

This is an informational bulletin only. Please refer to the North Carolina Administrative Code for the specific Property Tax Commission Rules at <https://www.ncdor.gov/taxes/corporate-income-franchise-tax/north-carolina-administrative-code>. (See Title 17, Chapter 11.). Names and addresses for the County Assessors and County Attorneys are available at <https://www.ncdor.gov/taxes/north-carolinas-property-tax-system/property-tax-counties>

THE NORTH CAROLINA PROPERTY TAX COMMISSION

<https://www.ncdor.gov/taxes/north-carolinas-property-tax-system/property-tax-commission>

Creation, Powers and Duties

The Property Tax Commission (“Commission”) constitutes the state board of equalization and review for the valuation and taxation of property in the State. The Commission hears appeals from the listing, appraisal, and assessment decisions of county boards of commissioners and boards of equalization and review and orders of county boards of commissioners adopting schedules, standards and rules for use in revaluation programs. The Commission also hears appeals by public service companies from the valuation of their property by the Department of Revenue. (N. C. Gen. Stat. §§ 105-288, 290, 237).

Membership and Staff

The Commission is composed of five members: three appointments by the Governor and one each by the Senate President Pro Tempore and Speaker of the House. The members serve for four years that expire on June 30. The Governor appoints the Chairman and the Commission members elect the Vice-Chairman. A majority of the members constitute a quorum for the transaction of business. (N. C. Gen. Stat. § 105-288).

The NC Secretary of Revenue provides the Commission with staff to perform their statutory duties (i.e. general counsel, valuation specialists, and administrative support staff). The Commission’s staff contact the property owners that file appeals to the Commission. Staff may contact the parties by email or telephone call to the review the appeals and determine the issues on appeal to the Commission; and, in some cases, the staff will make a personal inspection of the property. For appeals that are not withdrawn or otherwise resolved, the staff explains procedures and answers questions concerning the presentation of an appeal before the Commission (N. C. Gen. Stat. § 105-288).

Grounds of Appeal

Listing decisions are challenged when (1) the property listed is not taxable, (2) the property has been assessed against the wrong person, or (3) procedural requirements have not been met.

A county's ad valorem tax assessment is presumptively correct. [See *IBM Credit II*, 201 N.C. App. at 345, 689 S.E.2d at 489 (2009) (citing in re AMP, 287 N.C. at 562, 215 S.E.2d at 761.)] However, the taxpayer may rebut this presumption by producing "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." (Quoting In re AMP, 287 N.C. at 563, 215 S.E.2d at 762) (second alteration in original) (quotation marks omitted).

"Simply stated, it is not enough for the taxpayer to show that the means adopted by the tax supervisor were wrong, he must also show that the result arrived at is substantially greater than the true value in money of the property assessed, i.e., that the valuation was unreasonably high." (In re AMP, 287 N.C. at 563, 215 S.E.2d at 762 (citing *Albemarle Elec. Membership Corp. v. Alexander*, 282 N.C. 402, 410, 192 S.E.2d 811, 816-17 (1972)). Once the taxpayer rebuts the initial presumption of correctness of the county’s assessment, then burden shifts to the county officials to demonstrate that the county’s methods produce true values. [See *IBM Credit II*, 201 N.C. App. at 345, 689 S.E.2d at 489 (citing *In re S. Ry.*, 313 N.C. 177, 182, 328 S.E.2d 235, 239 (1985))].

Notwithstanding this language, appellants should state the reason for their appeals in detail. Appeals are not based solely on the property’s percentage value increase from the previous appraisal; the amount of taxes incurred due to the present assessment; nor the economic ability of the owner to pay the anticipated tax.

The ground for challenging orders adopting schedules, standards and rules (“Schedule of Values) must concern the application of the Schedule of Values not resulting in the appraisal of all real property in the county at its true value in money.

Timely Appeal

Appeals to the Commission from orders of the board of equalization and review or from the board of county commissioners shall be filed* within thirty (30) days after the board has mailed notice of its decision. In the absence of other information, the date of the board's notice is deemed to be the mailing date (N. C. Gen. Stat. § 105-290(e)). ***A faxed copy is not acceptable.**

Appeals to the Commission concerning Schedules of Value shall be filed within thirty (30) days of the date the order adopting the schedules, standards, and rules was first published as required by N. C. Gen. Stat. § 105-317(c). **A faxed copy is not acceptable.**

*A notice of appeal submitted to the Commission by a means other than United States mail (i.e., hand delivery, FedEx, United Parcel Service, etc.) is filed on the date it is received in the office of the Commission. A notice of appeal submitted to the Commission by United States mail is filed on the date shown on the postmark stamped by the United States Postal Service. Appeals submitted by mail without a postmark by the United States Postal Service or the United States Postal Service postmark does not show the date of mailing, **or if the appeal bears postage affixed by an interoffice postage meter**, is filed with the Commission on the date received in the Commission's office. A property owner who files an appeal with the Commission has the burden of proving that the appeal is timely (N. C. Gen. Stat. § 105-290(g)).

Conduct of Hearings

Hearings before the Commission are "de novo" (new hearings) and are not merely a review of the hearing before the county board. The Commission holds the monthly hearings in Raleigh, NC, unless otherwise designated by the Commission. The rules of evidence as practiced in the general courts of justice of this State apply to all Commission hearings. A court reporter records all hearings and the parties may request a transcript of the hearing by contacting and purchasing the transcript from the court reporter. Following the hearing, the Commission will issue a decision setting forth its findings of fact and conclusions of law.

Appeals of Property Tax Commission Decisions

Appeals of Commission decisions or orders are to the North Carolina Court of Appeals and are based on the record made at the Commission hearing. A notice of appeal and exceptions to the N. C. Court of Appeals is timely filed if **received** in the office of the Commission within thirty (30) days after the entry of the final decision or order of the Commission. This notice shall include exceptions that set forth specifically the ground or grounds upon which the party is appealing the order or decision. The appealing party shall furnish copies of the notice of appeal and exceptions to the opposing party to the proceeding. The appealing party is directed to N. C. Gen. Stat. § 7A-29 for the appellate rules and procedures for an appeal to the Court of Appeals (N.C. Gen. Stat. § 105-345).

1. **Notice of Appeal and Application for Hearing** may be filed with the Commission by the following:
 - Property owner or party having an ownership interest in the property;
 - Attorney representing the property owner who is licensed to practice law in the State of North Carolina;
 - If the property owner is a business entity: (i) officer, (ii) manager or member-manager, if the business entity is a limited liability company, (iii) employee whose income is reported on IRS Form W-2, if the business entity authorizes the representation in writing, or (iv) owner of the business entity, if the business entity authorizes the representation in writing and if the owner's interest in the business entity is at least twenty-five (25%);
 - General Partner, if property owner is a partnership; a trustee, if the property owner is trust; executor/executrix, if the property owner is an estate.
 - Any taxpayer in the county where the subject property is situated.

Note: A tax representative or agent is not authorized to prepare and sign the Notice of Appeal and Application for Hearing (Form AV-14).

2. A copy of the letter acknowledging the Notice of Appeal and Application for Hearing will be sent to the county assessor and to the county attorney. The county attorney will be allowed 20 days from the receipt of the completed Notice of Appeal and Application for Hearing (Form AV-14) to file a written Answer to the appeal. A copy of the Answer shall be sent to the appellant at the same time. The County's failure to

file an Answer, however, shall not constitute a waiver of the County's rights or an admission of the appellant's allegations.

3. A Notice of Appeal and Application for Hearing (Form AV-14) submitted to the Commission by a means other than United States mail (i.e., hand delivery, FedEx, United Parcel Service, etc.) is filed on the date it is received in the office of the Commission. A Notice of Appeal and Application for Hearing submitted to the Commission by United States mail is filed on the date shown on the postmark stamped by the United States Postal Service. Appeals submitted by mail without a postmark by the United States Postal Service or the United States Postal Service postmark does not show the date of mailing, ***or if the appeal bears postage affixed by an interoffice postage meter***, is filed with the Commission on the date received in the Commission's office. A property owner who files a Notice of Appeal and Application for Hearing (Form AV-14) with the Commission has the burden of proving that the Notice of Appeal and Application for Hearing (Form AV-14) is timely. **A faxed copy is not acceptable.**
4. Appellants must fully complete the Notice of Appeal and Application for Hearing (Form AV-14) and provide any documentation or evidence in their possession which supports both their grounds for appeal and their opinion of value. Examples of appropriate evidence include appraisal reports (*N. C. Gen. Stat. § 93E-1-2.1: As of October 1, 1995, any person engaging in the real estate appraisal business must obtain a license or certificate from the Appraisal Board.*), evidence of sales of comparable or similar property, non-returnable photographs (particularly those showing a factual condition not considered in the county's appraisal), and documentation which clearly identifies an item which affects the value of the property under appeal, such as zoning orders, health department reports or percolation tests, etc.
5. At least 10 days prior to the date of the hearing, each party to the appeal shall furnish to the Secretary of the Commission six copies of all documents to be introduced at the hearing, including maps, pictures, property record cards and briefs. The Commission may modify this requirement if it is shown that compliance would cause an undue hardship on one or both parties.

(*Example:* Only one copy of large items (e.g. Tax Maps) is required.) Each party to the appeal shall also exchange one copy of all documents as indicated above at least 10 days prior to the hearing date. Failure to comply with this requirement may result in the appeal being dismissed.

IMPORTANT: All notices, briefs and other similar documents filed with the Commission should be on letter-size (8 1/2 x 11) paper.

6. Parties are required to enter into a pre-hearing order before an appeal will be heard. This order will include stipulations, if any, of the parties; lists of exhibits and witnesses; and a concise statement of the issue or issues to be decided by the Commission. *The person preparing any document (i.e., appraisal report) to be introduced as evidence must appear as a witness at the hearing.* The Commission provides the designated Order on Pre-Hearing Conference to all appellants for preparing, signing and filing with Commission. The Commission urges that the parties stipulate to all uncontroverted essential facts and agree upon the qualifications of expert witnesses in the order. The appellant shall forward six copies of the executed order to the Secretary at least 10 days prior to the date of hearing. Failure to comply with this requirement is a ground for dismissal of the taxpayer's appeal.
7. Approximately 50 days prior to a proposed Commission session, the Commission will mail to the designated parties a proposed hearing notice showing the tentatively scheduled dates for hearing their appeal. Any party objecting to the dates set for hearing an appeal must so notify the Commission **in writing** setting forth the specific objections in the form of a "motion for continuance." Such motion must be filed within 10 days of the mailing of the proposed hearing calendar. The Commission or its Chairman will rule on motions for continuances timely made. The final hearing notice showing the exact time and date of the hearing will be mailed approximately 20 days before the beginning of a session. In some appeals, the appeal may be placed on a Pre-Hearing Calendar, notice of which will be self-explanatory.
8. The Commission Chair is authorized to subpoena documents and witnesses for appeals that are set for hearing. The travel expenses of any witness subpoenaed and the cost of serving any subpoena shall be paid by the party that requested the subpoena (N. C. Gen. Stat. § 105-290). The Commission is authorized to consider motions to quash the subpoena as provided in N. C. Gen. Stat § 105-290(d). Upon filing a motion to quash the subpoena, the Commission shall convene a hearing as provided in N. C. Gen. Stat. § 105-290(d1).

9. The hearings are governed by the rules of evidence as practiced in the courts. Parties appearing before the Commission may either represent themselves if natural persons, or shall be represented by an attorney licensed to practice law in North Carolina, except as provided for in G.S. 105-290(d2).

G.S. 105-290(d2) Business Entity Representation. – provides as follows: “If a property owner is a business entity, the business entity may represent itself using a nonattorney representative who is one or more of the following of the business entity: (i) officer, (ii) manager or member-manager, if the business entity is a limited liability company, (iii) employee whose income is reported on IRS Form W-2, if the business entity authorizes the representation in writing, or (iv) owner of the business entity, if the business entity authorizes the representation in writing and if the owner's interest in the business entity is at least twenty-five percent (25%). Authority for and prior notice of nonattorney representation shall be made in writing, under penalty of perjury, to the Commission on a form provided by the Commission.”

Nonattorney representatives may appear at the hearing upon the filing of **Form AV-63** (Power of Attorney of Business Entities and Declaration of Nonattorney Representation). If Form AV-63 is not filed with the Commission within 30 days of filing a Notice of Appeal or the Application for Hearing, then the appeal is subject to dismissal. (See 17 NCAC 11 .0216(a)).

10. All parties, attorneys, and witnesses shall be present for the hearing of their case 30 minutes before the time it is scheduled by the Commission or the appeal shall be subject to dismissal. (See 17 NCAC 11 .0216(b)).
11. The Commission receives all document filings and written communications at the following mailing address:

**N. C. Property Tax Commission
P. O. Box 871
Raleigh, North Carolina 27602**

12. If the parties have questions, please call the Commission’s office at (919) 814-1129 or email the Commission at ptc@ncdor.gov.