

# City of Greensboro

## Fiscal Year (FY) 2023-2024 Report

### Property Tax & Select User Fees: Major North Carolina Cities

#### SUMMARY

Greensboro continues to deliver affordable services to its residents as compared to other large cities in North Carolina. Among the five largest cities in North Carolina, Greensboro ranks second in affordability of city services. Factoring in overlapping county taxes and fees, Greensboro ranks third of the five largest cities.

#### INTRODUCTION

Each fiscal year (July 1-June 30), the City of Greensboro creates the following report which compares our property tax & user fees to those of other large cities in North Carolina, including 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 \$246,500 would owe \$1,657.71 in annual property tax ( $\$246,500/100 \times .6725 = \$1,657.71$ ) 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 2.84 cents on the tax rate. This figure excludes Guilford County's contribution to Libraries. For a \$246,500 home at the current tax rate of 67.25 cents, 2.84 cents equates to \$70 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.

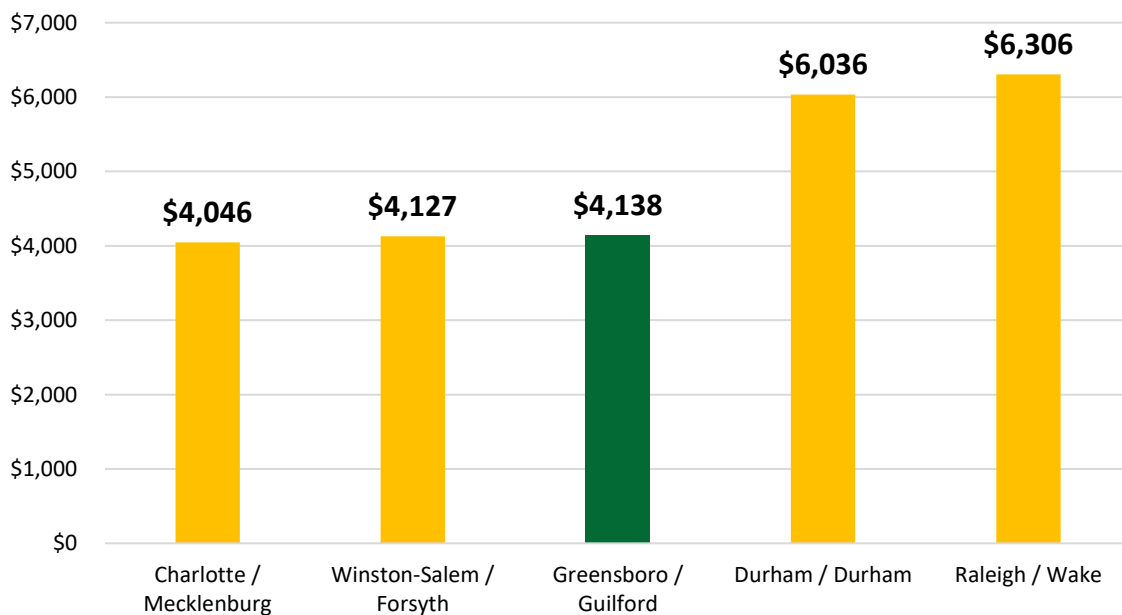
The water rates in this report are based on a monthly bill for 4,000 gallons of water and sewer, which is an average residential monthly usage used by water systems. Stormwater fees, used to address flooding and drainage issues, are based on 2,001 square feet of impervious (paved or built-upon) surface, 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 3<sup>rd</sup> of 5 Peer Cities for Combined City and County Taxes & Fees

City & County Combined Annual Taxes and Fees,  
FY 23-24



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, 2017-2022 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 2020, 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 62% 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 23-24

	Charlotte / Mecklenburg	Winston- Salem / Forsyth	Greensboro / Guilford	Durham / Durham	Raleigh / Wake
Property Tax Rate <sup>1</sup> (cents per \$100 value)					
City	\$0.2604	\$0.6610	\$0.6725	\$0.5577	\$0.4330
County	\$0.4731	\$0.6778	\$0.7305	\$0.7522	\$0.6570
Combined	\$0.7335	<b>\$1.3388</b>	<b>\$1.4030</b>	<b>\$1.3099</b>	<b>\$1.0900</b>
<b>Total Property Tax</b>	<b>\$2,955</b>	<b>\$3,363</b>	<b>\$3,459</b>	<b>\$4,946</b>	<b>\$5,126</b>
<b>Annual User Fees</b>					
County Fees <sup>2</sup>	\$65	\$0	\$0	\$234	\$20
Average Annual Water/Sewer Bill <sup>3</sup>	\$721	\$650	\$545	\$703	\$743
Other City Fees and Charges <sup>4 5 6</sup>	\$305	\$114	\$134 <sup>7</sup>	\$153	\$417
<b>Total User Fees</b>	<b>\$1,091</b>	<b>\$764</b>	<b>\$679</b>	<b>\$1,090</b>	<b>\$1,180</b>
<b>Total Taxes and Fees:</b>	<b>\$4,046</b>	<b>\$4,127</b>	<b>\$4,138</b>	<b>\$6,036</b>	<b>\$6,306</b>
Notes:					
<sup>1</sup> Property tax rates are based on U.S. Census Bureau, 2017-2022 American Community Survey.					
<sup>2</sup> County fees include: \$44.50 Solid Waste/Mecklenburg, \$20.52 Stormwater/Mecklenburg; \$20 Recycling/Wake; \$169.63 Solid Waste/Durham, \$64 Stormwater/Durham.					
<sup>3</sup> Rates from NCLM/UNC Environmental Finance Center report in January 2021, rates are based on an average monthly bill for 4,000 gallons. Rates exclude any additional fixed fees which may be charged by municipalities.					
<sup>4</sup> 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.					
<sup>5</sup> Stormwater fee based on 2,001 sq. ft. of impervious surface, typically a "Tier II."					
<sup>6</sup> Vehicle Registration fee based on assumption of 2 vehicles per household.					
<sup>7</sup> \$134 total includes a \$2.70 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 \$134 total.					

**Observations**

- Greensboro’s **total taxes and fees** average \$4,138 per year, the third 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

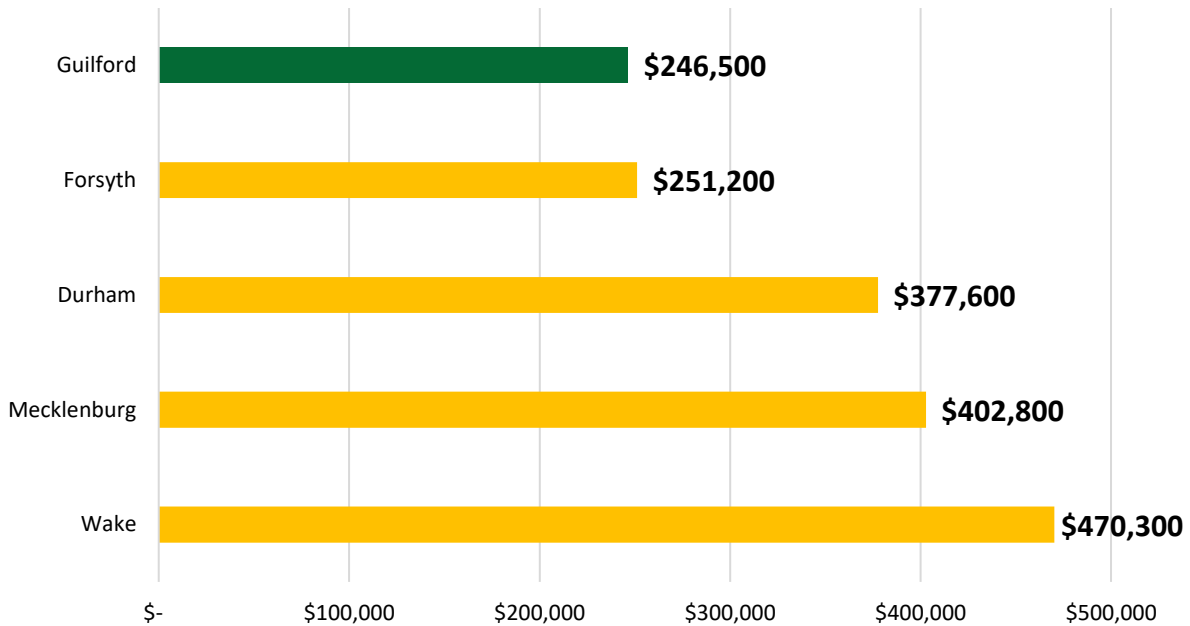
Guilford County. This means homeowners pay a combined city-county tax rate of \$1.4030 per \$100 of property value.

- The five peer cities range from a low of \$4,046 (Charlotte) to a high of \$6,306 (Raleigh).

**FINDING 2**

**Guilford County Has the Lowest Median Home Value**

Median Home Values, As of September 2023



*\*U.S. Census Bureau, American Community Survey reflects data collected from the previous year, January 1, 2022 – December 31, 2022. Data was released in September 2023. 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. See appendix A for median home value data reflective of the first quarter of calendar year 2023 as reported by the National Association of Realtors.*

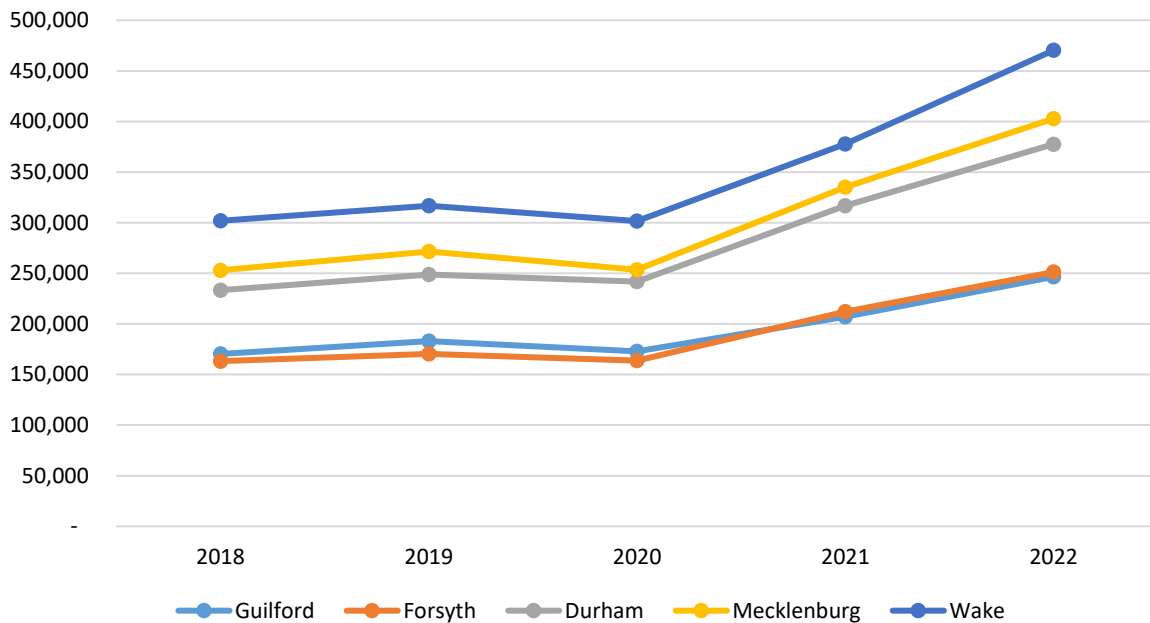
The median housing values affect the property tax rate in two key ways. First, home values influence the degree to which a city must rely upon the property tax rate to fund city services. Second, a city with lower property values needs a higher tax rate to raise as much revenue as a city with higher 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 \$37.4 billion with a growth rate of approximately 1.75% for FY 23-24. 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 2018 - 2022.

5-Year Change in Median Home Values  
2018 - 2022



	<b>Guilford</b>	<b>Forsyth</b>	<b>Durham</b>	<b>Mecklenburg</b>	<b>Wake</b>
5-Year Change (\$)	\$76,200	\$88,000	\$144,300	\$149,800	\$168,400
5-Year Change (%)	45%	54%	62%	59%	56%

\*U.S. Census Bureau, American Community Survey, 1-year values for 2018, 2019, 2020, 2021, and 2022.

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 18-19 to FY 23-24  
(Cents per \$100 Value)

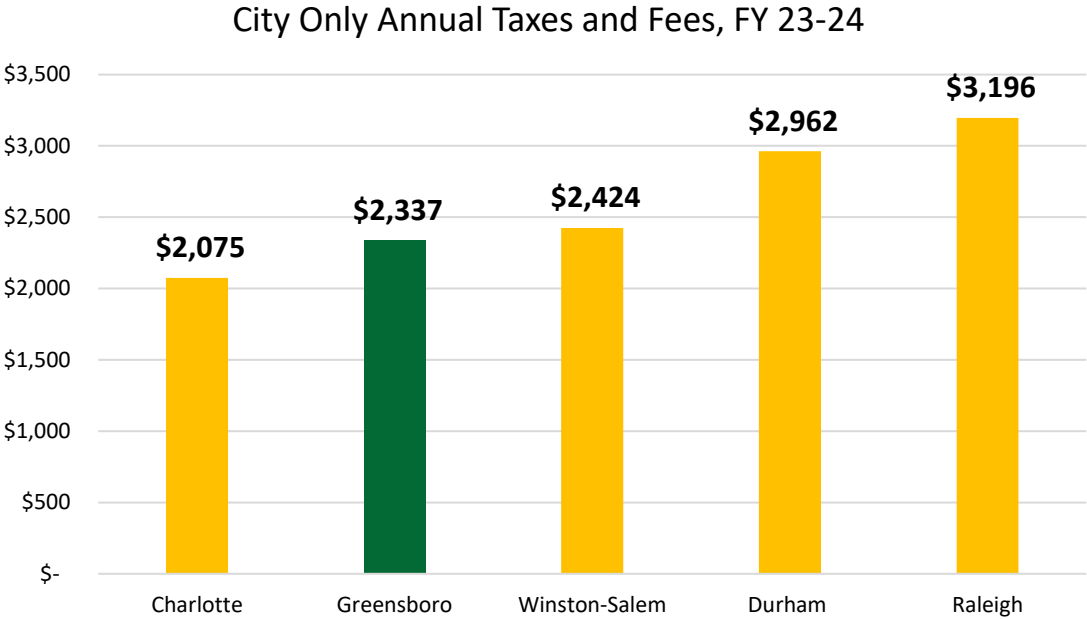
	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	Last Reval
<b>Charlotte</b>	0.4887	0.3481	0.3481	0.3481	0.3481	0.2604	
<b>Mecklenburg County</b>	0.8232	0.6169	0.6169	0.6169	0.6169	0.4731	2023
<b>COMBINED</b>	1.3119	0.9650	0.9650	0.9650	0.9650	0.7335	
<b>Durham</b>	0.5786	0.5317	0.5317	0.5517	0.5577	0.5577	
<b>Durham County</b>	0.7779	0.7122	0.7122	0.7222	0.7222	0.7522	2019
<b>COMBINED</b>	1.3565	1.2439	1.2439	1.2739	1.2799	1.3099	
<b>Greensboro</b>	<b>0.6325</b>	<b>0.6625</b>	<b>0.6625</b>	<b>0.6625</b>	<b>0.6325</b>	<b>0.6725</b>	
<b>Guilford County</b>	0.7305	0.7305	0.7305	0.7305	0.7305	0.7305	2022
<b>COMBINED</b>	1.3630	1.3930	1.3930	1.3930	1.3630	1.4030	
<b>Raleigh</b>	0.4382	0.4382	0.3552	0.3730	0.3930	0.4330	
<b>Wake County</b>	0.6544	0.7180	0.6000	0.6000	0.6195	0.6570	2021
<b>COMBINED</b>	1.0926	1.1562	0.9552	0.9730	1.0125	1.0900	
<b>Winston-Salem</b>	0.5974	0.6374	0.6374	0.6124	0.6360	0.6610	
<b>Forsyth County</b>	0.7235	0.7435	0.7435	0.6778	0.6778	0.6778	2021
<b>COMBINED</b>	1.3209	1.3809	1.3809	1.2902	1.3138	1.3388	

**Observations**

- Greensboro’s rate increased from .6325 in FY22-23 to .6725 in FY23-24 due primarily to support increases in compensation for police salaries and minimum wage increases, as well as costs for supplies and materials. In addition to Greensboro, Raleigh and Winston-Salem increased their tax rates. Durham remained unchanged and Charlotte decreased their tax rate as part of their revaluation.
- Wake County and Durham County raised their tax rate in FY 23-24, while Guilford County and Forsyth County remained unchanged. Mecklenburg County decreased their tax rate as part of their revaluation.
- Charlotte/Mecklenburg currently has the lowest combined tax rate while Greensboro/Guilford has the highest combined tax rate.

### 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 \$2,337, with Charlotte being the lowest. These rates are based on the U.S. Census Bureau, 2017-2022 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.

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 23-24

	Charlotte	Greensboro	Winston-Salem	Durham	Raleigh
<b><u>City Taxes</u></b>					
Median Home Value	\$ 402,800	\$ 246,500	\$ 251,200	\$ 377,600	\$ 470,300
Property tax rate per \$100 value	0.2604	0.6725	0.6610	0.5577	0.4330
<b>City Property Taxes</b>	<b>\$ 1,049</b>	<b>\$ 1,658</b>	<b>\$ 1,660</b>	<b>\$ 2,106</b>	<b>\$ 2,036</b>
<b><u>Annual City User Fees</u></b>					
Average Annual Water/Sewer Bill	\$ 721	\$ 545	\$ 650	\$ 703	\$ 743
Annual Solid Waste Services Bill	\$ 95	\$ 42	\$ -	\$ -	\$ 269
Annual Stormwater Fee	\$ 150	\$ 32	\$ 54	\$ 123	\$ 88
Annual Motor Vehicle License Fees	\$ 60	\$ 60	\$ 60	\$ 30	\$ 60
<b>Total City Fees</b>	<b>\$ 1,026</b>	<b>\$ 679</b>	<b>\$ 764</b>	<b>\$ 856</b>	<b>\$ 1,160</b>
<b>Total City Taxes and Fees:</b>	<b>\$ 2,075</b>	<b>\$ 2,337</b>	<b>\$ 2,424</b>	<b>\$ 2,962</b>	<b>\$ 3,196</b>

#### Observations

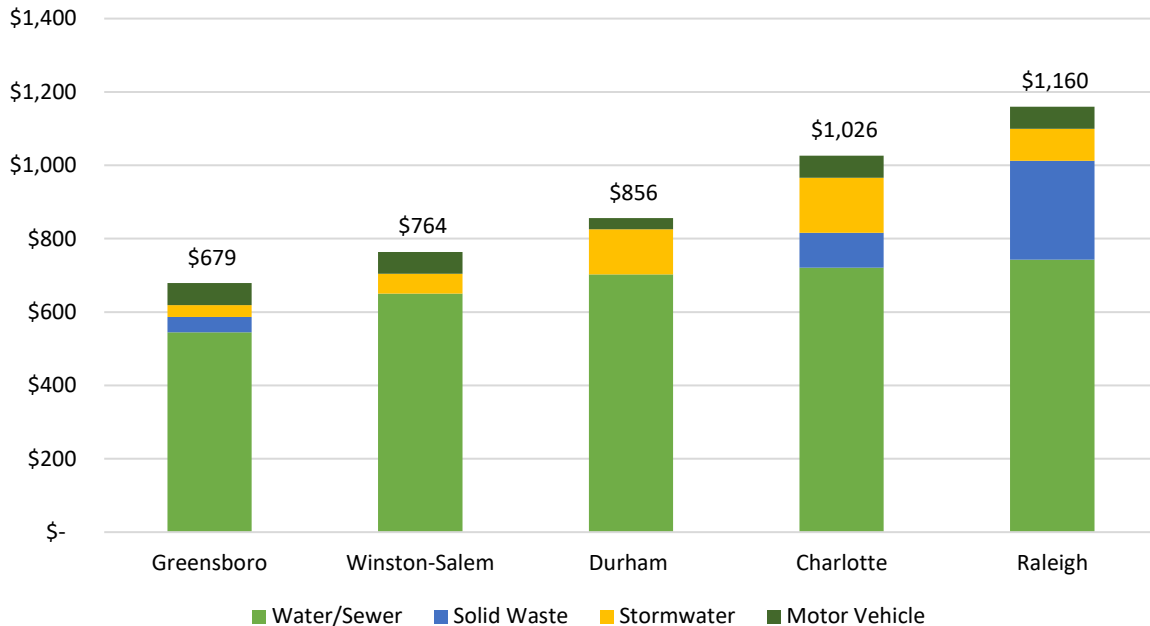
- Greensboro’s **city-only total taxes and fees** average \$2,337 per year, lower than Winston-Salem and significantly lower than Durham and Raleigh.
- Greensboro has the highest city property tax rate, at 67.25 cents per \$100 of property value; but has the lowest standard user fees.



## FINDING 4

### Greensboro Ranks Lowest for User Fees

City Only Annual User Fees FY 23-24



For FY 23-24, Greensboro has the lowest total annual user fees at \$679 per year. The year before, Greensboro had the second lowest total annual user fees. 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

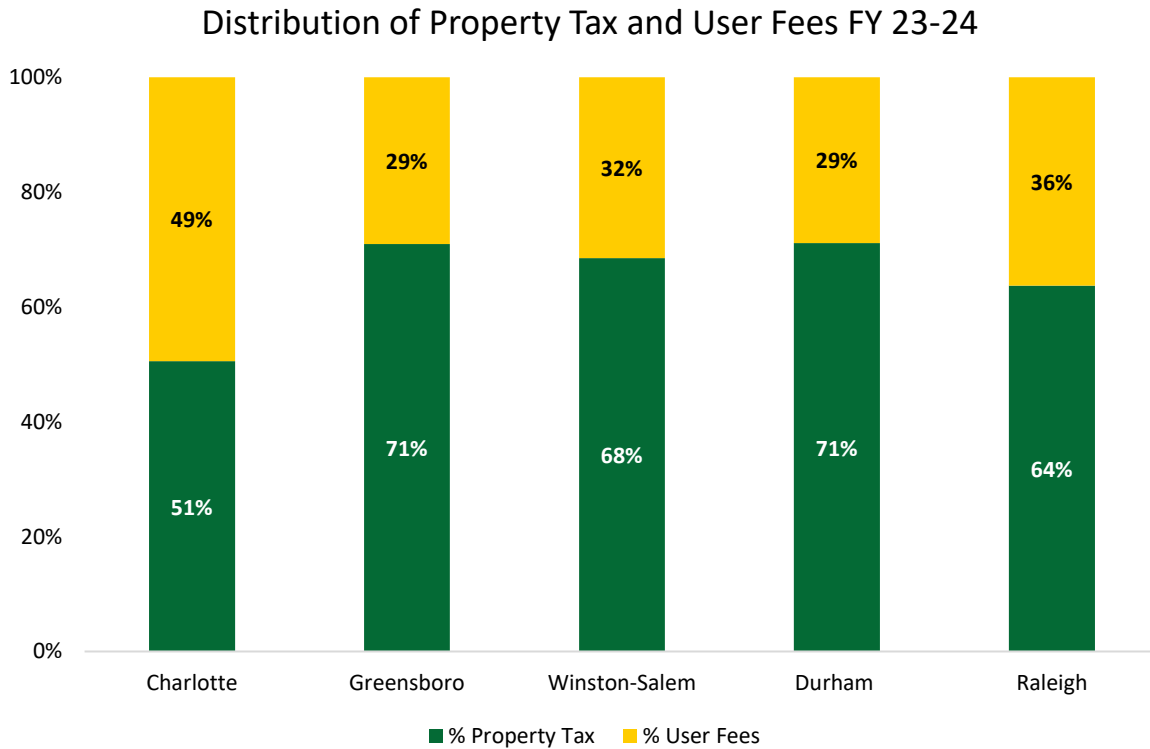
- Raleigh has the highest user fees at \$1,160 per year.
- Greensboro’s water and sewer fees are the lowest in the study, at \$545. Winston-Salem is \$105 (19%) more, Durham is \$158 (29%) more, Charlotte is \$176 (32%) more, and Raleigh is \$198 (36%) more.
- Three cities (Greensboro, Charlotte, and Raleigh) use a solid waste fee. At \$269 per year, Raleigh’s solid waste fee is over six times more than Greensboro, while Charlotte is over twice as much at \$95.
- Greensboro’s solid waste fee remained unchanged, while Charlotte’s increased by \$9, and Raleigh’s by \$25 when compared to FY 22-23.

- Greensboro’s stormwater fees are the lowest of all 5 cities, at an average of \$32 per year.
- 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 \$66 (11%), Winston-Salem’s \$136 (22%), Durham’s \$133 (18%), Charlotte’s \$152 (17%), and Raleigh’s \$114 (11%), largely driven by increases in water and sewer fees.

5-Year City-Only Fees, FY 19-20 to FY 23-24

	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	5-Year \$ Change	5-Year % Change
<b>Charlotte</b>	\$874	\$904	\$917	\$1,035	\$1,026	\$152	17%
<b>Durham</b>	\$723	\$749	\$775	\$947	\$856	\$133	18%
<b>Greensboro</b>	\$613	\$632	\$633	\$751	\$679	\$66	11%
<b>Raleigh</b>	\$1,046	\$1,079	\$1,108	\$1,207	\$1,160	\$114	11%
<b>Winston-Salem</b>	\$628	\$640	\$640	\$739	\$764	\$136	22%

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

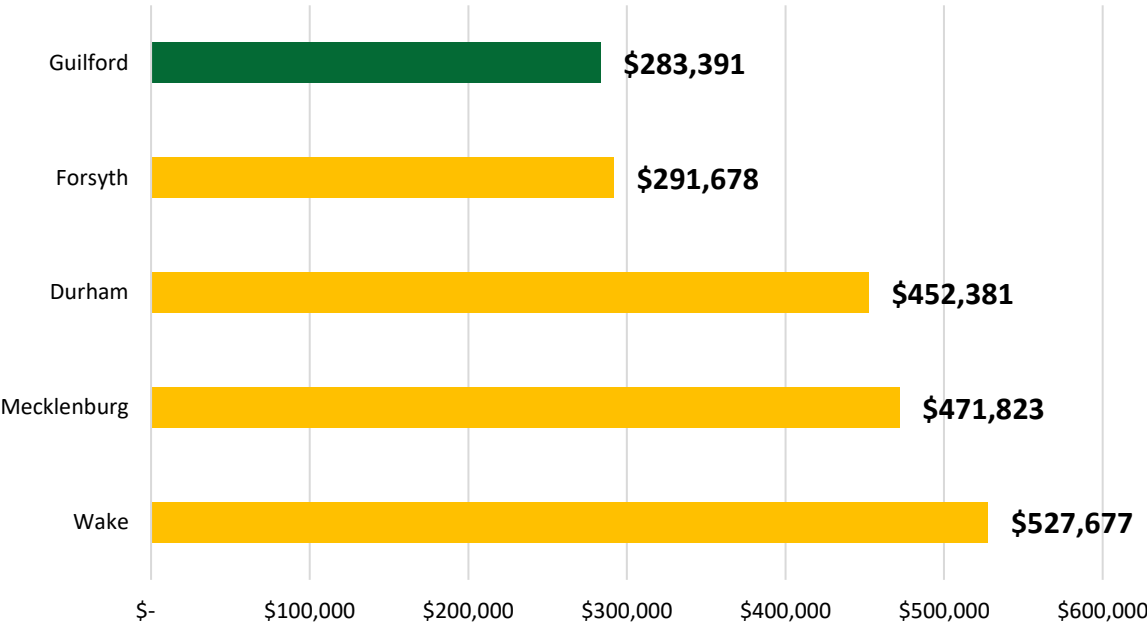
Greensboro has the lowest city-only user fees taxes and user fees of our peer cities. Numerous factors affect the amount of revenue necessary to cover expenses, including community priorities related to the types and levels of service supported by a City.

Generating an appropriate balance between property tax and user fees requires consideration of community input, local priorities, strategic goals, historical data, and more. User fees allow for more varied revenue sources, and may be a more feasible option than raising property taxes. Regardless of strategy, increased service costs require additional revenue from taxes, fees, and economic growth.

By increasing public knowledge about the structure of property tax and user fees, the City of Greensboro can continue in its purpose to serve the community effectively. This analysis allows the community to be data-informed as the City makes recommendations that affect the services to Greensboro’s residents and visitors. Ensuring local government operations maintain a people-centered focus is enhanced through fiscal stewardship that is based on the values of transparency and accountability.

**APPENDIX A**

Median Home Values, As of March 2023



*\*National Association of Realtors Q1 2023 reflects data collected through the House Price Index from FHFA and the 2021 American Community Survey. Data was released July 2023 and represents the first quarter of calendar year 2023.*