

STATE OF NORTH CAROLINA
COUNTY OF WAKE

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

IN THE MATTER OF THE APPEAL OF:

**XINGWU WANG and
LILI DING,**

18 PTC 0255

Appellants,

From the decision of the Orange County
Board of Equalization and Review

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 on Tuesday, July 9, 2019, pursuant to the Appellants’ appeal from the decision of the Orange County Board of Equalization and Review (“Board”).

Chairman Robert C. Hunter presided over the hearing, with Vice Chairman Terry L. Wheeler and Commission Members William W. Peaslee, Alexander A. Guess, and June W. Michaux participating.

Attorney Anne Marie Tosco appeared on behalf of Orange County (“County”). The Appellants appeared *pro se*.

STATEMENT OF THE CASE

The property under appeal is an improved residential parcel of land located at 100 Christine Court, Chapel Hill, Orange County, North Carolina. The County identifies the subject property with Parcel number 9880032421. The County conducted its most recent countywide reappraisal with an effective date of January 1, 2017.

The Appellants disputed the January 1, 2018 assessed value of the property as determined by the County, and appealed said value to the Orange County Board of Equalization and Review (“Board”). On May 31, 2018, the Board determined the value of the property to be \$383,700, and mailed notice of its decision to the Appellants on July 3, 2018. The Appellants appealed the decision of the Board by filing with the Commission a Notice of Appeal and Application for

Hearing on July 31, 2018. In the Order on Prehearing Conference filed in this matter, the Appellants stated their opinion that the true value of the property was actually \$355,000.

ANALYSIS AND ISSUES

A county's ad valorem tax assessment is presumed to be correct.¹ A 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".² N.C. Gen. Stat. §105-283 requires all taxable property to be valued for tax purposes at its "true value," as that term is defined in the same section.

If the taxpayer produces the evidence required to rebut the 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. Whether the Appellants carried their burden of producing competent, material and substantial evidence tending to show that:
 - (a) The County employed an arbitrary or illegal method of valuation in determining the assessed value of the Appellants' property; and
 - (b) The assessed value substantially exceeded the true value of the property for the year at issue.
2. If the Appellants produced the evidence required to rebut the presumption, then whether the County demonstrated that its appraisal methods produced a true value for the property, considering the evidence of both sides; its weight and sufficiency and the credibility of witnesses; the inferences drawn therefrom; and the [evaluation] of conflicting and circumstantial evidence.⁴

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

² Id. (capitalization and emphasis in original).

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).

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

**FROM THE EVIDENCE PRESENTED AND ALL DOCUMENTS OF RECORD,
THE COMMISSION MAKES THE FOLLOWING FINDINGS OF FACT:**

1. At the hearing, the Appellants contended that the subject property should actually be appraised at a value approximately 10% lower⁵ than the \$383,700 assessed value as determined by the Board.
2. The Appellants testified that this contention was based upon the 2018 sale price of a neighboring property. Without evidence demonstrating that the Appellants considered any change in value of the neighboring property between the January 1, 2017 reappraisal date and its actual sale date, we give no evidentiary weight to the sale price of the neighboring property.⁶
3. The Appellants further testified that the residence situated on the subject property was of a “narrow and economical” design, as compared to other nearby properties, but offered no evidence as to the impact, if any, such features might have on the subject property.
4. The Appellants offered no other evidence regarding their approach to developing their opinion that the true value of the subject property is actually \$355,000.
5. At the close of the Appellants’ evidence, the County moved to dismiss the Appellants’ appeal, arguing that the Appellants had failed to meet their burden to produce “competent, material and substantial evidence” that the County’s values were either arbitrary or illegal, and substantially in excess of true value.

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

1. The Commission has jurisdiction over the parties and the subject matter of this appeal and has the authority to correct any assessment of real property when it is shown to be based upon an arbitrary or illegal method of valuation and that the valuation substantially exceeds the true value in money.
2. “True value” is defined in N.C. Gen. Stat. §105-283, and N.C. Gen. Stat. §105-317(a) provides specific elements of value that are to be considered when appraising real property in order to determine its true value.
3. N.C. Gen. Stat. §105-317 “has been interpreted as authorizing three methods of valuing real property: the cost approach, the comparable sales approach, and the income approach.”⁷

⁵ The Appellants later conceded that the actual difference between the Board’s value and their opinion of \$355,000 for the subject property’s value was only about 7.5%.

⁶ See *In re Lane Company-Hickory Chair Div.*, 153 N.C. App 119, 571 S.E.2d 224

⁷ *In re Greens of Pine Glen Ltd.*, 356 N.C. 642, 648, 576 S.E.2d 316, 320 (2003)

4. The Appellants did not provide competent, material, and substantial evidence regarding the comparable sales approach, and offered no evidence regarding the income approach or the cost approach. We note further that the Appellants' stated opinion of value for the subject property was only 7.5% lower than the County's value, as determined by the Board. Accordingly, we find that Appellants did not offer competent, material and substantial evidence that the County's values were either arbitrary or illegal, and substantially in excess of true value.

WHEREFORE, the Commission order and decrees that the Appellants' appeal should be and is hereby dismissed, and the decision of the Orange County Board of Equalization and Review, determining the true value of the subject property to be \$383,700, is hereby affirmed.

NORTH CAROLINA PROPERTY TAX COMMISSION

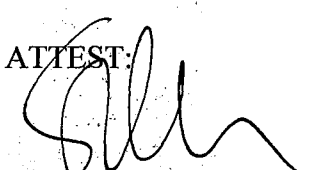



Robert C. Hunter, Chairman

Commission Members Peaslee and Michaux
concur.

Vice Chairman Wheeler and Commission Member
Guess dissent without separate written decision.

ATTEST:


Stephen W. Pelfrey, Commission Secretary

Date Entered: 11-12-19