

City of Greensboro

Fiscal Year (FY) 2024-2025 Report

Property Tax & Select User Fees: Major North Carolina Cities

SUMMARY

This report reveals that Greensboro ranks **second** among the five largest cities in North Carolina in terms of affordability of city services, with total average annual taxes and fees amounting to **\$4,520**. This positions Greensboro as a competitive choice for residents, especially when compared to the highest average of **\$7,008** in Durham.

INTRODUCTION

Each fiscal year (July 1-June 30), the City of Greensboro creates the following report which compares our property tax and user fees to those of other large cities in North Carolina, such as Charlotte, Durham, Raleigh, and Winston-Salem.

Individuals or entities pay property tax on real estate and other real properties they own. Property tax is calculated by dividing the assessed value of the property by 100 and multiplying by the tax rate. The tax rate for the City of Greensboro is 67.25 cents per \$100 of property value and is set by City Council. As an example, a house with a value of \$270,000 would owe \$1,815.75 in annual property tax ($\$270,000/100 \times .6725 = \$1,815.75$) to the City.

State law requires that cities and counties perform periodic property tax valuations to assess the property and adjust the tax rate. Counties can determine the frequency of these valuations, so long as they are performed at least every eight years. Greensboro follows the property valuation schedule for Guilford County. In Guilford County, property tax valuations occur every 5 years. Greensboro's last valuation was in 2022, and the next will be in 2026 due to the State requiring Guilford County to perform their next revaluation one year early.



User fees are expenses residents and customers pay for services like garbage collection, or water and sewer utilities. User fees generally fall into three categories: 1) fees that fund essential services, like utilities, 2) fees that fund services that add to the quality of life, like parks and recreation program fees, and 3) fees that fund regulatory items such as motor vehicle registrations.

Every city sets different priorities and uses different strategies to fund public services with property taxes and user fees. For example, Greensboro is the only city in the report that operates or funds a Public Library. These operations and debt service costs requires property tax support of about 2.76 cents on the tax rate. This figure excludes Guilford County's contribution to Libraries. For a \$270,000 home at the current tax rate of 67.25 cents, 2.76 cents equates to \$74 to support the library.

When calculating standard taxes and fees it is necessary to control for differences between communities where possible. For example, the property tax totals used in this report are based on median home values for each city. The *median* value is the point that separates the lower half of home values from the higher half; essentially the middle value. The median home value will vary over time based on the housing market in each city, and this is one reason periodic revaluations are necessary.

The water rates in this report are based on a monthly bill for 4,000 gallons of water and sewer, which is an average residential monthly usage used by water systems.

Assumptions for household tax and user fee costs we use are:

- **Median Home Value from the U.S. Census American Community Survey**
- **4,000 gallons of water and sewer for water rates**
- **2,001 square feet ("Tier B") for stormwater fees**
- **Two vehicles per household**

Stormwater fees, used to address flooding and drainage issues, are based on 2,001 square feet of impervious (paved or built-upon) surface, which is considered a typical "Tier B" residential structure in Greensboro's fee schedule, and is a comparable designation with our peers. Solid waste fees include curbside solid waste and recycling collection fees, but excludes yard waste collection fees because these services are optional in cities like Winston-Salem and Durham. Those excluded costs are noted within the report for reference. Vehicle Registration fees are based on two vehicles per household. More information about the assumptions used for this analysis are included below each chart. Unless otherwise noted, all rate and fee structures in this report are constructed from data

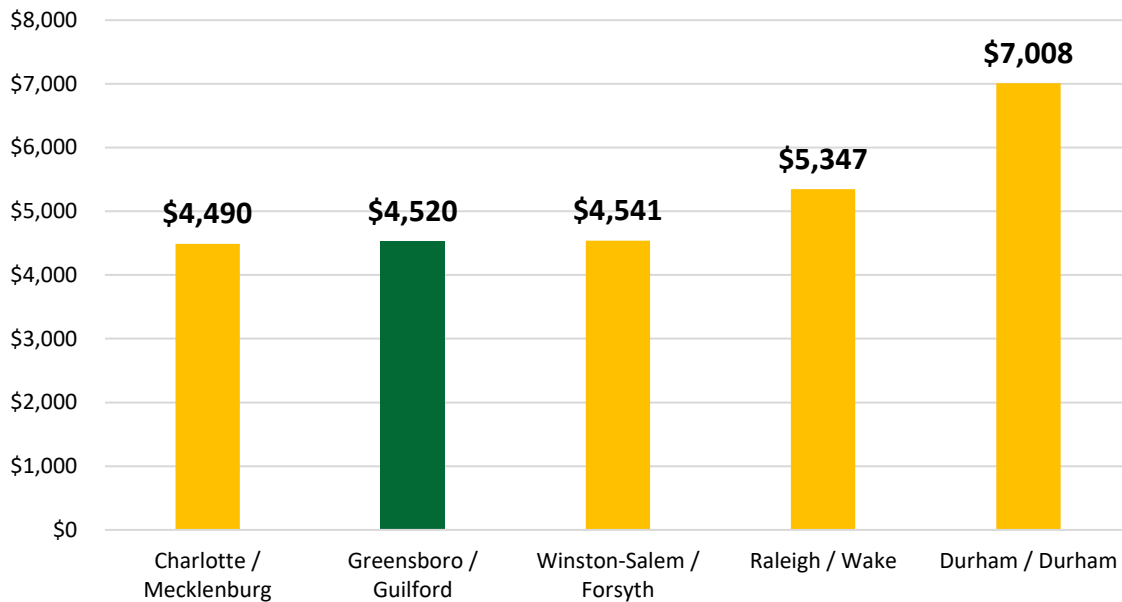
provided by each local government organization for the current fiscal year.

This report allows our community to understand how the cost of local government compares to our neighboring cities. It also allows us to understand how that cost has changed over time, and how Greensboro can make data-informed decisions going forward.

FINDING 1

Greensboro Ranks 2nd of 5 Peer Cities for Combined City and County Taxes & Fees

City & County Combined Annual Taxes and Fees,
FY 24-25



Property tax makes up the largest portion of the above totals. Recall that estimated property tax payments are based on the median home value of each city. In this report, median home values are derived from the *U.S. Census Bureau, 2018-2023 American Community Survey*, the latest data available.

Median home values are influenced by several factors, including the timing of the last property tax valuation. Greensboro’s last valuation occurred in 2022, Charlotte’s in 2023, Durham’s in 2019, Raleigh’s in 2024, and Winston-Salem’s in 2021. Other factors affect median home values as well, such as economic conditions, home sale prices, location, interest rates, local markets, age & condition, and home upgrades.

Because of the importance of property tax valuation and median home values, we will review historic trends in home values and tax rates later in the report.

Our analysis begins with a breakdown of the basic elements of property tax and user fees that generate the totals in the above graph. In this first analysis, water & sewer fees are detailed separately from the other user fees because of their overall proportion of total user fees - they make up between 60% and 85% of user fees. The other user fees will be outlined later in the report.

City and County Combined, Annual Taxes & Fees Details FY 24-25

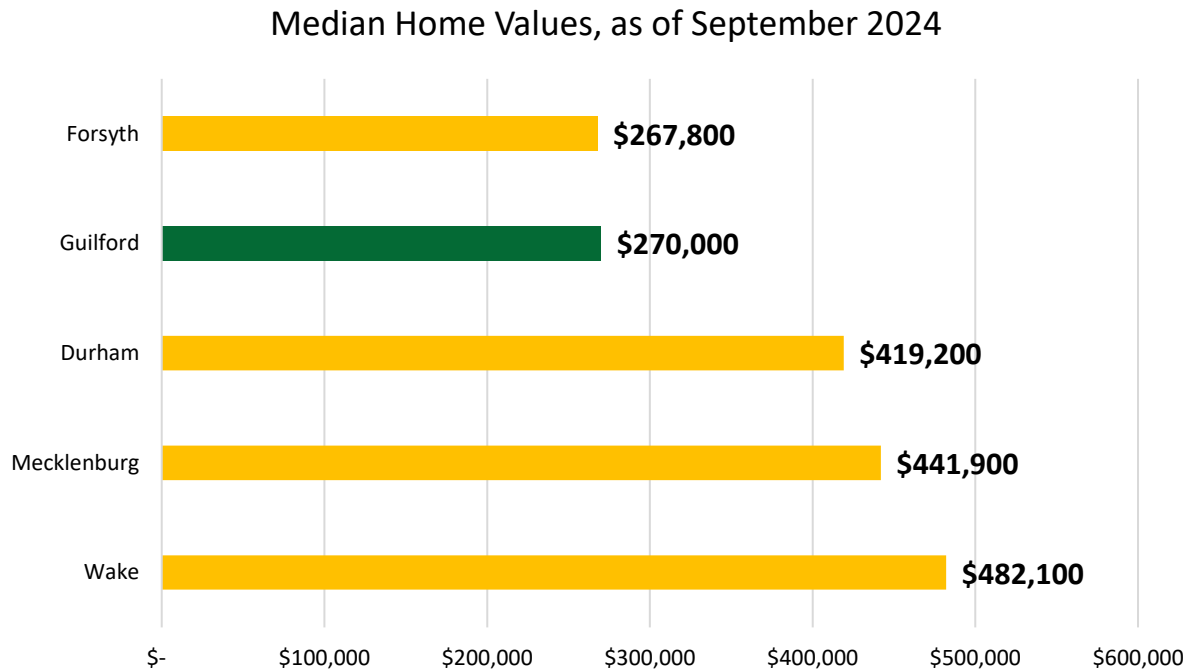
	Charlotte / Mecklenburg	Greensboro / Guilford	Winston-Salem / Forsyth	Raleigh / Wake	Durham / Durham
Property Tax Rate (cents per \$100 value)					
City	\$0.2741	\$0.6725	\$0.7250	\$0.3550	\$0.5962
County	\$0.4831	\$0.7305	\$0.6778	\$0.5135	\$0.7987
Combined	\$0.7572	\$1.4030	\$1.4028	\$0.8685	\$1.3949
Total Property Tax¹	\$3,346	\$3,788	\$3,757	\$4,187	\$5,847
Annual User Fees					
County Fees ²	\$72	\$0	\$0	\$20	\$250
Average Annual Water/Sewer Bill ³	\$751	\$591	\$666	\$699	\$739
Other City Fees and Charges ^{4 5 6}	\$321	\$141 ⁷	\$118	\$441	\$172
Total User Fees	\$1,144	\$732	\$784	\$1,160	\$1,161
Total Taxes and Fees:	\$4,490	\$4,520	\$4,541	\$5,347	\$7,008
Notes:					
¹ Total Property Taxes are based on median home values from the U.S. Census Bureau, 2018-2023 American Community Survey, as well as the adopted City and County property tax rates.					
² County fees include: \$49.50 Solid Waste/Mecklenburg, \$22.08 Stormwater/Mecklenburg; \$20 Recycling/Wake; \$169.63 Solid Waste/Durham, \$80.04 Stormwater/Durham.					
³ Rates from NCLM/UNC Environmental Finance Center report in January 2024, rates are based on an average monthly bill for 4,000 gallons. Rates exclude any additional fixed fees which may be charged by municipalities.					
⁴ Includes curbside solid waste and recycling fees; excludes optional curbside container yard waste fee of \$65/annually in Winston-Salem, and \$50 one-time + \$2/monthly in Raleigh.					
⁵ Stormwater fee based on 2,001 sq. ft. of impervious surface, typically a "Tier II."					
⁶ Vehicle Registration fee based on assumption of two (2) vehicles per household.					
⁷ \$141 total includes a \$3.24 monthly stormwater fee, a \$3.50 monthly solid waste fee, and a \$30 vehicle registration fee per vehicle. The total assumes 2 vehicles per household, thus making up \$60 of the \$141 total.					

Observations

- Greensboro’s **total taxes and fees** average \$4,520 per year, the second lowest of the peer cities, for a typical household.
- The **property tax rate** for the City of Greensboro is 67.25 cents, and 73.05 cents for Guilford County. This means homeowners pay a combined city-county tax rate of \$1.4030 per \$100 of property value.
- The five peer cities range from a low of \$4,490 (Charlotte) to a high of \$7,008 (Durham).

FINDING 2

Guilford County Has the Second Lowest Median Home Value



**U.S. Census Bureau, American Community Survey reflects data collected from the previous year, January 1, 2023 – December 31, 2023. Data was released in September 2024. County data includes home values within and outside city limits, such as High Point and unincorporated areas for Guilford County. The data presented above is used for all property tax analyses in this report.*

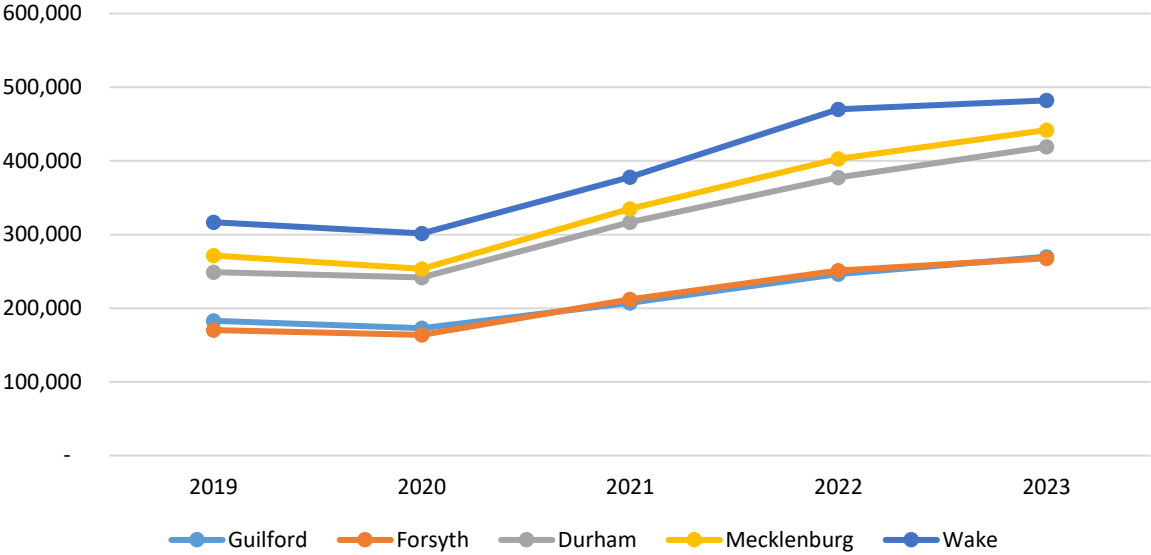
The median housing values affect the property tax rate in two key ways. First, home values influence the degree to which a city must rely upon the property tax rate to fund city services. Second, a city with lower property values needs a higher tax rate to raise as much revenue as a city with higher property values.

Tax valuations are state-mandated, but counties are able to decide their timing and frequency. Guilford County performs revaluations every 5 years, with the next in 2026 due to the State requiring the next revaluation a year early. By comparison, most other counties in the study perform revaluations every 4 years.

As noted, a revaluation was conducted by Guilford County that went into effect for FY 22-23. Based on information provided by the Guilford County Tax Department, the tax base is estimated at \$38.8 billion with a growth rate of approximately 2% for FY 24-25. This increase is not reflected in this report due to the lag time of the *U.S. Census Bureau, American Community Survey* data.

The following chart shows the historic trends in median home values among all five cities over a five-year period, from 2019 – 2023.

5-Year Change in Median Home Values 2019 - 2023



	Guilford	Forsyth	Durham	Mecklenburg	Wake
5-Year Change (\$)	\$87,100	\$97,600	\$170,300	\$170,400	\$165,300
5-Year Change (%)	48%	57%	68%	63%	52%

*U.S. Census Bureau, American Community Survey, 1-year values for 2019, 2020, 2021, 2022, and 2023.

As noted in the chart above, Guilford County lags behind peer comparison counties both in terms of median residential property value and property value growth rates over the past five years. Compared to peer cities, this applies additional pressure on Greensboro’s tax rate to generate revenue similar to revenue levels generated in other communities with lower tax rates.

Property Tax Rates, FY 19-20 to FY 24-25
(Cents per \$100 Value)

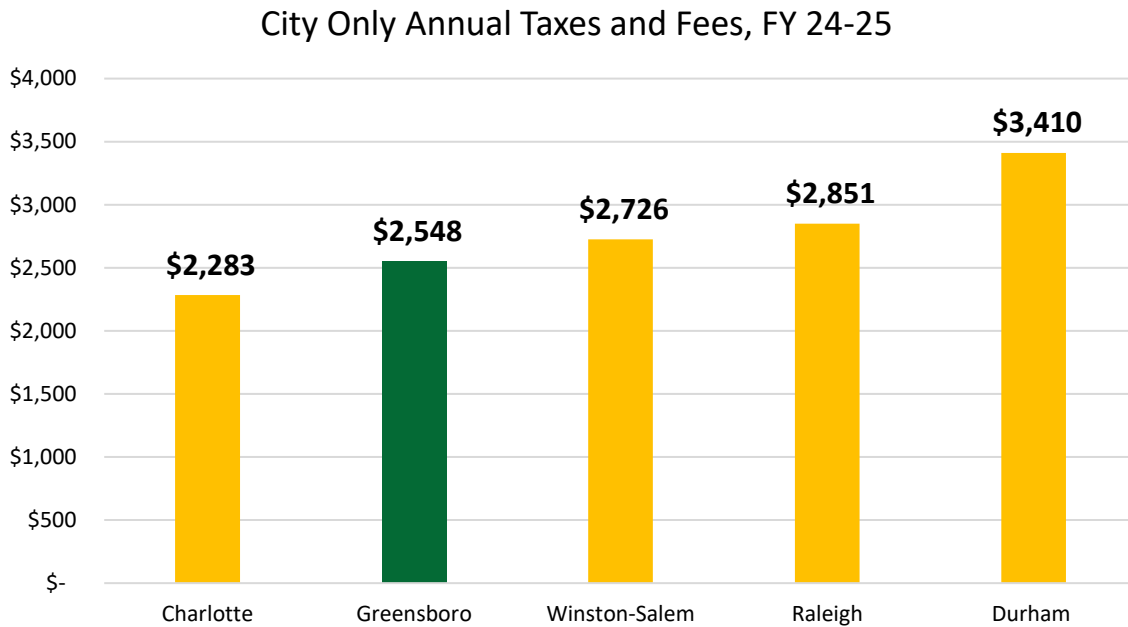
	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Last Reval
Charlotte	0.3481	0.3481	0.3481	0.3481	0.2604	0.2741	
Mecklenburg County	0.6169	0.6169	0.6169	0.6169	0.4731	0.4831	2023
COMBINED	0.9650	0.9650	0.9650	0.9650	0.7335	0.7572	
Durham	0.5317	0.5317	0.5517	0.5577	0.5577	0.5962	
Durham County	0.7122	0.7122	0.7222	0.7222	0.7522	0.7987	2019
COMBINED	1.2439	1.2439	1.2739	1.2799	1.3099	1.3949	
Greensboro	0.6625	0.6625	0.6625	0.6325	0.6725	0.6725	
Guilford County	0.7305	0.7305	0.7305	0.7305	0.7305	0.7305	2022
COMBINED	1.3930	1.3930	1.3930	1.3630	1.4030	1.4030	
Raleigh	0.4382	0.3552	0.3730	0.3930	0.4330	0.3550	
Wake County	0.7180	0.6000	0.6000	0.6195	0.6570	0.5135	2024
COMBINED	1.1562	0.9552	0.9730	1.0125	1.0900	0.8685	
Winston-Salem	0.6374	0.6374	0.6124	0.6360	0.6610	0.7250	
Forsyth County	0.7435	0.7435	0.6778	0.6778	0.6778	0.6778	2021
COMBINED	1.3809	1.3809	1.2902	1.3138	1.3388	1.4028	

Observations

- Greensboro’s rate remained unchanged at 0.6725 for FY 24-25. Charlotte, Durham and Winston-Salem increased their tax rates. Raleigh decreased their tax rate as part of their revaluation.
- Charlotte/Mecklenburg currently has the lowest combined tax rate while Greensboro/Guilford has the second highest combined tax rate.
- Mecklenburg County, Durham County, and Forsyth County raised their tax rate in FY 24-25, while Guilford County remained unchanged. Wake County decreased their tax rate as part of their revaluation.
- The median home value of **\$270,000** in Guilford County reflects a **48%** increase over the last five years, yet it remains lower than peer cities. This trend necessitates a strategic review of property tax rates to ensure adequate revenue while fostering housing affordability.

FINDING 3

Greensboro Ranks Second Lowest for City-Only Taxes & Fees



**Taxes and fees include city property tax, average annual water and sewer bill, average annual solid waste services bill, average annual stormwater bill, annual motor vehicle registration fee for two vehicles.*

Greensboro’s city-only taxes and fees are the second lowest of all peer cities at an average of \$2,548, with Charlotte being the lowest. These rates are based on the U.S. Census Bureau, 2018-2023 American Community Survey of median home values. These findings reflect taxes and fees that support city governments only. *County* property tax and *county* user fees are excluded from the totals. While Greensboro's property tax rate is the second highest among peer cities, it is essential to note that the City maintains the lowest standard user fees. This balance may provide insights into Greensboro’s unique approach to funding city services and maintaining affordability.

Some cities have *optional* user fees, like a yard waste fee of \$65 in Winston-Salem and a \$50 fee for a new yard waste bin in Raleigh for collection. For uniformity, optional fees are excluded from the totals for these two cities. In Greensboro’s case, city fees include a solid waste availability fee charged monthly with a total annual cost of \$42.

City-Only Annual Taxes & Fees Details FY 24-25

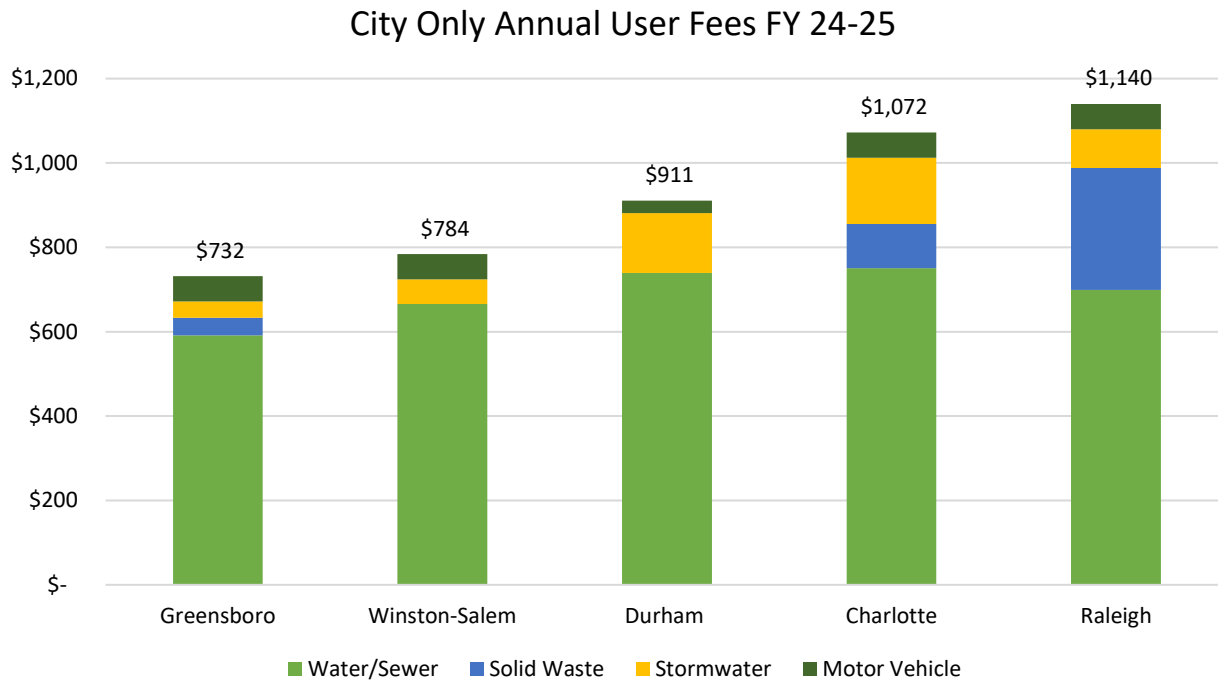
	Charlotte	Greensboro	Winston-Salem	Raleigh	Durham
<u>City Taxes</u>					
Median Home Value	\$ 441,900	\$ 270,000	\$ 267,800	\$ 482,100	\$ 419,200
Property tax rate per \$100 value	0.2741	0.6725	0.7250	0.3550	0.5962
City Property Taxes	\$ 1,211	\$ 1,816	\$ 1,942	\$ 1,711	\$ 2,499
<u>Annual City User Fees</u>					
Average Annual Water/Sewer Bill	\$ 751	\$ 591	\$ 666	\$ 699	\$ 739
Annual Solid Waste Services Bill	\$ 104	\$ 42	\$ -	\$ 289	\$ -
Annual Stormwater Fee	\$ 157	\$ 39	\$ 58	\$ 92	\$ 142
Annual Motor Vehicle License Fees	\$ 60	\$ 60	\$ 60	\$ 60	\$ 30
Total City Fees	\$ 1,072	\$ 732	\$ 784	\$ 1,140	\$ 911
Total City Taxes and Fees:	\$ 2,283	\$ 2,548	\$ 2,726	\$ 2,851	\$ 3,410

Observations

- Greensboro’s **city-only total taxes and fees** average \$2,548 per year, second lowest of the 5 peer cities.
- Greensboro has the second highest city property tax rate, at 67.25 cents per \$100 of property value; but has the lowest standard user fees.
- If optional fees were included for Winston-Salem and Raleigh, the total city fees for Winston-Salem would be \$849 and for Raleigh it would be \$1,190. Including the optional fees will not change the ranking of these peer cities.

FINDING 4

Greensboro Ranks Lowest for User Fees



For FY 24-25, Greensboro has the lowest total annual user fees at \$732 per year. Greensboro continues to be the lowest in water & sewer, solid waste, and stormwater fees when compared to peer cities.

Over the last 5 years, all cities have experienced user fee increases, most commonly for Water and Sewer services. The following page provides a comparative analysis of current fee structures, as well as historical data to help understand fee changes over time.

Observations

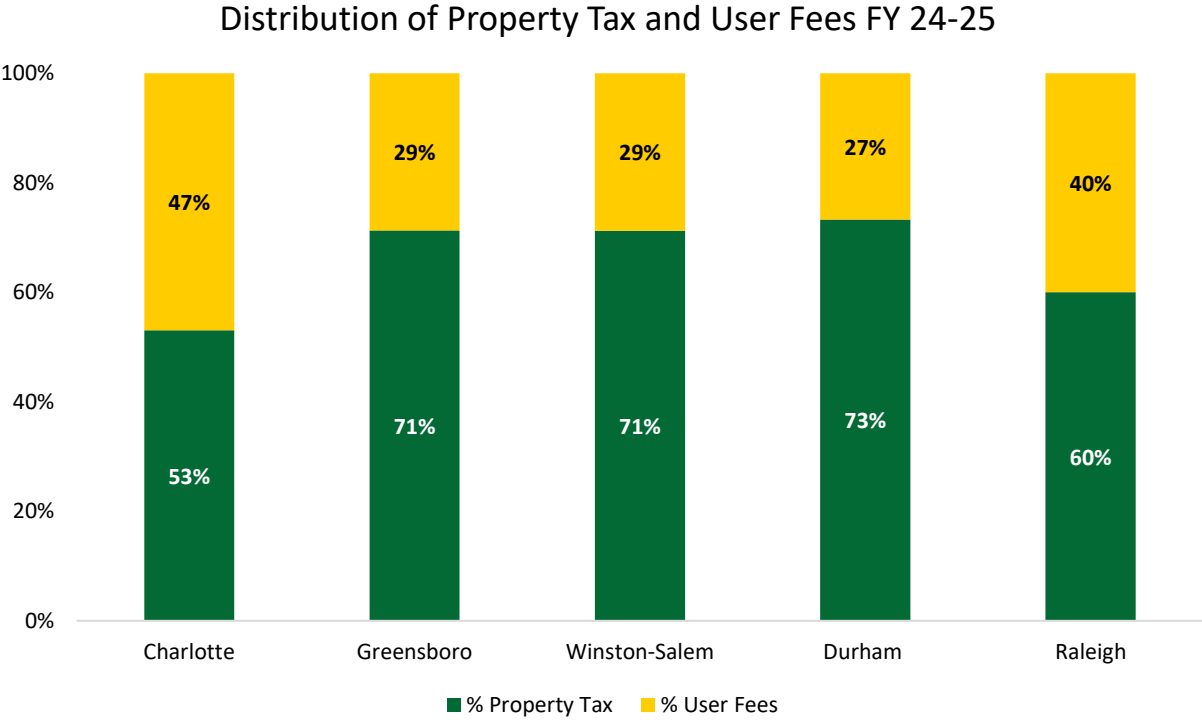
- Raleigh has the highest user fees at \$1,140 per year.
- Greensboro’s water and sewer fees are the lowest in the study, at \$591. Winston-Salem is \$75 (13%) more, Raleigh is \$108 (18%) more, Durham is \$148 (25%) more, and Charlotte is \$160 (27%) more.
- Three cities (Greensboro, Charlotte, and Raleigh) use a solid waste fee. Annually, Charlotte is over two times more than Greensboro at \$104 and Raleigh is nearly seven times more at \$289.
- Greensboro’s solid waste fee remained unchanged, while Charlotte’s increased by \$9, and Raleigh’s by \$20 when compared to FY 23-24.
- Greensboro’s stormwater fees are the lowest of all 5 cities, at an average of \$39 per year.

- Vehicle Registration fees assume there are two vehicles per household. Greensboro, Durham, Charlotte, and Raleigh have a rate of \$60 per year or \$30 per vehicle. This is the maximum fee allowed by the State. Winston-Salem is the exception with a rate of \$30 per year or \$15 per vehicle.
- Over the last 5 years, Greensboro’s user fees increased \$53 (8%), Winston-Salem’s \$20 (3%), Durham’s \$55 (6%), and Charlotte’s \$46 (4%), largely driven by increases in water and sewer fees. Raleigh’s user fees decreased by \$20 (-2%), but this largely related to variances in the NC Water and Wastewater Rates Dashboard, managed by the UNC School of Government’s Environmental Finance Center, the North Carolina Department of Environmental Quality, and the North Carolina League of Municipalities.

5-Year City-Only Fees, FY 20-21 to FY 24-25

	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	5-Year \$ Change	5-Year % Change
Charlotte	\$904	\$917	\$1,035	\$1,026	\$1,072	\$168	19%
Durham	\$749	\$775	\$947	\$856	\$911	\$162	22%
Greensboro	\$632	\$633	\$751	\$679	\$732	\$100	16%
Raleigh	\$1,079	\$1,108	\$1,207	\$1,160	\$1,140	\$61	6%
Winston-Salem	\$640	\$640	\$739	\$764	\$784	\$144	23%

Cities differ in how they leverage user fees and property tax to support city services prioritized by their respective communities. In Greensboro, property tax represents 71% of the total taxes & fees and user fees represent the remaining 29%.



CONCLUSION

Greensboro has the second lowest city-only taxes and user fees of our peer cities. The findings in this report underscore the importance of understanding the relationship between property taxes, user fees, and the overall cost of living in Greensboro while keeping community priorities and expectations at the forefront of our public service. By effectively managing these financial components, the City supports not only essential services but also contributes to the quality of life for its residents, making Greensboro an attractive place to live, work, and play.