

STATE OF NORTH CAROLINA

BEFORE THE PROPERTY TAX COMMISSION
SITTING AS THE STATE BOARD OF
EQUALIZATION AND REVIEW
16 PTC 0326

WAKE COUNTY

IN THE MATTER OF:
THE APPEAL OF:

Marina D. Crosby

FINAL DECISION

from the decision of the
Wake County Board of
Equalization and Review
regarding the valuation of
real property for tax year 2016.

This Matter came on for hearing before the 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 Tuesday, January 10, 2017, pursuant to the appeal of **Marina D. Crosby** (“Appellant”). Appellant is appealing the decision of the 2016 Wake County Board of Equalization and Review (“County Board”) regarding the valuation of certain real property for tax year 2016.

Chairman William W. Peaslee presided over the Tuesday, January 10, 2017 hearing with Vice Chairman Terry L. Wheeler and Commission Members Jack C. (Cal) Morgan, III, David A. Smith, and Alexander A. Guess participating.

Ms. Marina D. Crosby appeared at the hearing *pro se*; Kenneth R. Murphy III, Senior Assistant Wake County Attorney, appeared at the hearing on behalf of Wake County.

STATEMENT OF THE CASE

The property under appeal is a residential lot improved with a home consisting of approximately 1,705 square feet that is located at 406 Oakridge Road, Cary, North Carolina. The subject residence is more particularly described as a ranch-style home with an effective age of 1969 that is located on Lot 4, Section 4, Block F, Stoneybrook Estates.

Wake County conducted its most recent general reappraisal as of January 1, 2016; and when applying the schedule of values, standards, and rules for the 2016 general reappraisal, Wake County initially assessed the subject property at a total value of \$277,013. In tax year 2016, Appellant challenged Wake County’s assessment by filing an informal appeal. The Taxpayer requested that the value be reduced to \$214,111, and the value was reduced to \$270,638 based on the informal appeal. Thereafter, the Taxpayer filed an appeal with the County Board. After conducting a hearing, the County Board issued its decision reducing the total assessed value from \$270,638 to a total value of \$243,574 for the subject property, but the Taxpayer requested a value of \$208,880. Appellant the challenged the County Board’s decision by filing a Notice of Appeal and Application for Hearing with the Commission.

In the Notice of Appeal and Application for Hearing, Appellant contends that the value of the subject property should be \$203,000. As such, Appellant contends that the County Board's assigned value of \$243,574 substantially exceeds the subject property's true value in money. At the hearing before the Commission, Wake County contends that its appraisal of the subject property was in accordance with its duly adopted schedule of values, standards and rules for the 2016 countywide appraisal.

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, 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 presenting competent, material and substantial evidence tending to show that:
 - (a). Wake County employed an arbitrary or illegal method of appraisal in reaching the property tax value for Appellant's property as of January 1, 2016; and
 - (b). The County Board assigned a value that is substantially greater than the true value of the subject property as of January 1, 2016?
2. If the above issues are answered in the affirmative, did Wake 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 credibility of the witnesses, and inferences as well as conflicting and circumstantial evidence?⁴

FROM APPELLANT'S NOTICE OF APPEAL AND APPLICATION FOR HEARING FILED IN THIS MATTER, AND EVIDENCE PRESENTED, THE COMMISSION MAKES THE FOLLOWING FINDINGS OF FACT:

1. The property under appeal is a residential lot improved with a home consisting of approximately 1,705 square feet that is located at 406 Oakridge Road, Cary, North Carolina. The subject residence is more particularly described as a ranch-style home with an effective age of 1969 that is located on Lot 4, Section 4, Block F, Stoneybrook Estates.

¹ In re Amp, Inc., 287 N.C. 547, 563, 215 S.E.2d 752, 762 (1975).

² Id.

³ 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).

2. Appellant challenged Wake County's assessment in tax year 2016 by filing appeal with the County Board. After conducting a hearing, the County Board issued its decision reducing the assessed value of \$270,638 to a total value of \$243,574, for the subject property. From that decision, Appellant filed her Notice of Appeal and Application for Hearing with the Commission.
3. Appellant contends at the hearing that the total value of her property should be \$200,175, which is less than the County Board's assigned value of \$243,574 since the Appellant believes that Wake County arbitrarily selected certain homes sales to arrive at the assessed value of the subject property (i.e. the county selected properties that sold 16 months from the target to determine the assessed value for the subject property).⁵
4. Appellant's evidence of the subject property's value consisted solely of the assessed values assigned by Wake County to other residential properties in Cary that Appellant identified and contended were comparable assessed properties to the subject property.⁶ In her evidence, Appellant did not make any adjustments to Wake County's assessments of the property that she selected (i.e. the 12 properties to account for differences between those properties and the subject property).⁷
5. Appellant did not present to the Commission any evidence of sales data used to determine her opinion of value, and Appellant did not submit evidence tending to show that the County's appraisal of the subject property was not consistent with the county's assessments of similarly situated properties⁸ because Appellant's main argument focused on Wake County's selection of the comparable properties that reflect the market value of the property as of the 2016 general reappraisal.
6. On direct examination by Appellant, Wake County's certified North Carolina residential real property appraiser testified that he participated in compiling of the adjusted comparables sales grid and that all of the comparable properties are in subject property's neighborhood. He further submitted that the sales are all from 2014 and 2015 and range from of \$260,000 to a high of \$327,500. The comparables were adjusted based on their characteristics compared to the subject property such as location, size, baths, basements, age and condition etc.⁹ The adjusted sales prices range from a low of \$236,080 to a high of \$256,420 with a median of \$244,104 and a mean of \$245,177 that indicate a value of \$244,100 for the subject property, which supports the county's value of \$243,574.¹⁰

⁵ Oral testimony of Ms. Marina D. Crosby and her hearing exhibits.

⁶ Oral testimony of Ms. Marina D. Crosby and her hearing exhibits.

⁷ Id.

⁸ Id.

⁹ Oral testimony of Grady Wright, NCAAO Certified Real Estate Appraiser.

¹⁰ Id.

7. Wake County considered certain relevant factors, as required by N.C. Gen. Stat. § 105-317 when it assessed the property located at 406 Oakridge Road, Cary, North Carolina.
8. There was no evidence that Wake County's assessment of the subject property was not in accordance with Wake County's 2016 duly adopted schedule of values, standards, and rules.
9. Appellant did not present evidence tending to show that Wake County used an arbitrary or illegal method to assess her property or that Wake County's assessment of the subject property substantially exceeded the true value in money of the subject property as of January 1, 2016.

**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.¹⁰ 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.¹¹
2. Appellant failed to present any evidence tending to show that the county used an arbitrary or illegal method to assess his property or that the county's assessment substantially exceeded the true value in money of the property.

THE COMMISSION THEREFORE ORDERS AND DECREES that the decision of the County Board assigning a total value of \$243,574 to the subject property is affirmed; and Wake County's motion to dismiss this appeal is granted for failure of the Appellant to rebut the initial presumption of correctness as to the county's *ad valorem* tax assessment when the Appellant failed to present evidence that tends to show that the county used an arbitrary or illegal method to assess her property or that the county's assessment substantially exceeded the true value in money of the subject property as of January 1, 2016.

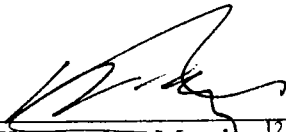
The Commission deliberated and reached the decision in this appeal on Tuesday, January 10, 2017.

¹⁰ In re Amp, Inc., 287 N.C. 547, 563, 215 S.E.2d 752, 762 (1975).

¹¹ Id.

NORTH CAROLINA PROPERTY TAX COMMISSION





William W. Peaslee, Member¹²

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

Entered: 8-8-17

ATTEST:



Stephen Pelfrey, General Counsel

¹² Mr. Peaslee is a member of the Commission upon entry of this final decision.