

Keeping The Farm Workshop

Wake County Department of Tax Administration

March 11, 2020

What is Reappraisal?

The process of updating Wake County's real property values to reflect fair market value as of January 1, 2020

- ▶ Fair market value is the most probable price a property would bring in an open and competitive market. A hypothetical sale.
- ▶ The last countywide reappraisal was conducted 4 years ago with an effective date of January 1, 2016.
- ▶ Wake County transitioned from an 8-year to a 4-year reappraisal cycle in the Spring of 2016.

Reappraisal Review Activity

Property Type	Office Reviews	Field Reviews
 Residential	287,000 parcels	51,000 parcels
 Rural	13,000 parcels	17,000 parcels
 Commercial	9,000 parcels	15,000 parcels

2020 Reappraisal Results

Wake County Property

Overall Change



Residential

20%



Commercial

33%



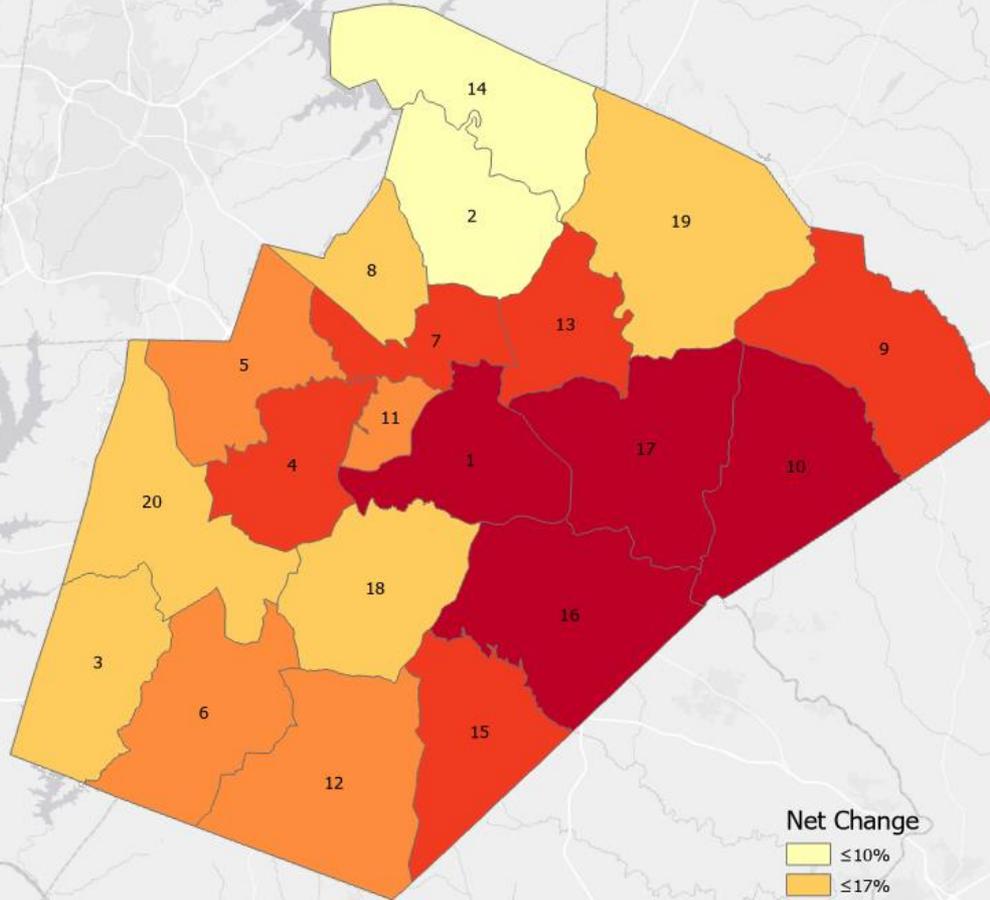
Total

24%

Reappraisal History

	1992	2000	2008	2016	2020
Total Parcels	165,000	230,000	325,000	360,000	395,000
Single Family	105,000	150,000	258,000	283,700	312,000
% Change from Reappraisal	43%	43%	40%	5%	24%
Taxable Value Post Reappraisal	\$21B	\$43B	\$94B	\$118.3B	\$162.2B
Taxable Value After Growth (New Construction)	\$30B	\$67B	\$112.3B	\$131.3B	

Net Difference of Property Values 2019-2020 by Township



Present Use Value Land Rates

2016 Present-Use Value Rates		2020 Present-Use Value Rates		Change
Agricultural		Agricultural		
Land Class	Rate (per acre)	Land Class	Rate (per acre)	
I	865	I	950	10%
II	590	II	645	9%
III	385	III	420	9%
Horticultural		Horticultural		
Land Class	Rate (per acre)	Land Class	Rate (per acre)	
I	1250	I	1370	10%
II	810	II	890	10%
III	560	III	615	10%
Forestry		Forestry		
Land Class	Rate (per acre)	Land Class	Rate (per acre)	
I	315	I	365	16%
II	245	II	260	6%
III	215	III	250	16%
IV	135	IV	160	19%
V	95	V	115	21%

Revenue Neutral Calculator

Real Estate ID: 0000094 PIN: 1736 36 9440 - 000 Location: 5750 LOUISBURG RD					
Owner Name: DEERWOOD LLC					
Current Property Value Totals (2020) (2020 Market Value)		Previous Property Value Totals (2020) (2016 Market Value)			
Total Heated Area:		Total Heated Area:			
Building(s) :	0	Building(s) :	0		
Outbuilding(s) :	0	Outbuilding(s) :	0		
Landline(s):	2	Landline(s):	2		
Land Value (Assessed) :	\$15,526,700	Land Value (Assessed) :	\$10,868,690		
Building Value (Assessed) :		Building Value (Assessed) :			
Total Value (Assessed) :	\$15,526,700	Total Value (Assessed) :	\$10,868,690		
Current Value Adjustment Totals (2020) (2020 Market Value)		Previous Value Adjustment Totals (2020) (2016 Market Value)			
Exempt:		Exempt:			
Use Value Deferred:	\$15,506,361 (FORESTRY)	Use Value Deferred:	\$10,851,529 (FORESTRY)		
Historical Value Deferred:		Historical Value Deferred:			
Tax Relief:		Tax Relief:			
Disabled Veterans Exclusion:		Disabled Veterans Exclusion:			
Total Adjustment Value:	\$15,506,361	Total Adjustment Value:	\$10,851,529		
Value To Be Billed:	\$20,339	Value To Be Billed:	\$17,161		
Estimated 2020 Tax Using Estimated Revenue Neutral Rate		Previous Property Tax			
WAKE COUNTY	0.6037	\$122.79	WAKE COUNTY	0.7207	\$123.68
FIRE	0.084	\$17.08	FIRE	0.096	\$16.47
Total:		\$139.87	Total:		\$140.15
Change in Total Value: 42.86% Average annual change in Value: 10.71% Estimated Change in Tax: -0.2%					

<https://services.wakegov.com/TaxPortal/TaxCalculator/CalculateTaxes>

Properties in Present Use Value

(Data changes daily)

<u>Use Type</u>	<u>Parcel Count</u>
Forestry	1,024
Horticulture	100
Agriculture	<u>2,488</u>
Total	3,612

Total Deferred Value: \$2,730,889,467

Prior Deferred Value: \$2,321,188,147



Applying for Present Use Value

- Deadline to submit an application is **January 31** each year
- Late application may be considered for **GOOD CAUSE** through the last day of the calendar year

Determination of good cause is made on a case-by-case basis. Upon showing of verifiable good cause, a late application may be considered by the Board of County Commissioners.

Examples of good cause may include:

- ✓ Physical or mental illness, infirmity or disability that would reasonably affect the taxpayer's ability to apply timely
- ✓ Death of the taxpayer or an immediate family member
- ✓ Active duty military deployment

! Taxpayer neglect, oversight or lack of awareness regarding due dates will not constitute good cause for a late exemption application.

Size Requirements

At least one tract must meet the following minimum acreage requirements

Agriculture* – 10 acres in actual production (actively engaged in the commercial production or growing of crops, plants, or animals) for the 3 preceding years.

Horticulture* – 5 acres in actual production (actively engaged in the commercial production or growing of fruits and vegetables or nursery and floral products) for the 3 preceding years.

Forestry – 20 acres in actual production (actively engaged in the commercial growing of trees).

*Land under improvements used in farming operations is considered land in production



✓ **Homesites are not acreage in production and should be valued at market value.**

The 'Farm Unit' Concept

Additional tracts (other than the initial qualifying tract) must meet the following requirements:

✓ **Must be under the same ownership - Properties owned by individuals and also owned by an LLC are not the same ownership even if the members of the LLC are the same individuals.**

✓ **Must be in the same county or within 50 miles as the crow flies of a qualifying tract if in a different county than the qualifying tract**



Agricultural and Horticultural tracts can include some woodland and wasteland. Forestland tracts can include wasteland, but not open land.

Ownership Requirements

Individually Owned Property

- ✓ Must have owned the land for 4 full years preceding January 1 of the year of the benefit or must be the owner's place of residence on January 1

-OR-

- ✓ Must apply and accept liability for the deferred taxes within 60 days of the date of transfer and the land must have been appraised at PUV at the time title to the land passed to the new owner (*The January 31 deadline does not apply here*)



Ownership Requirements

Business Entities

- * Limited Liability Companies
- * General or Limited Partnerships
- * Corporations (shares cannot be publicly traded)

✓ Must have owned the land for 4 full years preceding January 1 of the year of the benefit

-OR-

✓ Must apply and accept liability for the deferred taxes within 60 days of the date of transfer and the land must have been appraised at PUV at the time title to the land passed to the new owner

✓ A business entity must have agriculture, horticulture or forestry as its principle business.

✓ All individual members must be either actively engaged in the principal business of the entity or be the relative of an individual member who is actively engaged in the principal business of the entity.

Income Requirements

Income allowed: Average of \$1,000 gross income for the previous three years applies only to agriculture and horticulture
(Gross)

- The sale of agriculture products or animals from the land
- Grazing fees for livestock
- Sale of bees or products derived from bee hives (except honey)
- Any payments received under a government soil conservation or land retirement program

Income not allowed:

- Rental income from the leasing of the land
- Stud fees, leasing of hunting rights, and boarding fees
- Training or showing of animals for judging or show

Questions concerning PUV?

Our staff is here to help!

Our appraisal staff is happy to assist you with present-use value questions you may have.

We want to see your farming and forestry management ventures succeed and that you maintain your qualification for present-use value.

Questions or Comments

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