

STATE OF NORTH CAROLINA

WAKE COUNTY

BEFORE THE PROPERTY TAX COMMISSION
SITTING AS THE STATE BOARD OF
EQUALIZATION AND REVIEW
16 PTC 432

IN THE MATTER OF:
THE APPEAL OF: **Saadat
Siddiqui** from the decision
of the Wake County Board
of Equalization and Review
regarding the valuation of
real property for tax year 2016.

FINAL DECISION

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 Wednesday, May 17, 2017, pursuant to the appeal of **Saadat Siddiqui** (“Appellant”). Appellant is appealing the decision of the 2016 Wake County Board of Equalization and Review (“County Board”) regarding the valuation and taxation of certain real property for tax year 2016.

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

Mr. Saadat Siddiqui 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 an unimproved lot consisting of 1.08 acres (47,045 square feet) with an address of 301 Wellingborough Drive, Cary, North Carolina. The subject property is zoned OIP (commercial) and is located behind a shopping center and is bordered on two sides by a residential subdivision common area, in an area of single-family homes. Due to its location and the surrounding uses, the highest and best use for the subject property would appear to be a day care.

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 \$237,107. In tax year 2016, Appellant challenged Wake County’s assessment by filing an appeal with the County Board. After conducting a hearing, the County Board issued its decision reducing the total assessed value of \$237,107 to a total value of \$214,055 for the subject property. Appellant 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 \$110,000. As such, Appellant contends that the County Board's assigned value of \$214,055 substantially exceeds the subject property's true value in money. At the hearing before the Commission, Appellant offered to amend his contention of value to \$3.00 per square foot (\$141,135). 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 his 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 subject property under appeal is an unimproved lot consisting of 1.08 acres (47,045 square feet) with an address of 301 Wellingborough Drive, Cary, North Carolina. The subject property is zoned OIP (commercial) and is located behind a

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).

shopping center and is bordered on two sides by a residential subdivision common area, in an area of single-family homes. Due to its location and the surrounding uses, the highest and best use for the subject property would appear to be a day care.

2. Appellant challenged Wake County's assessment in tax year 2016 by filing an appeal with the County Board. On September 1, 2016, the County Board issued its decision reducing the assessed value of \$237,107 to a total value of \$214,055 for the subject property. From that decision, Appellant filed his Notice of Appeal and Application for Hearing with the Commission.
3. Appellant believes that the total value of his property should be somewhere between \$2.34 per square foot (which equates to a total value of \$110,000) and \$3.00 per square foot (which equates to a total value of \$141,135)⁵, which is less than the County Board's assigned value of \$214,055 (which equates to \$4.55 per square foot).
4. Appellant's evidence of the subject property's value consisted solely of the assessed value assigned by Wake County to 12 parcels from throughout Cary, which parcels Appellant identified and contended were comparable assessed properties to the subject property.⁶ Of these 12 parcels, 9 were located between $\frac{3}{4}$ of a mile and 4 miles from the subject property and were zoned commercial, and 3 were located in close proximity to the subject property but were zoned residential.⁷ In his evidence, Appellant did not make any adjustments to Wake County's assessments of these 12 parcels to account for differences between them and the subject property in location, size, zoning, or any other characteristics.⁸
5. Appellant did not present to the Commission any evidence of sales data used to determine his opinion of value.⁹
6. On direct examination by Appellant, Wake County's certified North Carolina residential real property appraiser testified that the County's assessed value of \$214,055 for the subject property was supported by 4 adjusted sales of unimproved land in Wake County that he identified, each of which occurred in 2014 or 2015 and on each of which parcel a day care was subsequently built after the sale.¹⁰

⁵ Oral testimony of Mr. Siddiqui and his Notice of Appeal and Application for Hearing.

⁶ Oral testimony of Mr. Siddiqui and his hearing exhibits.

⁷ Id.

⁸ Id.

⁹ Id.

¹⁰ Oral testimony of Grady Wright, NCAAO Certified Real Estate Appraiser.

7. Wake County considered certain relevant factors, as required by N.C. Gen. Stat. § 105-317 (location, zoning, adapt ability for commercial use) when it assessed the property located at 301 Wellingborough Drive, Cary, Wake County, 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 his 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.¹¹ 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.¹²
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 \$214,055 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 his property or that the county's assessment substantially exceeded the true value in money of the subject property as of January 1, 2016.

¹¹ In re Amp, Inc., 287 N.C. 547, 563, 215 S.E.2d 752, 762 (1975).

¹² Id.

NORTH CAROLINA PROPERTY TAX COMMISSION



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

Terry L. Wheeler, Vice Chairman

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

Entered: 5/30/17

ATTEST:

A handwritten signature in black ink, appearing to read "Janet L. Shires", written over a horizontal line.
Janet L. Shires, General Counsel