

STATE OF NORTH CAROLINA
COUNTY OF WAKE

BEFORE THE PROPERTY TAX COMMISSION
SITTING AS THE STATE BOARD OF
EQUALIZATION AND REVIEW
15 PTC 0254

IN THE MATTER OF:
APPEAL OF:

Brandon D. Sechler

FINAL DECISION

from the decisions of the Rowan
County Board of Equalization and
Review concerning the valuations
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 Wednesday, September 14, 2016 pursuant to the appeal of **Brandon D. Sechler** (“Taxpayer”). Taxpayer is appealing the decisions of the 2015 Rowan County Board of Equalization and Review (“County Board”) not to reduce the assessments of his real property for tax year 2015.

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

Mr. Brandon D. Sechler appeared at the hearing pro se. John W. Dees II, Esquire, appeared at the hearing on behalf of Rowan County.

STATEMENT OF THE CASE

The properties under appeal consist of three parcels that are located in Rowan County, North Carolina. The Rowan County Tax Office (“Tax Office”) identifies the parcels as Parcel Identification Numbers 428 013, 425 062, and 428 163.

Rowan County’s most recent general reappraisal of all real property in the county was effective as of January 1, 2015. In tax year 2015, the Taxpayer challenged the Tax Assessor’s assessment of his property by appealing to the County Board. On June 16, 2015, after conducting a hearing, the County Board mailed its notices of decisions to the Taxpayer assigning the following values to the subject parcels for the 2015 general reappraisal:

| <u>Property Address</u> | <u>Parcel Number</u> | <u>Assessed Value</u> |
|-------------------------|----------------------|-----------------------|
| Hawks Nest Rd. | 425 062 | \$39,382 |
| Phaniel Church Rd. | 428 013 | \$20,494 |
| Teakwook Trail | 428 163 | \$ 1,031 |

From the County Board's decisions, the Taxpayer appealed to the Commission and requested a hearing as provided in N.C. Gen. Stat. § 105-290. In the Notices of Appeal and Applications for Hearing, the Taxpayer contends that Rowan County's assessments of the subject parcels exceeded the parcels "true values" in money, and that the true values of the subject parcels, as of January 1, 2015, were:

| <u>Property Address</u> | <u>Parcel Number</u> | <u>Taxpayer's Values</u> |
|-------------------------|----------------------|--------------------------|
| Hawks Nest Rd. | 425-062 | \$10,000 |
| Phaniel Church Rd. | 428-013 | \$10,000 |
| Teakwook Trail | 428-163 | \$ 0.00 |

The County contends that the subject parcels were appraised in accordance with the County's duly adopted schedules of value based on the 2015 general reappraisal. The County further contends, based on its analysis of sales and comparably assessed properties that the subject parcels were not appraised in excess of the parcels' "true values". The County asserts that in its appraisal of the subject property, all-important factors affecting the assessed values of the parcels have been considered, and requests the Commission to affirm the valuations assigned to the parcels 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 Taxpayer carry his burden of producing competent, material, and substantial evidence tending to show that:
 - (a). Rowan County employed an arbitrary or illegal method of appraisal in reaching the property tax values for Taxpayer's parcels based on the 2015 general reappraisal; and
 - (b). The County Board assigned values that were substantially greater than the true values of the subject parcels effective for the January 1, 2015 general reappraisal?

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).

2. If the above issues are answered in the affirmative, did Rowan County demonstrate that its appraisal methodology produced true values for the parcels 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, ANY STIPULATIONS AND EVIDENCE PRESENTED, THE PROPERTY TAX 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 consist of three parcels that are located in Rowan County, North Carolina. The Rowan County Tax Office ("Tax Office") identifies the parcels as Parcel Identification Numbers 428-013, 425-062, and 428-163.
3. Parcel Number 428-013 is a vacant tract of land consisting of 2.18 acres located off state maintained road Phaniel Church Road.⁵
4. Parcel Number 425-062 is a vacant tract of land consisting of 4.50 acres located off state maintained road Phaniel Church Road.⁶
5. Parcel Number 428-163 is a vacant tract of land consisting of .30 acres located off state maintained road Phaniel Church Road.⁷
6. Rowan County's most recent general reappraisal of all real property in the county was effective as of January 1, 2015.
7. In tax year 2015, the Taxpayer challenged the Tax Assessor's assessment of his properties by appealing to the County Board.
8. On June 16, 2015, after conducting a hearing, the County Board mailed notices of their decisions that assigned the following values to the subject parcels for the 2015 general reappraisal:

| <u>Property Address</u> | <u>Parcel Number</u> | <u>Assessed Value</u> |
|-------------------------|----------------------|-----------------------|
| Hawks Nest Rd. | 425-062 | \$39,382 |
| Phaniel Church Rd. | 428-013 | \$20,494 |
| Teakwook Trail | 428-163 | \$ 1,031 |

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

⁵ See 2015 property record card and tax map identified as County Exhibit 1.

⁶ See 2015 property record card and tax map identified as County Exhibit 2.

⁷ See 2015 property record card and tax map identified as Plat #4925 as County Exhibit 3.

9. 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.

10. At the hearing, the parties agreed to a value of \$14,960, for parcel number 428-013.
11. At the hearing, the Taxpayer provided evidence tending to show that the value of parcel 428-163 was \$1,031 and that the value of parcel 428-163 was \$15,713.
12. To determine the market value of the subject parcel, it is imperative for an appraiser to consider all of the appraisal valuation methods and apply all applicable appraisal valuation methods that will show what a willing and financially able buyer will pay for the subject property and what a willing seller would expect to receive from the buyer.
13. When appraising real property in North Carolina, N.C. Gen. Stat. § 105-317(a) provides that it is the duty of the persons making the appraisal to consider the specific factors set forth in this statute.
14. N.C. Gen. Stat. § 105-317(a) provides in pertinent part that an appraiser, when determining the true value of land, should consider as to each tract, parcel, or lot its advantages and disadvantages as to location; zoning; quality of soil; waterpower; water privileges; dedication as a nature preserve; conservation or preservation agreements; mineral, quarry, or other valuable deposits; industrial, or other uses; past income; probable income; and any other factors that may affect its value except growing crops of seasonal or annual nature.
15. The Taxpayer did rebut the presumption of correctness of Rowan County’s valuation of \$39,382 for parcel 425-062 by producing competent, material, and substantial evidence tending to show that the appraisal method employed by Rowan County was an arbitrary method; and that the valuation of \$39,382 determined by Rowan County substantially exceeded the true value of the property based on his opinion of value of \$15,713 for parcel 425-062.
16. Since the Taxpayer rebutted the presumption of correctness of Rowan County’s valuation of \$39,382 for the subject property, the burden then shifted to Gaston County to produce evidence demonstrating that its appraisal methodology did produce the true value for the subject property.

17. Based on the burden shifting analysis that the Commission is compelled to consider in this valuation appeal, the Commission finds that Taxpayer's value of \$15,713 for parcel 425-062 is correct.
18. The Taxpayer did not rebut the presumption of correctness of Rowan County's valuation of \$1,031 for parcel 428-163 by offering an opinion of value of \$0.00 for parcel 428-163.

BASED UPON THE FOREGOING FINDINGS OF FACT, THE PROPERTY TAX 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.
2. The Taxpayer did present competent, material, and substantial evidence tending to show that Rowan County used an arbitrary method of valuation; and that the county's assessment of \$39,382 for parcel 425-062 substantially exceeded the true value in money of the property as of January 1, 2015.
3. The Taxpayer did not rebut the presumption of correctness of Rowan County's valuation of \$1,031 for parcel 428-163 by offering an opinion of value of \$0.00 for parcel for parcel 428-163 since there was no competent, material, and substantial evidence tending to show that the county tax supervisor used an arbitrary method of valuation; or the county tax supervisor used an illegal method of valuation; and that the assessment substantially exceeded the true value in money of the property.
4. Consequently, the values of the subject parcels are determined to be as follows: (i) \$14,960 for the parcel ending in 0113, as agreed to by the parties; (ii) the value of the parcel ending in 0163 is \$1,031; (iii) and the value of the parcel ending in 062 has a value of \$15,713.

WHEREFORE THE PROPERTY TAX COMMISSION THEREFORE ORDERED as follows: (i) that the value of that the parcel ending in 0113 is \$14,960 as previously agreed to by the parties; (ii) that the value of the parcel ending in 0163 was \$1,031; and (iii) that the value of the parcel ending in 062 was \$15,713 as of January 1, 2015. Rowan County is instructed to revise its tax records as necessary to reflect the Findings of Fact and Conclusions of Law of the Commission regarding the valuations of Taxpayer's properties as of January 1, 2015.

⁸In re Amp, Inc., 287 N.C. 547, 215 S.E.2d 752 (1975).



NORTH CAROLINA PROPERTY TAX COMMISSION

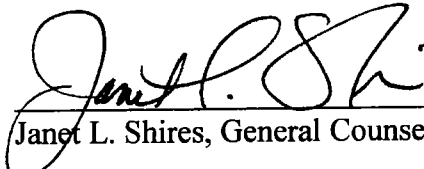


William W. Peaslee, Chairman

Vice Chairman Wheeler and Commission Members Smith, Morgan and
Guess concur.

ENTERED: May 19, 2017

ATTEST:



Janet L. Shires, General Counsel