

STATE OF NORTH CAROLINA  
COUNTY OF WAKE

BEFORE THE PROPERTY TAX COMMISSION  
SITTING AS THE STATE BOARD OF  
EQUALIZATION AND REVIEW  
14 PTC 290

IN THE MATTER OF:  
APPEAL OF:

**Harold Hall**  
from a decision of the Onslow County  
Board of Equalization and Review  
concerning the valuations of certain  
real property for tax year 2014.

**FINAL DECISION**

---

This Matter was heard before the North Carolina Property Tax Commission (“Commission”) sitting as the State Board of Equalization and Review in the City of Raleigh, Wake County, North Carolina on Friday, January 16, 2015, pursuant to the appeal of **Harold Hall** (“Appellant”). The Appellant is appealing the decision of the Onslow County Board of Equalization and Review (“County Board”) concerning the valuations of certain real property for tax year 2014.

Chairman William W. Peaslee presided over the hearing with Vice Chairman Terry L. Wheeler and Commission Members David A. Smith and Jack C. Morgan III participating.

Mr. Harold Hall appeared at the hearing pro se; Shelley T. Eason, Esquire appeared at the hearing on behalf of Onslow County.

**STATEMENT OF THE CASE**

The properties subject to this appeal are three parcels located in Onslow County, North Carolina. Parcel one (PIN 016936) is improved with a single family residence located at 742 US Highway 17 North, Holly Ridge, Onslow County, North Carolina. Parcel two (PIN 055649) is a vacant lot located at US Highway 17, Holly Ridge, Onslow County, North Carolina. Parcel three (PIN 022871) is improved with a single family residence located at 23129 NC Highway 50, Holly Ridge, Onslow County, North Carolina.

Onslow County’s most recent general reappraisal of real property, conducted pursuant to N. C. Gen. Stat. § 105-283, was effective January 1, 2014. The Appellant appealed the tax values of his properties to the Onslow County Board of Equalization and Review (“County Board”), which determined the tax values to be as follows:

Parcel #1 (Id # 016936)	\$118,010
Parcel #2 (Id # 055649)	\$10,000
Parcel #3 (Id # 022871)	\$83,550

From the County Board's decision, the Appellant appealed to the Commission and requested a hearing as provided in N.C. Gen. Stat. § 105-290.

At the hearing of this appeal, Appellant contended that the County's assessments of the subject property were arbitrary because the value of parcel two (Id # 055649) was reduced to \$10,000; and because the County used comparables that were located seven miles from the subject property. The County contends that the subject parcels were appraised in accordance with the County's schedule of values, standards, and rules adopted for the general reappraisal effective January 1, 2014. The County also contends based on its analysis of sales of comparable properties, that the subject parcels have not been appraised in excess of the properties' true values in money. The County asserts that in its appraisals of the subject parcels, all important factors affecting the market values of the properties have been considered, and requests the Commission to affirm the County Board's decision.

### ANALYSIS AND ISSUES

A county's ad valorem tax assessment is presumptively correct.<sup>1</sup> The taxpayer may rebut this presumption by presenting "competent, material and substantial" evidence that tends to show that: "(1) Either the county tax supervisor used an *arbitrary method* of valuation; or (2) the county tax supervisor used an *illegal method* of valuation; AND (3) the assessment *substantially* exceeded the true value in money of the property".<sup>2</sup> If the taxpayer rebuts the initial presumption, then the burden shifts to the taxing authority to demonstrate that its methods produce true values.<sup>3</sup>

Under this analysis, the Commission must consider the following issues:

1. Did the Appellant carry his burden of producing competent, material and substantial evidence tending to show that:
  - (a) Onslow County employed an arbitrary or illegal method of appraisal in reaching the property tax values for Appellant's properties as of January 1, 2014; and
  - (b) The County Board assigned values that were substantially greater than the true values of the subject properties as of January 1, 2014?

---

<sup>1</sup> In re Amp. Inc., 287 N.C. 547, 563, 215 S.E.2d 752, 762 (1975).

<sup>2</sup> Id. at 563, 215 S.E.2d at 762 (capitalization and emphasis in original).

<sup>3</sup> In re Appeal of S. Ry. Co., 313 N.C. 177, 182, 323 S.E.2d 235, 239 (1985); see N.C. Gen. Stat. 105-283; see also. In re IBM Credit Corporation, (IBM Credit II), 201 N.C. App. 343, 689 S.E.2d 487 (2009), disc. review denied and appeal dismissed.

2. If the above issues are answered in the affirmative, did Onslow County demonstrate that its appraisal methodology produced true values in view of both sides' evidence and the weight and sufficiency of the evidence, the credibility of the witnesses, and inferences as well as conflicting and circumstantial evidence?<sup>4</sup>

**FROM THE APPLICATION FOR HEARING FILED IN THIS MATTER, AND THE EVIDENCE PRESENTED AT THE HEARING, THE COMMISSION MAKES THE FOLLOWING FINDINGS OF FACT:**

1. The Commission has jurisdiction over the parties and subject matter of this appeal.

2. The properties subject to this appeal are three parcels located in Onslow County, North Carolina. Parcel one (PIN 016936) is improved with a single family residence located at 742 US Highway 17 North, Holly Ridge. Parcel two (PIN 055649) is a vacant lot located at US Highway 17, Holly Ridge. Parcel three (PIN 022871) is improved with a single family residence located at 23129 NC Highway 50, Holly Ridge.

3. Onslow County's most recent general reappraisal of real property, conducted pursuant to N. C. Gen. Stat. § 105-283, was effective January 1, 2014. The Appellant appealed the tax values of his properties to the Onslow County Board of Equalization and Review ("County Board"), which determined the tax values to be as follows:

Parcel #1 (Id # 016936)	\$118,010
Parcel #2 (Id # 055649)	\$10,000
Parcel #3 (Id # 022871)	\$83,550

4. Even though Appellant argued that Onslow County used an arbitrary method to appraise his properties, Mr. Hall presented no competent, material and substantial evidence tending to show the true values of his properties as of January 1, 2014 based on an analysis using the three accepted appraisal methods (i.e. the cost approach, the sales comparison approach, and the income capitalization approach) to determine the market values for the subject properties as of January 1, 2014.

5. After the Appellant completed his presentation of evidence, Onslow County, through counsel, moved to dismiss the Appellant's appeal on the grounds that the Appellant failed to present competent, material, and substantial evidence from which the Commission could conclude that the County employed an arbitrary or illegal method of appraisal, and that the Appellant failed to present competent, material, and substantial evidence from which the Commission could conclude that the tax values assigned by the County Board to the subject properties substantially exceeded the true values in money of Appellant's properties.

<sup>4</sup> In re Parkdale Mills, \_\_\_ N.C. App. \_\_\_, \_\_\_, 741 S.E.2d 416, 420 (2013).

**BASED ON THE FOREGOING FINDINGS OF FACT, THE COMMISSION MAKES THE FOLLOWING CONCLUSIONS OF LAW:**

1. A county's ad valorem tax assessment is presumptively correct.<sup>5</sup> The taxpayer may rebut this presumption by presenting "competent, material and substantial" evidence that tends to show that: "(1) Either the county tax supervisor used an *arbitrary method* of valuation; or (2) the county tax supervisor used an *illegal method* of valuation; AND (3) the assessment *substantially* exceeded the true value in money of the property".<sup>6</sup>

2. Appellant failed to present competent, material, and substantial evidence from which the Commission could conclude that the County employed an arbitrary or illegal method of appraisal. Appellant failed to present competent, material, and substantial evidence from which the Commission could conclude that the tax value affirmed by the County Board was substantially greater than the true value in money of the property.<sup>7</sup>

**WHEREFORE, THE PROPERTY TAX COMMISSOIN THEREFORE ORDERS** that the decision of the 2014 Onslow County Board of Equalization and Review is affirmed; and Appellant's appeal is dismissed.

**NORTH CAROLINA PROPERTY TAX COMMISSION**



William W. Peaslee, Chairman

Vice Chairman Wheeler and Commission Members Smith and Morgan concur.

ENTERED: April 22, 2015

ATTEST:

Janet L. Shires, Esquire, General Counsel  
Commission Secretary

<sup>5</sup> In re Amp, Inc., 287 N.C. 547, 563, 215 S.E.2d 752, 762 (1975).

<sup>6</sup> Id. at 563, 215 S.E.2d at 762 (capitalization and emphasis in original).

<sup>7</sup> In re Amp, Inc., 287 N.C. 547, 563, 215 S.E.2d 752, 762 (1975).