

STATE OF NORTH CAROLINA
COUNTY OF WAKE

BEFORE THE PROPERTY TAX COMMISSION
SITTING AS THE STATE BOARD OF
EQUALIZATION AND REVIEW
15 PTC 0079

IN THE MATTER OF:
APPEAL OF:

Lisa Jacobs Leonard

FINAL DECISION

from the decision of the Davidson
County Board of Equalization and
Review concerning the valuation
of certain real property for 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, October 15, 2015, pursuant to the appeal of **Lisa Jacobs Leonard** (“Appellant”). Appellant is appealing the decision of the 2015 Davidson County Board of Equalization and Review (“County Board”) not to reduce the assessment of her property for tax year 2015.

Vice Chairman Terry L. Wheeler presided over the hearing with Commission Members David A. Smith, Jack C. (“Cal”) Morgan III and Alexander A. Guess participating.

The Appellant appeared at the hearing pro se. Michael K. Newby, Davidson County Attorney, appeared at the hearing on behalf of Davidson County.

STATEMENT OF THE CASE

The parcel under appeal is located at 14 Castlewood Drive, Thomasville, North Carolina 27360. The Davidson County Tax Office (“Tax Office”) identifies the subject property as Parcel Number 1632-5H-00-00019. The subject property is more particularly described as a residential lot (i.e. .22 acre parcel) improved with a single-family residence that has approximately 1,236 heated square feet of living area.

Davidson County’s most recent general reappraisal of all real property in the county was effective as of January 1, 2015, and the Davidson County Tax Assessor (“Tax Assessor”) assessed the subject property at a total value of \$124,330. The Appellant challenged the County Assessor’s assessment of her property by appealing to the County Board. After conducting a hearing, the County Board mailed its decision to the Appellant on April 13, 2015 affirming the Tax Assessor’s assessment of \$124,330 for the subject property for tax year 2015.

From that decision, the Appellant appealed to the Commission and requested a hearing as provided in G.S. 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 was \$84,427 as of January 1, 2015.

The County contends that the subject property was appraised in accordance with the County's duly adopted schedule of values for the 2015 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 \$124,330 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 Appellant carry her burden of producing competent, material and substantial evidence tending to show that:
 - (a). Davidson County employed an arbitrary or illegal method of appraisal in reaching the property tax value for Appellant's property as of January 1, 2015, and
 - (b). The County Board assigned a value that was substantially greater than the true value of the subject property as of January 1, 2015?

2. If the above issues are answered in the affirmative, did Davidson 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 parcel under appeal is located at 14 Castlewood Drive, Thomasville, North Carolina 27360. The Davidson County Tax Office (“Tax Office”) identifies the subject property as Parcel Number 1632-5H-00-00019. The subject property is more particularly described as a residential lot (i.e. .22 acre parcel) improved with a single-family residence that has approximately 1,236 heated square feet of living area.
3. Davidson County’s most recent general reappraisal of all real property in the county was effective as of January 1, 2015.
4. Effective for January 1, 2015, the Tax Assessor assessed the subject property at a total value of \$124,330.
5. The Appellant challenged the Tax Assessor’s assessment of her property by appealing to the County Board. After conducting a hearing, the County Board mailed its decision to the Appellant on April 13, 2015 affirming the Tax Assessor’s assessment of \$124,330 for the subject property for tax year 2015.
6. On appeal to the Commission, the Appellant relies on an opinion of value of \$84,427 for the subject property as of January 1, 2015.
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, Appellant based her opinion of value of \$84,427 for the subject property on: (1) Appellant’s analysis of certain homes that sold in Davidson County in tax year 2014 and tax year 2015; and (2) Appellant’s review of Davidson County’s assessments of certain properties in the county.
9. Even though the Appellant gathered information regarding properties that sold in Davidson County in tax year 2014 and tax year 2015, there was no independent sales

analysis by a competent appraiser showing that the market value for the subject property should be \$84,427 as of January 1, 2015.

10. As a result, Appellant failed to produce competent, material and substantial evidence tending to show that her method and/or analysis equates to the true value of the property as of January 1, 2015.
11. Appellant's opinion of value for the subject property does not constitute the property's true value as of January 1, 2015 when her evidence was not supported by any accepted appraisal method or particular appraisal practice or procedure.
12. Accordingly, Appellant failed to rebut the presumption of correctness of Davidson County's assessment of the subject property when Appellant 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.⁵

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.⁶ 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.⁷
2. Appellant 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 Appellant's evidence when Appellant 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 2015 Davidson County Board of Equalization and Review is affirmed; and Appellant's appeal is hereby dismissed.

⁵Id.

⁶*In re Amp, Inc.*, 287 N.C. 547, 215 S.E.2d 752 (1975).

⁷Id.

NORTH CAROLINA PROPERTY TAX COMMISSION



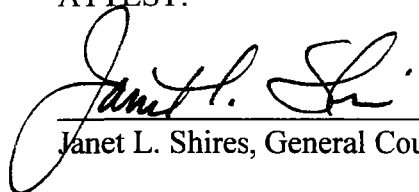


Terry L. Wheeler, Vice Chairman

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

ENTERED: May 26, 2016

ATTEST:



Janet L. Shires, General Counsel