

STATE OF NORTH CAROLINA
COUNTY OF WAKE

BEFORE THE PROPERTY TAX COMMISSION
SITTING AS THE STATE BOARD OF
EQUALIZATION AND REVIEW
15 PTC 0050

IN THE MATTER OF:
THE APPEAL OF:

Heirs of P. F. Mumford

FINAL DECISION

from the decision of the
Richmond County Board
of Equalization and Review
concerning the valuation of
certain real property for tax
tax year 2015.

This appeal 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 Thursday, August 18, 2016, pursuant to the pleadings filed by counsel for Richmond County for dismissal of the subject appeal of **Heirs of P. F. Mumford** (“Taxpayers”) based upon Richmond’s County’s Motion to Dismiss, Motion for Summary Judgment or Motion for Partial Summary Judgment from the decision of the Richmond County Board of Equalization and Review (“County Board”) regarding the valuation of the subject property for tax year 2015.

Chairman William W. Peaslee presided over the hearing with Vice Chairman Terry L. Wheeler and Commission members Jack C. (Cal) Morgan III, David A. Smith and Alexander A. Guess participating.

Mr. Thaddaus Mumford appeared at the hearing on behalf of the Taxpayers. Mr. Stephen R. Futrell Esquire, with the law firm of Kitchin, Neal, Webb, Webb & Futrell, P.A., appeared at the hearing on behalf of Richmond County.

At the hearing, Richmond County, through counsel, moved the Commission to dismiss the above-captioned appeal based upon Richmond County’s Motion to Dismiss, Motion for Summary Judgment or Motion for Partial Summary Judgment from the decision of the Richmond County Board of Equalization and Review (“County Board”) regarding the valuation of the subject property for tax year 2015.

After considering the County’s Motion to Dismiss, Motion for Summary Judgment or Motion for Partial Summary Judgment from the decision of the County Board, and the documents attached thereto, and the arguments of the parties, the Commission voted unanimously to deny the County’s Motion to Dismiss, Motion for Summary Judgment or Motion for Partial Summary Judgment from the decision of the Richmond County Board of Equalization and Review (“County Board”) regarding the valuation of the subject property for tax year 2015.

Thereafter, the Commission proceeded with the hearing of Taxpayers' appeal concerning the valuation and taxation of the Property for tax year 2015.

ANALYSIS AND ISSUES

A county's ad valorem tax assessment is presumptively correct.¹ The taxpayer rebuts this presumption by producing "competent, material, and substantial" evidence that tends to show that: (1) [e]ither 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.² If the taxpayer rebuts the initial presumption, then the burden shifts to the taxing authority to demonstrate that its methods produce true values.³

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

1. Did the Taxpayers carry their burden of producing competent, material, and substantial evidence tending to show that:
 - (a). Richmond County employed an arbitrary or illegal method of appraisal in reaching the property tax value for Taxpayers' property for tax year 2015; based on the 2008 general reappraisal, and
 - (b). The County Board assigned a value that was substantially greater than the true value of the subject property for tax year 2015; based on the 2008 general reappraisal?
2. If the above issues are answered in the affirmative, did Richmond County demonstrate that its appraisal methodology produced true value for the property 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?⁴

FROM THE NOTICE OF APPEAL AND APPLICATION FOR HEARING FILED IN THIS MATTER, STIPULATIONS OF THE PARTIES, IF ANY, AND EVIDENCE PRESENTED, THE COMMISSION MAKES THE FOLLOWING FINDINGS OF FACT:

1. The Commission has jurisdiction over the parties and the subject matter of this appeal.
2. This case involves Richmond County Parcel Identification Number 737900738053, which is a parcel that contains approximately 27.50 acres with an abandoned single-family dwelling that is located off Waymon Chapel Road, Hamlet, Richmond County, North Carolina (the "Property").

¹ In re Amp. Inc., 287 N.C. 547, 215 S.E.2d 752 (1975).

²Id.

³In re Appeal of S. Ry. Co., 313 N.C. 177, 323 S.E.2d 235 (1985). 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, 363 N.C. 854, 694 S.E.2d 204 (2010).

⁴ In re Parkdale Mills, 225 N.C. App.713, 741 S.E.2d 416 (2013).

3. In tax year 2015, Mr. Thaddaus Mumford challenged Richmond County's taxation and valuation of the Property by filing an appeal with the County Board.

4. The County Board heard the appeal and mailed Mr. Mumford a Notice of Decision assessing the Property at \$18,855, which decision affirmed Richmond County's valuation of the Property.

5. On appeal to the Commission, the Taxpayers relied on an opinion of value of \$10,500 for the Property.

6. In North Carolina, all property, real and personal, is required to be valued or appraised at its true value in money, which is "market value." [N.C. Gen. Stat. § 105-283]. Market value is defined in the statute as:

"the price estimated in terms of money at which the property would change hands between a willing and financially able buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of all the uses to which the property is adapted and for which it is capable of being used." Id.

7. At the hearing, Mr. Mumford testified that the dwelling on the Property has no fair market value when considering factors and conditions that affect the value of this dwelling such as no septic, water or electrical hook-ups, and no interior electrical wiring in the dwelling due to vandalism to the residence.

8. As to the value of the Property, Mr. Mumford testified that the county should not assign a one-acre home site value, but the county should assess the one-acre as woodland based on the county's Schedules of Value for woodland.

9. The county erred by assigning a one-acre home site value to the Property; and the value of the subject one-acre was \$428.00, which is consistent with Richmond County's Schedules of Value for woodland.

10. As such, the true value in money of Parcel Identification Number 737900738053 (the "Property") was \$11,762.00 for tax 2015, based on the 2008 general reappraisal.

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

1. A county's ad valorem tax assessment is presumptively correct.⁵ The taxpayer rebuts this presumption by producing "competent, material, and substantial" evidence that tends

⁵In re Amp, Inc., 287 N.C. 547, 215 S.E.2d 752 (1975).

to show that: (1) [e]ither 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.

2. Taxpayers did produce competent, material, and substantial evidence regarding these points.

3. When the burden shifted to Richmond County, Richmond County did not demonstrate that its appraisal methodology produced true value for the property 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?⁶

4. The value of Property subject to this appeal was \$11,762.00 for tax year 2015, based on the 2008 general reappraisal.

WHEREFORE THE PROPERTY TAX COMMISSION THEREFORE ORDERS that the decision of the 2015 Richmond County Board of Equalization and Review is modified; and the Richmond County Tax Office is instructed to revise the tax records to reflect the findings of fact and conclusions of law of the Commission ruling that the value of Property was \$11,762.00 for tax year 2015.

NORTH CAROLINA PROPERTY TAX COMMISSION



Terry L. Wheeler, Vice Chairman

Commission Members Morgan, Smith, and Guess concur. Chairman Peaslee respectfully dissents.

Entered: February 8, 2017

Attest:

Janet L. Shires, Agency General Counsel

⁶ In re Parkdale Mills, 225 N.C. App.713, 741 S.E.2d 416 (2013).