
Coates' Canons Blog: The Revaluation Revolts of 2009

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Property tax revaluations conducted in the midst of the national economic crisis ignited an explosion of taxpayer outrage across the state in early 2009. Assuming the local housing market woes continue, counties implementing revaluations in the next few years would be wise to learn from this year's experience and prepare for similar taxpayer unrest. The most important lesson? A county contemplating the postponement of its revaluation should make that decision sooner rather than later, else it risks facing the wrath of the Department of Revenue in addition to that of its taxpayers.

Twenty-seven North Carolina counties had property tax revaluations scheduled to take effect on January 1, 2009, smack in the middle of what might turn out to be the most devastating economic collapse since the Great Depression. The resulting taxpayer uproar led to the resignation of the tax administrator in one county and prompted serious reconsideration of revaluations in many others. Six counties—Caldwell, Mecklenburg, Person, Rockingham, Stanly, and Swain—eventually postponed their revaluations. Four of those counties—Caldwell, Rockingham, Stanly, and Swain—made their decisions after their revaluations took effect January 1, 2009, despite advice from the Department of Revenue (DOR), their own attorneys, and the School of Government (SOG) that such actions violated state property tax law. After the state Attorney General's office issued an opinion echoing those of the DOR and the SOG, the DOR Property Tax Division ordered the offending counties to rescind the repeals of their revaluations or face "further action."

In late June, the General Assembly avoided a showdown between the DOR and county officials by passing a law that retroactively approved the four late revaluation repeals. But the bill applies only to 2009 revaluations, meaning that counties who repeal future revaluations after they take effect on January 1 do so at their peril.

To read more about the revaluation revolts, click here for Local Government Law Bulletin #121.

Links

- www.freerepublic.com/focus/f-news/2193533/posts
- www2.journalnow.com/content/2009/feb/15/policy-delay-is-not-likely/
- www.ncga.state.nc.us/Sessions/2009/Bills/House/PDF/H1530v6.pdf
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