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Contacts

[Richard L. Aguglia](#)

1900 K Street, NW
Washington, DC 20006-1109
(202) 955-1634
raguglia@hunton.com

Overview of the Real Property Tax Appeal Process

Our experience, just as in the early 1990's, is that the local assessor's office will be slow to recognize rapidly declining market values in 2007 and 2008 to protect state/local tax revenues as part of the 2009 assessment cycle. This is a quick primer on challenging 2009 assessments which almost universally will have a value date of January 1, 2009.

- Once you obtain your assessment notice and determine that an appeal is justified, be sure to meet the appeal/protest deadlines. Typically, these are broken down into three levels:
 - (1) An appeal to the assessor, which is informal, by mail, by phone or in person; supporting documentation is needed;
 - (2) An appeal to a local board of equalization, which is more formal and requires more detailed supporting documentation per a set of published rules. (In a few states (e.g., North Carolina), there is also an appeal to a state board from the local board);
 - (3) A court suit where an expert appraiser will be needed for testimony for major properties involving a request for substantial refunds. The rules of evidence are strictly enforced.

→ In some jurisdictions, an appeal/protest at each level is required to go on to the next level if you are unsuccessful (e.g., District of Columbia and Maryland). In other jurisdictions (such as Virginia for most cities and counties but not all), you may skip the first level and go to the Board, or go directly to court within a specified time frame, usually not more than three years from the assessment date. Of course, it makes more sense economically to obtain a reduction at an informal review level.

→ In order to be successful on appeal, you need to review the assessor's work sheet and comparable sales data to ascertain how the assessment was made, your company's income and expense statements, fair market rental and sales comparable to your building in the past two years, and assessments of "like" buildings for equalization purposes. A winning "formula" is to show that the assessor erred and that your value is supportable as of the value date under a sales, income or cost approach.

Hunton & Williams typically represents our tax appeal clients on a contingency fee basis. If we can assist you with an appeal or if you would like further information on the appeal process, please contact Richard L. Aguglia in our DC office at (202) 955-1634.

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