

# Property Tax Appeals & Systemic Bias

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# Goals of Study

Is there evidence of systemic bias in North Carolina's property tax appeal system?

*More specifically . . .*

Do taxpayer demographics (race, income, property values) affect:

- appeal rates?
- appeal results?

# Details of Study

- Analyzed BOER residential appeals from last 2 reappraisals
  - 5800 appeals from 2016
  - 4750 appeals from 2019
- Organized appeals by U.S. Census block groups
  - 152 block groups in Durham County
  - Race & income info for each block group
- Organized appeals by property value
- Tremendous help from Durham County Tax Office
  - Dwane Brinson, Starlin Beatty, Kimberly Horton, and Aloysius Corcoran

# Major Findings

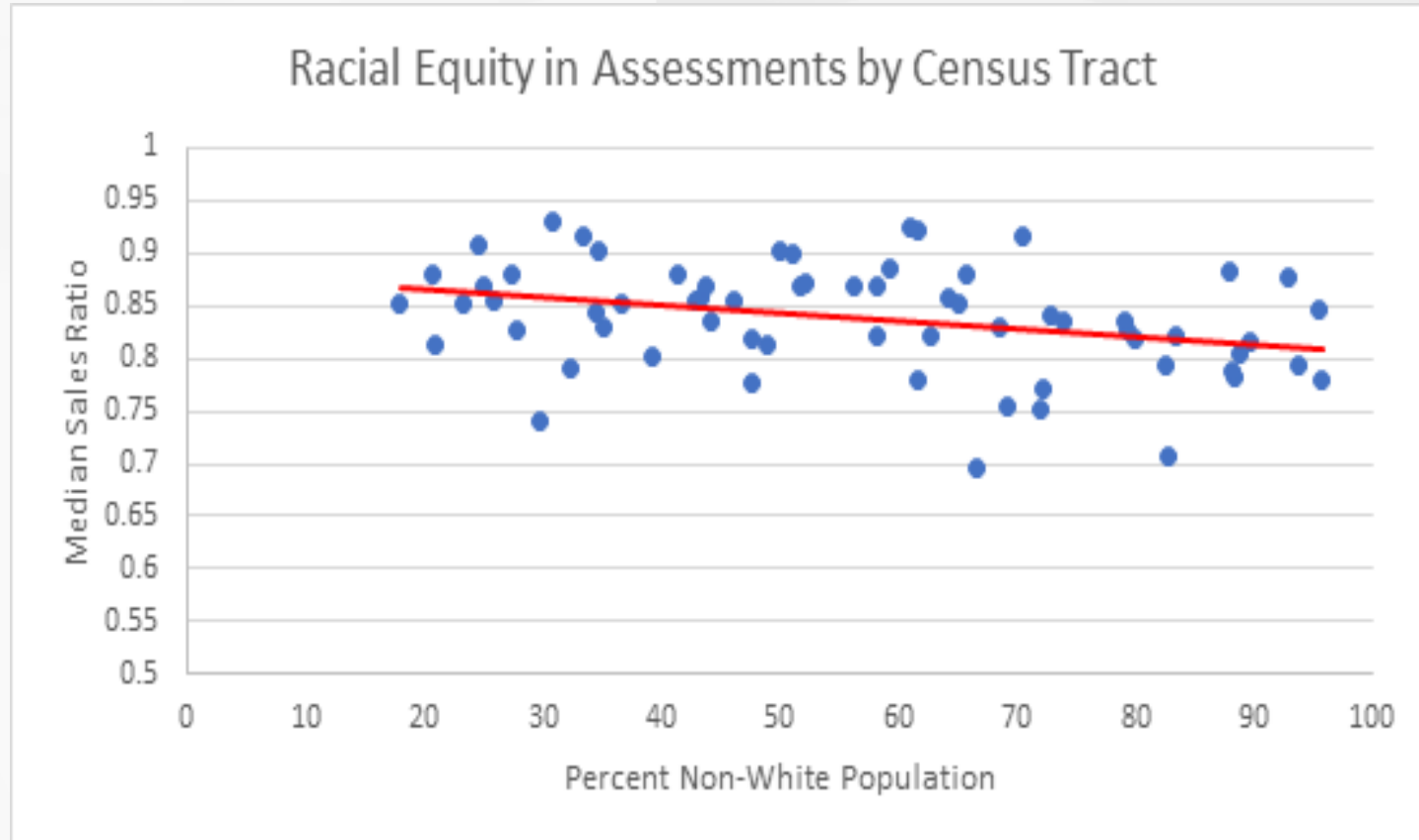
- Appeal rates appear to vary based on taxpayer race and property value.
  - Taxpayers from majority-minority neighborhoods generally appeal their property tax appeals less often than do taxpayers from Whiter neighborhoods
  - Owners of higher-value homes generally appeal their property tax appraisals more often than do owners of lower-value homes
- Appeal results did not vary based on taxpayer race, taxpayer income, or property value

# Appeal Rates Vary by Race & Property Value

	2016 Reassessment Appeal Rates (%)	2019 Reassessment Appeal Rates (%)
All Properties in Study	5.4	4.2
Majority White Neighborhoods <sup>3</sup>	6.6	4.6
Majority Minority Neighborhoods	3.6	3.6
Low Minority % Neighborhoods <sup>4</sup>	9.8	6.2
High Minority % Neighborhoods <sup>5</sup>	3.4	4.1
High Value Properties (%) <sup>6</sup>	14.9	11.2
Low Value Properties (%) <sup>7</sup>	6.9	2.8



# An Inner Look – Durham County Data



# Reappraisal Design

- The focus of this research and outcomes may pose a threat (SWOT)
- Upfront and ongoing public education
- Continue to unencumber steps to appeal
- Durham County home ownership rate is 54.4% (US Census 2020)

# Questions



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