOR mandates the county to conduct a revaluation sooner.
- Orange County's marked growth in real estate prices since 2021 led the state to mandate a reappraisal by January 1, 2025.
- Since Orange County conducts revaluations every 4 years, our next reappraisal already set for 2025 but would not be allowed to postpone it.

Neighborhood Reviews

Approximately 10,000 field reviews completed.

This is three times more than were completed prior to the 2021 Revaluation.

- ❖ 2021 Field Review Count affected by COVID restrictions

Field reviews were planned to target specific issues, such as neighborhoods that experienced a large number of appeals, properties with a large gap between effective and actual year built, commercial properties, multi-address properties.

*Current Revaluation Results

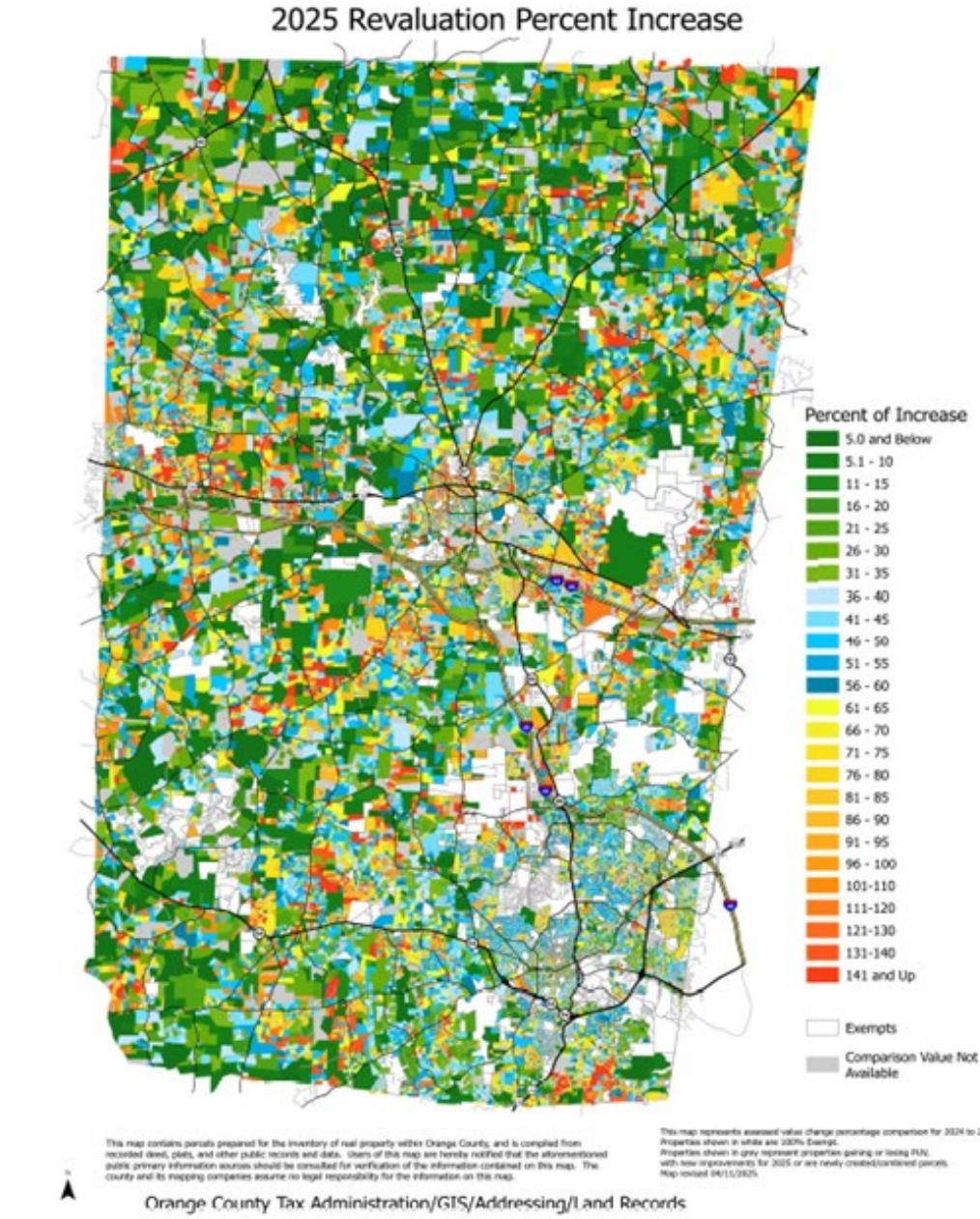
2025 All Properties	Estimated Assessed Value	Percentage Change
County	\$31,163,727,010	52%
Carrboro	\$3,891,959,083	47%
Chapel Hill	\$12,408,912,093	46%
Hillsborough	\$2,196,107,417	49%
Mebane	\$1,120,894,857	47%
* These values are not final.		

Current Revaluation Results (continued)

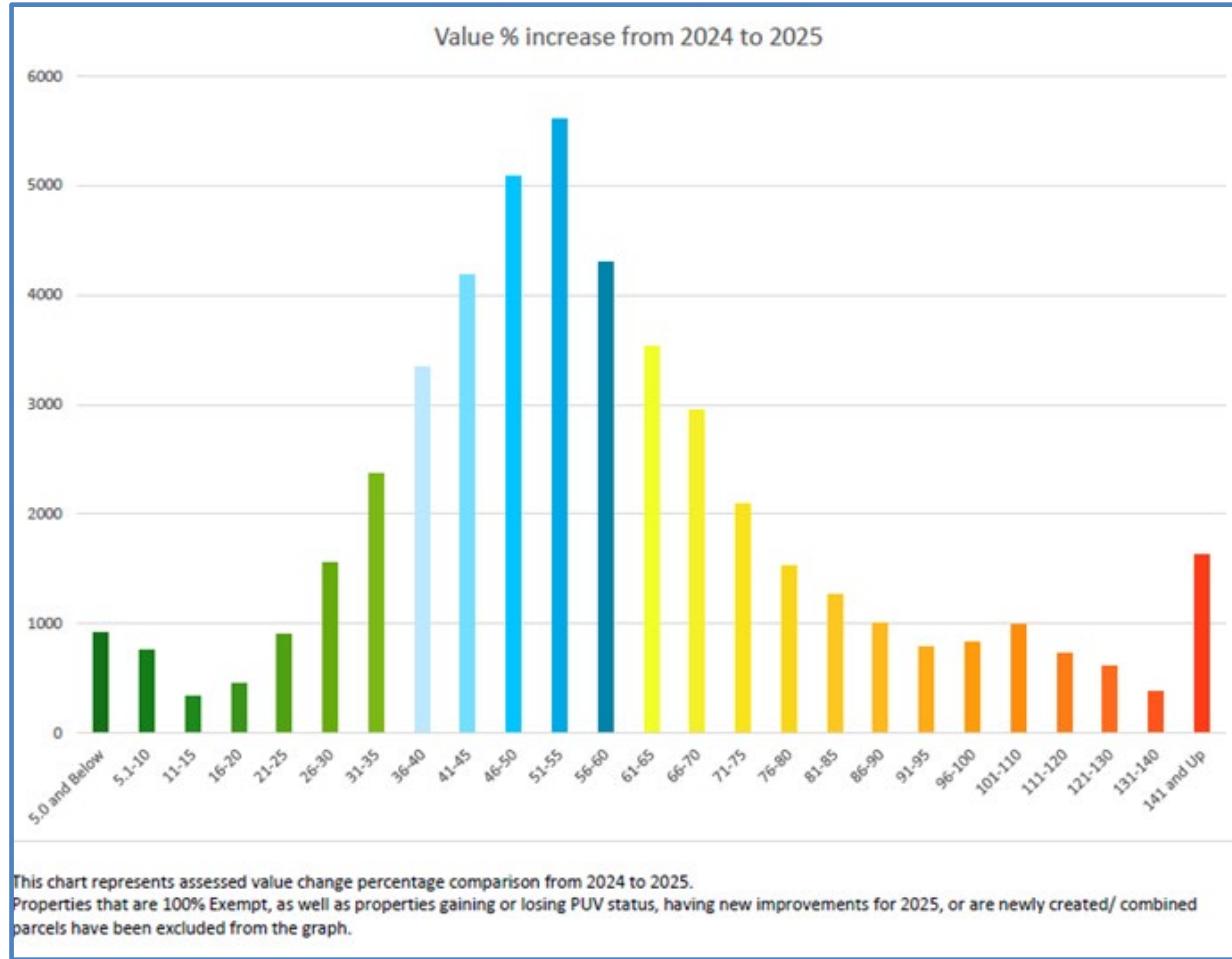
2025 Estimated Median Home Values

	Median Assessed Value	Median Sale Price
County	\$509,200	\$530,000
Carrboro	\$604,950	\$700,000
Chapel Hill	\$692,350	\$756,250
Hillsborough	\$427,500	\$477,500
Mebane	\$363,800	\$397,500

Current Revaluation Results (continued)



Current Revaluation Results (continued)



Chapel Hill Commercial Versus Residential

- The total Chapel Hill tax base is 71.8% residential and 28.2% commercial.
- The residential tax base has increased by 53.4%
- The commercial tax base has increased by 30.2%
- The overall increase is 46.1%

Revaluation Notice Mailing

Notices to be mailed mid-March, will include:

- Valuation Notice
- FAQ in English & Spanish: revaluation basics
- New Simplified Informal Appeal Form

How are Property Taxes Determined?

The total value of all taxable property in the county is called the tax base. County agencies and departments submit annual operating budgets that are reviewed by the Budget office and the County Manager's office. The total budget is submitted to the Board of County Commissioners (BOCC), who sets the tax rate used to calculate tax bills. This is done when the budget is adopted each June. A similar process is completed for Hillsborough and other municipalities.

Revenue Neutral Tax Rate

- The Revenue Neutral Tax Rate is the property tax rate that would generate the same tax levy on the county or town's new, post-reappraisal tax base as the county or town received in the past fiscal year on its existing tax base.
- Each revaluation year, counties and towns must publish the Revenue Neutral Tax Rate. This is done so that taxpayers can determine if their county or town has increased or decreased its total property tax levy following a county-wide reappraisal of real property.
- While a county must calculate and publish Revenue Neutral Tax Rate, it is not required to adopt it as the actual tax rate for the coming fiscal year.
- Orange County Board of Commissioner Meeting tonight, April 15. A presentation on the Revenue Neutral Tax Rate provided by the County Manager and the Budget Director. To review the agenda for the presentation:

<http://server3.co.orange.nc.us:8088/WebLink/Browse.aspx?startid=74458&row=1&dbid=0>

Community Outreach

- **Informational meetings**
- March 18, 6 p.m. at Carrboro Town Council Meeting, Carrboro Town Hall, 301 W. Main Street, Carrboro
- March 24, 7 p.m. at Hillsborough Town Council Meeting, Town Hall Annex Board Meeting Room, 105 E. Corbin St., Hillsborough
- March 25, 6 p.m. - OC Government Academy at Seymour Center, 2551 Homestead Rd, Chapel Hill
- March 27, 6:30 p.m. at Gaines Chapel AME Church, 4024 US -70, Efland
- April 8, 1 p.m. – Advisory Board of Aging at Seymour Center, 2551 Homestead Rd, Chapel Hill
- April 9, 9 a.m. - 12 p.m. at Seymour Center, 2551 Homestead Rd, Chapel Hill
- April 10, 1 p.m. - 4 p.m. at Passmore Center, 103 Meadowlands Dr, Hillsborough
- April 15, 7 p.m. at Schley Grange Hall, 3416 Schley Rd., Hillsborough

Community Outreach (continued)

- **Informational meetings (continued)**
- April 16, 6 p.m. at Chapel Hill Town Council, Council Chamber, 405 Martin Luther King Jr. Blvd, Chapel Hill
- April 22, 11 a.m. – 12 p.m. at Cedar Grove Community Center, 5800 NC Hwy 86, Hillsborough
- April 23, 1 p.m. – 4 p.m. at Seymour Center, 2551 Homestead Rd, Chapel Hill
- April 25, 9 a.m. – 11 a.m. at Passmore Center, 103 Meadowlands Dr, Hillsborough
- April 26, 9 a.m. - 12 p.m. at Lee's Chapel Missionary Baptist Church, 3604 Lee's Chapel Rd., Cedar Grove (Outreach with DSS)
- May 1, 6 p.m. – 8 p.m. at Antioch Baptist Church 1707 White Cross Rd, Chapel Hill
- **Please plan to attend! The remaining community meetings on our schedule are provided to be appropriate venues for the Tax Office to respond to property owners additional questions about values, appeals, etc.**
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How Tax Office Can Help - Appeals

- Informal appeals are handled by appraisal staff. The **Informal Appeals period** began when revaluation notices were received in **Mid-March and ends April 30, 2025**
- Formal appeals are heard and decided by the Orange County Board of Equalization and Review (BOER). The **Formal Appeals period** begins **May 1, 2025 and ends July 31, 2025**.
- Anticipate up to 2,500 informal appeals and 750 formal appeals.
- Appeal levels for 2021 were low due to pandemic: 1,681 informal, 381 formal appeals

How Tax Office Can Help – Appeals (continued)

- Review property characteristics at Real Property Search Webpage:
www.orangecountync.gov/prc
- Compare property to nearby property sales at Comper Webpage:
www.orangecountync.gov/comper
- Submit appeal form included with revaluation notice, or complete appeal process online: www.orangecountync.gov/Appeals
- Please see *Tips for A Successful Appeal Brochure*

How Tax Office Can Help – Tax Assistance

- Tax Office Administered Assistance Programs
 - Elderly or Disabled Homestead Exclusion
 - Disabled Veteran Exemption
 - Homestead Circuit Breaker – Tax Deferral Program
- Housing's Longtime Homeowner's Assistance Program
 - Notification in your tax bill
 - Apply with Housing, approval by Housing
 - Grants applied to tax bill or check mailed if tax bill is paid
- Chapel Hill's Longtime Homeowner's Assistance Program

How Tax Office Can Help: Payment Options

Payment Coupon

- opportunity to break bill into 5 monthly payments: August 31st through December 31st
- Payment Coupon sent with your bill

Monthly Bank Drafts

- Begin early in the year (can start now)
- estimate bill amount and decide how much you want to have drafted from your checking account monthly

Convenience with E-Payments

- ACH on our website
- Debit/Credit Cards, Apple Pay, Google Pay

For More Information

- Contact the Orange County Tax Office:
 - 919-245-2100, option 2
 - reval@orangecountync.gov
 - Live chat by visiting: www.orangecountync.gov/departments/tax/