



## ★ **My property's tax value suddenly went down. Will this make it harder to get paid a fair price in an eminent domain lawsuit?**

Over 150 people attended Thorp Law's 540 Outer Loop informational meeting in February at the Holland United Methodist Church. Many people had the same questions about property tax values:

- Why have tax values for properties within the Orange route corridor decreased, while the tax values of nearby properties outside the corridor increased?
- Can the North Carolina Department of Transportation use my lower property tax value to my disadvantage when a right-of-way appraiser makes an offer for my property? If I don't settle with the NCDOT, can the lower property tax value hurt my chances of getting paid fairly if I go to court?

We've done some digging and have found out the likely answers.

### **Why has my tax value gone down?**

In 2011, the legislature passed a law that lowers tax assessments on real property that meets three tests:

1. The property is located within a Map Act transportation corridor – such as the Orange route.
2. The property has a house or other structure on it.
3. The property was not subdivided after it was included in the transportation corridor.

People who own real property that falls within this special class could see their tax assessments drop significantly.

## **Why am I receiving this newsletter?**

Our mission is to arm property owners facing eminent domain with useful information so they can better understand what lies ahead.

Staying informed about the 540 Outer Loop expansion can help you to understand your rights as a property owner, how these changes may affect you and how you can rightfully take action. When you know your rights, you are more likely to be treated fairly. Knowledge is power.

Wake County is required to conduct appraisals to determine property tax values at least every eight years. The county conducted tax value appraisals in 2008, before this new law was passed. When Wake County conducted property tax appraisals again in 2016, this law did result in lower tax assessments for many people who own property located within the Orange route corridor.

### **Will a lower tax value make it harder for me to get paid a fair price for my property in an eminent domain proceeding?**

No! In most circumstances, Wake County's tax assessment of the value of your property is not admissible in a condemnation lawsuit by the North Carolina Department of Transportation. Since it isn't admissible in court, the NCDOT right-of-way agents cannot use it as leverage in settlement discussions with affected property owners.

The reason the tax value is inadmissible in court is because Wake County will not be a party to the eminent

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domain lawsuits the NCDOT will bring against affected property owners. Because the tax value analysis was done outside the context of your dispute with the North Carolina Department of Transportation, the court will not allow the jury to hear about it. So the lower tax values that many of you received recently should not make it harder to get paid a fair price for your property. But keep reading, so you can avoid some common mistakes property owners sometimes make.



## Avoid These Mistakes!

If your property is going to be taken by the North Carolina Department of Transportation for the Outer Loop, any statements you make to government employees or appraisers about the value of your property will probably be admissible in court. Here are a couple of examples of how this can happen.

### Conversations with NCDOT employees or appraisers:

In 2017, NCDOT right-of-way agents will begin contacting property owners whose land is going to be taken for the next segment of the Outer Loop – between N.C. Highway 55 in Holly Springs to U.S. Highway 401. If the agent contacts you, he will probably talk with you about scheduling a time that an appraiser can come inspect your home. In the course of your conversation, the right-of-way agent may casually ask you what you believe your property is worth.

## I-540 Outer Loop - Overview

From Holly Springs  
to Knightdale

**28.4** miles  
long

homes and businesses  
will be removed

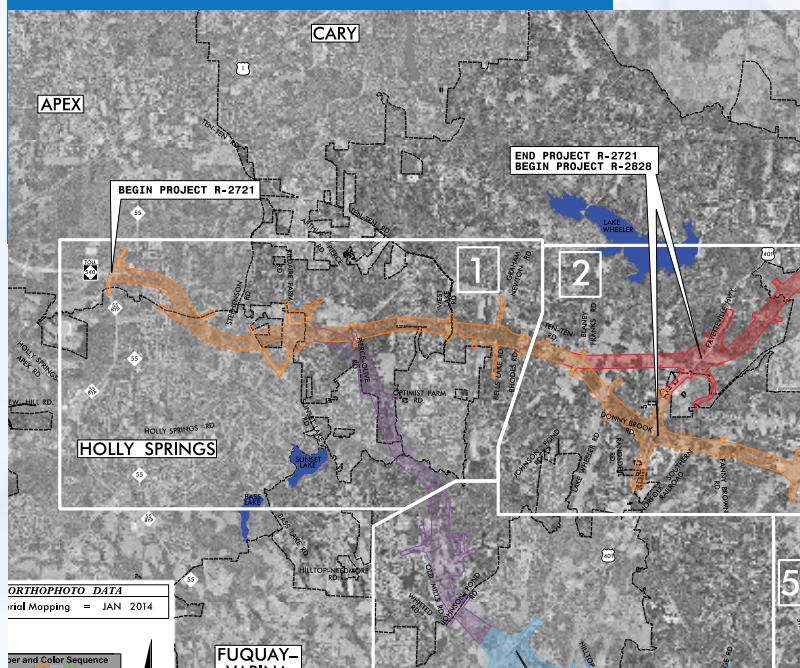
**281**

**1,823** acres in 742 parcels  
will be affected



Think twice before you throw out a figure to him or to the appraiser who later does an appraisal for the North Carolina Department of Transportation. What you say may be admissible in court, and you may be underestimating your property's value. In eminent domain lawsuits, the law allows appraisers to make certain assumptions about property values that can

## Corridor Public Hearing Map



lead to a higher value for your property than you may be aware of. If you casually mention a price that turns out to be too low, your own opinion about the value of your property can hurt you in court.

### Statements to the Wake County Property Tax Department:

In an effort to lower their property taxes, property owners sometimes go to the county tax office and complain that the tax value of their property is too high. As a property owner, you can appeal the county's determination of the tax value of your property through a process that includes completing some paperwork. Unfortunately, your request for a reduction in the tax value of your property can be used against you when you claim you should be paid more in an eminent domain lawsuit. A small savings in property taxes may cost you a lot more in an eminent domain proceeding.

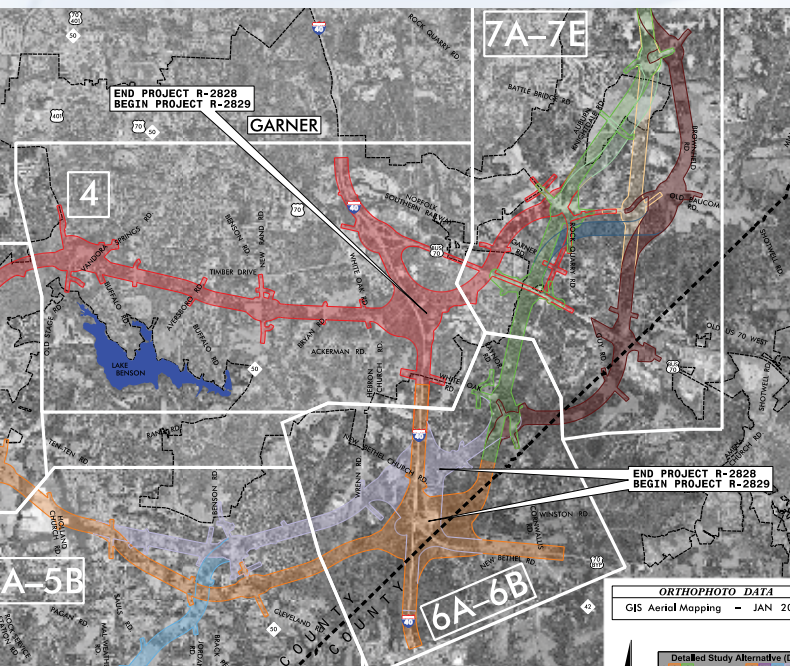


## Will Your Property Actually Be Taken by the NCDOT?

In community meetings we've had throughout the county, many of you have told us that the worst part of the eminent domain process is living with the uncertainty: Is the government going to take my property? If so, am I going to lose all of it or just a part of it? And when is this going to happen?

We regularly contact the North Carolina Department of Transportation to get the most current information





about which properties it will actually take through the condemnation process. In response to a Thorp Law Public Records Request, the North Carolina Department of Transportation recently sent us the most current detailed map it has of the 540 Outer Loop's likely route. The NCDOT map contains property boundaries, but does not identify property owners. The NCDOT also sent us a list of all property owners who might be affected by the project. The NCDOT list contained over 58,000 property owners. It included many people whose property is close to where the highway will be built, but whose property will likely not be taken.

To provide you with truly useful information, we had to winnow the list of property owners who may be affected down to a list of property owners who will likely be affected. To do this, we got a whole lot of information from the Wake County Geographic



## A Note from Isaac Thorp

I have never been able to stand by and watch people with power take advantage of people who are vulnerable.

I wrote this Property Rights Report to inform you about what to expect if your property is in the path of the 540 Outer Loop. Knowledge is power.

Thorp Law offers free consultations. I am happy to sit down with you and take as much time as you need to better understand what the eminent domain process involves. The attorneys at Thorp Law believe that if we can help educate you about your rights, then we are performing a valuable public service.

When we do represent property owners, we work on a contingency fee basis. This means we get paid an attorney fee only after we get our clients a recovery. None of them pay me a penny in attorney fees until after I put money in their pockets through just a verdict or settlement.

If you want us to sit down with you and talk, so that we can explain your rights as a property owner in more detail, please give us a call at 919-833-6408 or send us an email at [isaac@thorplaw.com](mailto:isaac@thorplaw.com).

Information Services office and cross-referenced it with the information we got from the NCDOT.

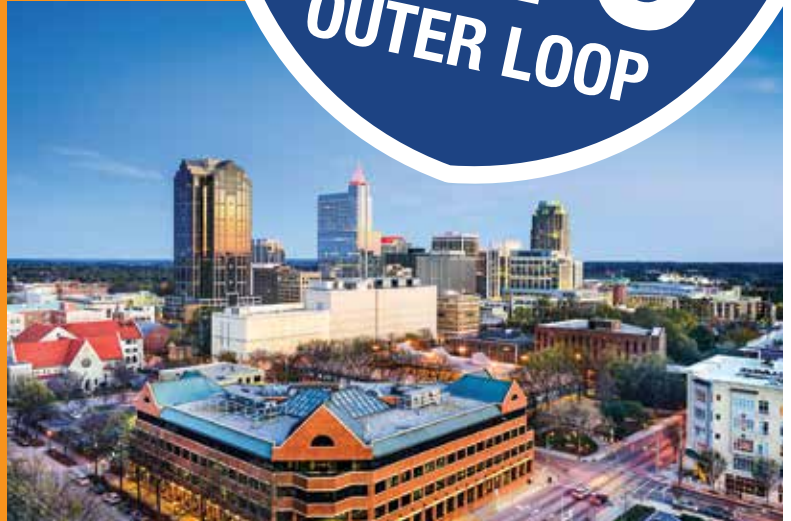
It took us a few months, but we've narrowed the list of 58,000 property owners down to a list of just over 400 property owners. Keep in mind that this list isn't the final word. It may change somewhat as the NCDOT develops its final construction plans.

We will be happy to share what we know about whether your property will be affected. Please don't hesitate to call us at 919-833-6408. If you'd rather not call, you can also send us a message through our website. Just go to [www.thorplaw.com/540outerloop](http://www.thorplaw.com/540outerloop) and follow the instructions.

**We provide this newsletter as a community service.** If it helps reduce the uncertainty you've been facing for so long, then we feel like we've provided a useful service to our community.

# STAY INFORMED!!!

To sign up for breaking news alerts and receive information on past and upcoming newsletters, visit [thorplaw.com/540outerloop](http://thorplaw.com/540outerloop).



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