

STATE OF NORTH CAROLINA
COUNTY OF WAKE

BEFORE THE PROPERTY TAX COMMISSION
SITTING AS THE STATE BOARD OF
EQUALIZATION AND REVIEW
15 PTC 0469

IN THE MATTER OF:
APPEAL OF:

Michael E. Todd

FINAL DECISION

from the decisions of the Mecklenburg
County Board of Equalization and
Review concerning the valuations
of certain real property for tax
years 2011 through 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 Wednesday, April 27, 2016 pursuant to the appeal of **Michael E. Todd** (“Taxpayer” or “Appellant”). Appellant appealed to the Commission from the decisions of the Mecklenburg County Board of Equalization and Review (“County Board”), in which the County Board decided not to reduce the valuations of certain real property for tax years 2011 through 2014.

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

Appellant appeared at the hearing *pro se*. Robert S. Adden, Sr., Esquire, with the law firm of Ruff, Bond, Cobb, Wade & Bethune, LLP, appeared at the hearing on behalf of Mecklenburg County.

STATEMENT OF THE CASE

Michael E. Todd (“Appellant”) appeals the decisions of the County Board concerning the assessments of three commercial properties that are located at the following addresses:

8924 Scenic Drive, Charlotte, North Carolina;
8929 E. Independence Blvd., Charlotte, North Carolina; and
4301 Monroe Road, Charlotte, North Carolina.

For tax years 2011 and 2014, the County Board assigned the following values to the subject commercial properties:

Property Address	County Board Value	Tax Year Under Appeal
8924 Scenic Dr., Charlotte, NC Parcel # 193-201-22	\$480,100	2011, 2012, 2013 and 2014
8929 E. Independence Blvd., Charlotte, NC Parcel # 193-201- 05	\$307,900	2011, 2012, 2013 and 2014
4301 Monroe Road, Charlotte, NC Parcel # 159-061-12	\$667,800	2011, 2012, 2013 and 2014

In the Notices of Appeal and Applications for Hearing filed with the Commission, the Appellant contends that the County failed to consider important factors pertaining to the market values of the subject properties that resulted in assessments that substantially exceeded the true value in money of the properties for the years at issue. The Appellant contends that the value for Parcel Number 193-210-22 (i.e. 8924 Scenic Dr., Charlotte, NC); and Parcel Number 193-201-05 (i.e. 8929 E. Independence Blvd., Charlotte, NC) was \$741,300 for the tax years at issue based on a settlement statement dated December 31, 2012 showing a purchase price of \$741,300 for both parcels. Appellant also contends that the value for Parcel Number 159-061-12 (i.e. 4301 Monroe Road, Charlotte, NC) was \$600,000 for the tax years at issue.

The County contends that the subject properties were appraised in accordance with the County's duly adopted schedule of values, standards and rules for the 2011 general reappraisal. The County further contends based on its analysis of sales and comparably assessed properties that the subject properties have not been appraised in excess of their true value. The County asserts that in its appraisal of the subject properties, all important factors affecting the values of the properties have been considered, and requests the Commission to affirm the County Board's total valuation of \$480,100 for Parcel Number 193-210-22; the total valuation of \$307,900 for Parcel Number 193-201-05; and the total value of \$667,800 for Parcel Number 159-061-12.

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 *In re Amp, Inc.*, 287 N.C. 547, 563, 215 S.E.2d 752, 762 (1975).

² *Id.* (capitalization and emphasis in original).

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 4 (2010).

1. Did Appellant carry his burden of producing competent, material and substantial evidence tending to show that:
 - (a) Mecklenburg County employed an arbitrary or illegal method of appraisal in reaching the property tax values for Appellant's properties, and
 - (b) the County Board assigned values that substantially exceeded the true values of the subject properties for the years at issue?
2. If the above issues are answered in the affirmative, did Mecklenburg County demonstrate that its appraisal methodology produced true values for the properties 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 NOTICES OF APPEAL AND APPLICATIONS FOR HEARING FILED IN THIS MATTER, AND THE 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 appeal involves three commercial properties with locations of: (a) 8924 Scenic Drive, Charlotte, North Carolina (Parcel Number 193-201-22); (b) 8929 E. Independence Blvd., Charlotte, North Carolina (Parcel Number 193-201-05); and (c) 4301 Monroe Road, Charlotte, North Carolina (Parcel Number 159-061-12).
3. For tax years, 2011-2014, the County Board assigned a total valuation of \$480,100 for Parcel Number 193-210-22; a total valuation of \$307,900 for Parcel Number 193-201-05; and a total valuation of \$667,800 for Parcel Number 159-061-12.
4. At the hearing, Appellant believed that the market value for Parcel Number 193-210-22 (i.e. 8924 Scenic Dr., Charlotte, NC); and Parcel Number 193-201-05 (i.e. 8929 E. Independence Blvd., Charlotte, NC) was \$741,300 for the tax years at issue; and that market value for Parcel Number 159-061-12 (i.e. 4301 Monroe Road, Charlotte, NC) was \$600,000 for the tax years at issue.
5. Mecklenburg County's most recent general reappraisal was effective January 1, 2011.
6. At the hearing, Appellant relied upon a settlement statement dated December 31, 2012 to support his opinion of value of \$741,300 for Parcel Number 193-210-22 (i.e. 8924 Scenic Dr., Charlotte, NC); and Parcel Number 193-201-05 (i.e. 8929 E. Independence Blvd., Charlotte, NC).
7. At the hearing, Appellant relied upon a settlement statement dated December 11, 2012 to support his opinion of value of \$600,000 for Parcel Number 159-061-12 (i.e. 4301 Monroe Road, Charlotte, NC) for the tax years at issue.

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

8. These settlement statements showing a total purchase price of \$741,300 for Parcel Number 193-210-22 and Parcel Number 193-201-05 (December 31, 2012 statement); and a total purchase price of \$600,000 for Parcel Number 159-061-12 (December 11, 2012 statement) are not competent, material and substantial evidence tending to show the true value of the parcels for the years at issue.

9. Appellant's opinions of value for the subject parcels do not constitute the true values of the parcels when his evidence was not supported by any accepted appraisal method or particular appraisal practice or procedure.

10. As such, Appellant failed to rebut the presumption of correctness of Mecklenburg County's appraisal of the subject parcels when Appellant did not produce competent, material and substantial evidence tending to show that the appraisal method employed by Mecklenburg County was an arbitrary or illegal method; and that the values assigned to the subject parcels substantially exceeded the true values of the parcels.

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

1. The Commission has jurisdiction over the parties and the subject matter of this appeal and has the authority to correct any assessment of real property or personal property that is shown to be based upon an arbitrary or illegal method of valuation and that the valuation substantially exceeds the true value in money.

2. 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.⁶

3. Appellant failed to rebut the presumption of correctness of the appraisal of the subject property by Mecklenburg County when Appellant offered no competent, material and substantial evidence tending to show that Mecklenburg County employed an arbitrary or illegal method of valuation and that the values assigned to the subject properties by the County Board substantially exceeded the true value of the properties.

4. Mecklenburg County's motion to dismiss this appeal was granted at the close of Appellant's evidence because he failed to produce competent, material, and substantial evidence to rebut the presumption of correctness of the county's appraisals.

WHEREFORE THE NORTH CAROLINA PROPERTY TAX COMMISSION THEREFORE ORDERS that the decisions of the County Board are affirmed; and Appellant's appeal is dismissed.

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

⁶Id.

NORTH CAROLINA PROPERTY TAX COMMISSION



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

Terry L. Wheeler, **Vice Chairman**

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

Entered: May 26, 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