

STATE OF NORTH CAROLINA
COUNTY OF WAKE

BEFORE THE PROPERTY TAX COMMISSION
SITTING AS THE STATE BOARD OF
EQUALIZATION AND REVIEW
14 PTC 0063

IN THE MATTER OF:
APPEAL OF:

Jack J. & Mary K. Goehring

FINAL DECISION

from the decision of the Brunswick
County Board of Equalization and
Review concerning the valuation
of certain real property for tax year
2014.

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, April 28, 2016 pursuant to the appeal of **Jack J. & Mary K. Goehring** (“Appellants”). Appellants are appealing the decision of the 2014 Brunswick County Board of Equalization and Review (“County Board”) not to reduce the assessment of their property for tax year 2014.

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

The Appellants appeared at the hearing pro se. Bryan W. Batton, Assistant County Attorney, appeared at the hearing on behalf of Brunswick County.

STATEMENT OF THE CASE

The property under appeal is a vacant residential lot located at 214 W. St. George Street, Southport, Brunswick County, North Carolina. The Brunswick County Tax Office (“Tax Office”) identifies the subject property as Parcel Number 237EG026.

Brunswick County’s most recent general reappraisal of all real property in the county was effective as of January 1, 2011. Based on the January 1, 2011 general reappraisal, the Brunswick County Tax Assessor (“Tax Assessor”) arrived at an assessment of \$237,930 for the subject lot. For tax year 2014, the Appellants challenged the Tax Assessor’s assessment of their property by appealing to the County Board. On April 28, 2014, after conducting a hearing, the County Board mailed its notice of decision to the Appellants affirming the Tax Assessor’s assessment of \$237,930 for the subject property for tax year 2014; based on the 2011 general reappraisal.

From that decision, the Appellants appealed to the Commission and requested a hearing as provided in N.C. Gen. Stat. § 105-290. In the Notice of Appeal and Application for Hearing, the Appellant contends that the subject property has been appraised in excess of its “true value” in money, and asserts that the true value of the subject property should be \$55,000.

The County contends that the subject property was appraised in accordance with the County's duly adopted schedules of value based on the 2011 general reappraisal. The County further contends, based on its analysis of sales and comparably assessed properties, that the subject property has not been appraised in excess of its “true value”. The County asserts that in its appraisal of the subject property, all important factors affecting the value of the property have been considered, and requests the Commission to affirm the valuation of \$237,930 assigned to the property by the County Board.

ANALYSIS AND ISSUES

A county's ad valorem tax assessment is presumptively correct.¹ The taxpayer rebuts this presumption by presenting “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 Appellants carry their burden of producing competent, material and substantial evidence tending to show that:
 - (a). Brunswick County employed an arbitrary or illegal method of appraisal in reaching the property tax value for Appellants' property for tax year 2014; based on the 2011 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 2014; based on the 2011 general reappraisal?
2. If the above issues are answered in the affirmative, did Brunswick 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

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

² Id.

³ In 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).

FROM THE NOTICE OF APPEAL AND APPLICATION FOR HEARING FILED IN THIS MATTER, ANY STIPULATIONS 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. The property under appeal is a vacant residential lot located at 214 W. St. George Street, Southport, Brunswick County, North Carolina. The Brunswick County Tax Office ("Tax Office") identifies the subject property as Parcel Number 237EG026.
3. Brunswick County's most recent general reappraisal of all real property in the county was effective as of January 1, 2011.
4. Effective as of January 1, 2011, the Tax Assessor assessed the subject property at a total value of \$237,930.
5. In tax year 2014, the Appellants challenged the Tax Assessor's assessment of their property by appealing to the County Board. After conducting a hearing, the County Board mailed its notice of decision to the Appellants affirming the Tax Assessor's assessment of \$237,930 for the subject property for tax year 2014; based on the 2011 general reappraisal.
6. On appeal to the Commission, the Appellant relies on an opinion of value of \$55,000 for the subject property as of January 1, 2014.
7. 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.
8. At the hearing, Appellants based their opinion of value of \$55,000 on the following: (1) on their independent analysis of improved properties that sold in Brunswick County; and (2) their review of Brunswick County's assessments of certain properties in the county.
9. Even though the Appellants gathered information regarding properties that sold in Brunswick County, there was no independent sales analysis by a competent appraiser that indicated that the market value for the subject property (i.e. a vacant residential lot) would be \$55,000 as of January 1, 2014.

10. Appellants' opinion of value for the subject property does not constitute the property's true value as of January 1, 2014 when their evidence was not supported by any accepted appraisal method or particular appraisal practice or procedure.
11. As a result, Appellants failed to produce competent, material and substantial evidence tending to show that Brunswick County employed an arbitrary or illegal method of appraisal in reaching the property tax value for Appellants' property for tax year 2014; based on the 2011 general reappraisal.
12. Since their method and/or analysis does equate to the true value in money of the subject vacant lot, then the Appellants did not produce competent, material and substantial evidence tending to show that the County Board assigned a value that was substantially greater than the true value of the subject property for tax year 2014; based on the 2011 general reappraisal.
13. Accordingly, Appellants failed to rebut the presumption of correctness of Brunswick County's assessment of the subject property when Appellants failed to present 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.

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 presenting "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. Appellants did not present any competent, material and substantial evidence regarding these points.
3. As such, the appeal is subject to dismissal at the close of Appellants' evidence when Appellants did not produce competent, material and substantial evidence tending to show that the county used an arbitrary or illegal method of valuation; and that the value assigned to the subject property by the County Board substantially exceeded the true value of the property.

WHEREFORE THE PROPERTY TAX COMMISSION THEREFORE ORDERS that the decision of the 2014 Brunswick County Board of Equalization and Review is affirmed; and Appellants' appeal is hereby dismissed.

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

NORTH CAROLINA PROPERTY TAX COMMISSION



A handwritten signature in black ink, appearing to read "William W. Peaslee", is written over a horizontal line.

William W. Peaslee, Chairman

Vice Chairman Wheeler and Commission Members Smith and Morgan concur. Commission Member Guess did not participate in the hearing or deliberation of this appeal.

ENTERED: June 30, 2016

ATTEST:

A handwritten signature in black ink, appearing to read "Janet L. Shires", is written over a horizontal line.

Janet L. Shires, General Counsel