

STATE OF NORTH CAROLINA
COUNTY OF WAKE

BEFORE THE PROPERTY TAX COMMISSION
SITTING AS THE STATE BOARD OF
EQUALIZATION AND REVIEW
15 PTC 114

IN THE MATTER OF:
APPEAL OF:

Tera B. Slaughter

FINAL DECISION

from the decision of the Person
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 Tuesday, February 16, 2016, pursuant to the appeal of **Tera B. Slaughter** (“Appellant”). Appellant is appealing the decision of the 2015 Person County Board of Equalization and Review (“County Board”) not to reduce the assessment of his property for tax year 2015.

Vice Chairman Terry L. Wheeler presided over the hearing with Commission Members David A. Smith and Alexander A. Guess participating.

Tera B. Slaughter appeared at the hearing pro se; Attorney C. Ronald Aycock appeared at the hearing on behalf of Person County.

Upon calling this matter for hearing, the Commission considered Person County’s Motion to Dismiss the subject appeal. After considering the arguments presented and the authorities cited, the Commission voted to deny Person County’s Motion to Dismiss. Thereafter, the Commission proceeded with hearing the Appellant’s evidence challenging Person County’s tax assessment of his property.

STATEMENT OF THE CASE

The property under appeal is an improved lot with a single family residence located at 114 Cottage Lane, Leasburg, North Carolina. The Person County Tax Office identifies the property under appeal as Parcel Identification Number (“PIN”) 15454.

On May 1, 2015, the Person County Board of Equalization and Review rendered its decision assigning a total value of \$336,979 for the subject property for tax year 2015. From this decision, the Taxpayer appealed to the North Carolina Property Tax Commission.

In the Appellant's Application for Hearing, the Taxpayer contends the subject parcel has been appraised in excess of fair market value and states a value of \$253,127 to be the true market value.

The County contends that the subject property has been appraised in accordance with the County's duly adopted 2013 Schedule of Values. The County further contends, based on its analysis of sales of comparable properties, that the subject property has not been appraised in excess of market value. The County asserts that in its appraisal of the subject property, the pertinent factors affecting market value of the property have been considered, and requests that the County Board's value be affirmed.

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 his burden of producing competent, material and substantial evidence tending to show that:
 - (a) Person County employed an arbitrary or illegal method of appraisal in reaching the property tax value for Appellant's property as of the January 1, 2013 general reappraisal concerning Appellant's appeal for tax year 2015, and (b) The County Board assigned a value that is 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 Person County demonstrate that its appraisal methodology produced a true value in view of both sides' evidence and the weight and sufficiency of the evidence, the creditability of the witnesses, and inferences as well as conflicting and circumstantial evidence?⁴

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 204 (2010).

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

3. The Commission also considered whether the Appellant's challenge to the County's assessment was based on one or more of the reasons enumerated in N.C. Gen. Stat. §105-287(a).

FROM THE 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 subject to this appeal is an improved residential lot located at 114 Cottage Lane, Leasburg, Person County, North Carolina. The subject property is located at Bradmore Estates and is identified as Lot Number 57. The Person County Tax Office identifies the subject property as PIN 15454.
3. Effective as of the January 1, 2013 general reappraisal, the Person County Tax Assessor ("Tax Assessor") assessed the subject property at a total value of \$356,779.
4. Appellant challenged the assessment by filing an appeal with the County Board in tax year 2013. After conducting a hearing, the County Board mailed Appellant a decision the value of the subject property to a total value of \$356,779. From the County Board's decision, Appellant appealed to the Commission and after conducting a hearing, the Commission affirmed the 2013 assessment of the property at a total value of \$356,779.
5. In tax year 2015, Appellant again challenged the total assessment of \$356,779 for the subject property by filing an appeal with Person County and then the County Board. After receiving the County Board's decision assigning a value of \$336,979 for the subject property, the Appellant then challenged the County Board's decision by filing an appeal with the Commission for tax year 2015.
6. Person County's next general reappraisal of all real property in the county is scheduled as of January 1, 2021.
7. Real property tax values may not be changed between general reappraisals except when required by N.C. Gen. Stat. §105-287(a). The burden is on the taxpayer to establish the presence of one of the reasons enumerated in that statute in order to obtain a change in property value between general reappraisals.⁵
8. N.C. Gen. Stat. § 105-287(a) permits a change to a property's tax value only when the change is necessary because of one or more of the following reasons:

⁵MAO/Pines Associates v. New Hanover Board of Equalization and Review, 116 N.C. App. 551, 449 S.E.2d 196 (1994).

- (1) Correct a clerical or mathematical error.
 - (2) Correct an appraisal error resulting from a misapplication of the schedules, standards, and rules used in the county's most recent general reappraisal.
 - (2a) Recognize an increase or decrease in the value of the property resulting from a conservation or preservation agreement subject to Article 4 of Chapter 121 of the General Statutes, the Conservation and Historic Preservation Agreements Act.
 - (2b) Recognize an increase or decrease in the value of the property resulting from a physical change to the land or to the improvements on the land, other than a change listed in subsection (b) of this section.
 - (2c) Recognize an increase or decrease in the value of the property resulting from a change in the legally permitted use of the property.
 - (3) Recognize an increase or decrease in the value of the property resulting from a factor other than one listed in subsection (b).
9. Person County is in its second year of the county's eighth year revaluation schedule.
 10. Appellant's challenge of the County Board's 2015 decision, as stated in the Notice of Appeal and Application for Hearing, was not based on one or more of the reasons provided in N.C. Gen. Stat. §105-287(a).⁶
 11. Since Appellant did not cite one of the reasons enumerated in N.C. Gen. Stat. §105-287(a) to challenge the county's valuation, the County and the Commission are not statutorily permitted to change the property's tax value.
 12. In addition, Appellant offered no permissible appraisal method to support his opinion of value for the subject property.
 13. Appellant did not produce competent, material and substantial evidence tending to show that the county had an affirmative duty to reappraise his property in a non-appraisal year when his challenge to the County's assessment was not based on one or more of the reasons enumerated in N.C. Gen. Stat. §105-287(a).⁷
 14. Person County, through counsel, properly moved for dismissal of Appellant's appeal at the close of his evidence when there was no competent, material or substantial evidence tending to show that the county used an arbitrary or illegal method of valuation; that the assessment substantially exceeded the true value in money of the property; and when

⁶See Notice of Notice of Appeal and Application for Hearing.

⁷Appellant's Notice of Appeal and Application for Hearing and the evidence produced at the hearing.

Appellant's challenge to the County Board's 2015 decision was not based on one or more of the reasons provided in N.C. Gen. Stat. §105-287(a) that must be cited in order for the County and the Commission to change the value.

**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.⁸ 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.⁹
2. Appellant did not present any competent, material and substantial evidence regarding any of these three issues.
3. As such, the appeal is subject to dismissal at the close of an 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, or that the value assigned to the subject property by the County Board substantially exceeded the true value of the property for tax year 2015.
4. For tax year 2015, the Appellant did not produce any competent, material and substantial evidence tending to show that the county had an affirmative duty to reappraise his property in a non-appraisal year when his challenge to the County Board's 2015 decision was not based on one or more of the reasons enumerated in N.C. Gen. Stat. §105-287(a).
5. Consequently, Person County, through counsel, properly moved for dismissal of Appellant's appeal at the close of his evidence when there was no competent, material or substantial evidence tending to show that the county used an arbitrary or illegal method of valuation; that the assessment substantially exceeded the true value in money of the property; and when Appellant's challenge to the County Board's 2015 decision was not based on one or more of the reasons provided in N.C. Gen. Stat. §105-287(a) that must be cited in order for the County and the Commission to change the value.

⁸ *In re Amp, Inc.*, 287 N.C. 547, 215 S.E. 752 (1975).

⁹ *Id.*

WHEREFORE, THE NORTH CAROLINA PROPERTY TAX COMMISSION THEREFORE ORDERS that the decision of the 2015 Person County Board of Equalization and Review is affirmed; and Appellant's appeal is dismissed.

NORTH CAROLINA PROPERTY TAX COMMISSION



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

Terry L. Wheeler, Vice Chairman

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

ENTERED: April 29, 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