

STATE OF NORTH CAROLINA
COUNTY OF WAKE

BEFORE THE PROPERTY TAX COMMISSION
SITTING AS THE STATE BOARD OF
EQUALIZATION AND REVIEW
06 PTC 338

IN THE MATTER OF:
APPEAL OF: **Rom B. Parker, Jr.**
from the Order of the Halifax
County Board of County Commissioners
adopting the schedule of values, standards,
and rules for the 2007 general reappraisal.

FINAL DECISION

This Matter came on for hearing 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, at its regularly scheduled Session of Hearings on Thursday, December 14, 2006. It involves the appeal of **Rom B. Parker, Jr.** (Appellant”) from the Order of the Halifax County Board of County Commissioners (“County Board”) adopting the schedule of values, standards, and rules for the 2007 general reappraisal.

Chairman Terry L. Wheeler presided over the hearing with Vice Chairman Anthony L. Young and Commissioners R. Bruce Cope, Wade F. Wilmoth and Harvey W. Raynor, III participating.

The Appellant appeared at the hearing *pro se*. Charles C. Meeker, Esquire appeared at the hearing on behalf of Halifax County.

STATEMENT OF CASE

The Appellant has filed an appeal with the Commission challenging the Order by the Halifax County Board of Commissioners (“County Board”) that adopted the schedule of values, standards and rules for the 2007 octennial revaluation (2007 Schedule of Values). In his amended notice of appeal, the Appellant contends that the Schedule of Values for the 2007 octennial revaluation does not contain uniform values, standards, and rules for the appraisal and valuation of property at its true value in money and at its present-use value throughout Halifax County and are not sufficiently detailed to enable those making the appraisal to adhere to values, standards, and rules in appraising property in a uniform manner as required by the statutes.

In the brief filed with the Commission, the Appellant made the following arguments regarding the 2007 Schedule of Values: (1) That the present-use schedule is deficient because it does not include a soil type key. (2) That the statutory valuation factors contained in N.C. Gen. Stat. § 105-317(a)(1) must be listed in a schedule of

values. (3) That the 2007 Schedule of Values should list three governmental programs. (4) That the 2007 Schedule of Values should grant discounts against fair market value to undivided shares held by tenants in common. Halifax County contends that the 2007 schedule of values, standards, and rules that were adopted by the County Board were prepared in accordance with the North Carolina General Statutes and that the schedules, standards, and rules will value real property at its true value and at its present-use value for the 2007 county wide general reappraisal.

ISSUES

In the Order on Final Pre-Hearing Conference, the parties did not agree on the issues to be presented to the Commission. The issues considered by the Commission are stated as follows:

Whether the schedule of values, standards, and rules adopted by the Halifax County Board of County Commissioners to be used in appraising real property for the general reappraisal, effective January 1, 2007, contain uniform values, standards, and rules for the appraisal and valuation of property at its true value in money and at its present-use value throughout Halifax County and as prepared are sufficiently detailed to enable those making the appraisal to adhere to the values, standards, and rules in appraising real property in a uniform manner as required by the statutes.

Whether the schedule of values, standards, and rules adopted by the Halifax County Board of County Commissioners to be used in appraising real property for the general reappraisal will result in values that substantially exceed the true value of real property.

AFTER CONDUCTING A HEARING IN THIS MATTER, 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 Appellant, who owns substantial agricultural acreage in Halifax County, North Carolina, filed an appeal with the Commission on September 29, 2006 challenging the 2007 Schedule of Values.
3. The Assessor's Office for Halifax County, directed by Mr. Charles M. Graham, Halifax County Tax Assessor, began collecting data for the 2007 octennial tax revaluation of real property in Halifax County about two years prior to the reappraisal, effective January 1, 2007. At the hearing, Mr. Charles M. Graham, who is an expert in the appraisal of real estate, in particular agricultural land, testified that Halifax County uses the CAMA computer software licensed from Cole, Layer and Trumble ("CLT"). He stated that CLT's system is used because

it conforms to the county's systems. This process includes collecting and confirming data on each of the approximately 38,000 parcels of land in Halifax County, as well as reviewing and writing the text of the 2007 Schedule of Values. The Assessor's Office for Halifax County properly collected data for the 2007 octennial tax revaluation for real property in the county for the reappraisal effective January 1, 2007 and then submitted the proposed 2007 Schedule of Values to the County Board for approval.

4. Upon compliance with the notice and hearing requirement of N.C. Gen. Stat. § 105-317(c), the County Board adopted the 2007 Schedule of Values for the octennial revaluation by Order dated September 19, 2006. In adopting said Order, the County Commissioners properly approved the schedules of values, standards, and rules to be used in appraising real property at its true value and at its present-use value.
5. After receiving Appellant's notice of appeal and his amendment thereto, the Commission scheduled a hearing on Thursday, December 14, 2006 regarding his challenge to the County Board's Order adopting the 2007 Schedule of Values.
6. At the hearing, the Appellant relying primarily on his brief challenged the Order adopting the 2007 Schedule of Values by arguing that the pricing schedule for agriculture land as well as the formulas used for calculating land values were not correct because the schedule of values failed to consider the statutory valuation factors under N.C. Gen. Stat. § 105-317. At the hearing, Mr. Graham testified that the County's 2007 Schedules of Values do consider the factors listed in G.S. 105-317(a)(1), in addition to other factors. Halifax County's evidence showed that the pricing schedule for land is based on comparable sales and market data. Further, parcels of land, based on their size, location and nearby sales, are categorized into neighborhoods, which are assigned a model number. The model then applies the per acre rates set out in the 2007 Schedule of Values. (See 2007 Schedule of Values at pages 151-67). Thus, neighborhoods refer to the market data of nearby parcels of a similar size, not a pre-assigned geographic area, when used for land. Based upon Halifax County's evidence, the Commission finds that Halifax County's 2007 Schedule of Values does consider the statutory valuation factors as well as other factors to value property.
7. At the hearing, the Appellant relying primarily on his brief challenged the Order adopting the 2007 Schedule of Values by arguing that the present-use value schedule was deficient because it does not contain a soil type key. At the hearing, Halifax County offered testimony by Mr. Charles Graham, and documents to show that under the 2007 Schedule of Values agricultural land is often included in the present-use value program, which provides for lower

assessments based upon the use of the property and that the values of the property are determined on soil types, which reflect productivity, collected by the North Carolina Department of Agricultural. In the 2007 Schedule of Values, present-use land is classified into one of six categories, which value that land based on capitalized income as referenced in the 2007 Schedule of Values. (See 2007 Schedule of Values, at page 21). Based upon this evidence, the Commission finds that Halifax County's use of classes of property to value present-use parcels based on soil types is proper because the present-use classification more accurately reflects the property's value. Consequently, there is no deficiency in the present-use schedule simply because the present-use value schedule does not contain a soil type key.

8. At the hearing, the Appellant relying primarily on his brief challenged the Order adopting the 2007 Schedule of Values by arguing that the 2007 Schedule of Values should list three governmental programs (The Clean Water Act, the Food Security Act, and the North Carolina Sedimentation Pollution Control Act). At the hearing, Halifax County offered testimony and evidence to show that the 2007 Schedule of Values has a land influence factor that considers and allows all restrictions on land use. (See Halifax County's 2007 Schedule of Values, at page 144). Furthermore, Mr. Graham testified that Halifax County is not required to include a specific factor for each governmental program when the 2007 Schedule of Values has a land influence factor concerning restrictions that can include the programs referenced by the Appellant, as well as other restrictions.
9. At the hearing, the Appellant relying primarily on his brief challenged the Order adopting the 2007 Schedule of Values by arguing that discounts against fair market value should be granted to undivided shares held by tenants in common. At the hearing, Halifax County called Mr. Joseph E. Hunt faculty member with UNC School of Government to testify regarding this argument. Mr. Hunt, who is an expert in the appraisal of real estate, testified concerning mass appraisals and stated that schedules of values, standards, and rules are a guide or range to satisfy the uniformity requirements under the Machinery Act. Mr. Hunt testified that Halifax County's 2007 Schedule of Values meets the uniformity requirements and all the professional requirements regarding the appraisal of property and valuation of property at its true value in money and at its present-use value throughout Halifax County. With regard to the Appellant's argument that discounts against fair market value should be granted to undivided shares held by tenants in common, Mr. Hunt testified that a fractional interest does not apply to the appraisal of property with regard to mass appraisals and that his argument violates the uniformity and equitable requirements established under the Machinery Act and the Constitution.

10. Halifax County's 2007 Schedule of Values adopted by the County Board to be used in appraising real property for the general reappraisal, effective January 1, 2007, will value real property at its true value and at its present-use value and as prepared, the 2007 Schedules are sufficiently detailed to enable those making the appraisal to adhere to them in appraising real property.

BASED UPON THE FOREGOING FINDINGS OF FACT, THE COMMISSION CONCLUDES AS A MATTER OF LAW:

1. N. C. Gen. Stat. § 105-317(b) provides for the standard and purpose for the adoption of the schedules, standards, and rules. In preparation for each revaluation of real property required by N.C. Gen. Stat. §105-286, it shall be the duty of the assessor to see that uniform schedules of values, standards, and rules are used in appraising real property at its true value and at its present-use value and as prepared are sufficiently detailed to enable those making the appraisal to adhere to them in appraising real property.
2. Appellant did not show by competent, material, and substantial evidence that Halifax County's 2007 Schedule of Values is not a uniform schedule of values, standards, and rules to be used in appraising real property at its true value and its present-use value and as prepared were not sufficiently detailed to enable those making the appraisal to adhere to the values, standards, and rules in appraising real property in a uniform manner as required by the statutes.
3. The Appellant did not show by competent, material, and substantial evidence that his contentions regarding certain changes, additions, and modifications to the schedule of values were required by N.C. Gen. Stat. § 105-317(c) and the applicable statutes set forth in the North Carolina Machinery Act and that the schedules of values will result in values that substantially exceed the true value in money of the property.
4. Halifax County's schedule of values, standards, and rules will value the real property at its true value and at its present-use value for the reappraisal, effective January 1, 2007.

BASED UPON THE FOREGOING FINDINGS OF FACT AND CONCLUSIONS OF LAW, THE COMMISSION THEREFORE ORDERS that the Halifax County Board of County Commissioners' Order adopting the schedule of values, standards, and rules to be used in appraising real property at its true value and at its present-use value for the general reappraisal, effective January 1, 2007, is Confirmed.

NORTH CAROLINA PROPERTY TAX COMMISSION



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

Terry L. Wheeler, Chairman

Vice Chairman Young and Commissioners Cope, Wilmoth and Raynor concur.

ENTERED: March 22, 2007

ATTEST:

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

Janet L. Shires, General Counsel