

STATE OF NORTH CAROLINA  
COUNTY OF WAKE

BEFORE THE PROPERTY TAX COMMISSION  
SITTING AS THE STATE BOARD OF  
EQUALIZATION AND REVIEW  
14 PTC 388

IN THE MATTER OF:  
APPEAL OF:

**Julia Todd**

**FINAL DECISION**

from the decisions of the Mecklenburg  
County Board of Equalization and  
Review concerning the valuation  
of certain real property for tax  
years 2011-2014.

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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 August 12, 2015 pursuant to the appeal of **Julia Todd** (“Taxpayer” or “Appellant”). Appellant appealed to the Commission from the decisions of the Mecklenburg County Board of Equalization and Review (“County Board”), in which the County Board decided not to reduce the valuations of certain real property for tax years 2011-2014.

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

Appellant appeared at the hearing *pro se*. Robert S. Adden, Sr., Esquire, with the law firm of Ruff, Bond, Cobb, Wade & Bethune, LLP, appeared at the hearing on behalf of Mecklenburg County.

**STATEMENT OF THE CASE**

Julia Todd (“Appellant”) appeals the decisions of the County Board concerning the assessments of a single-family residential property located at 17900 Culross Lane, Charlotte, North Carolina and an adjacent vacant lot located at 17095 Culross Lane, Charlotte, North Carolina. The Mecklenburg County Tax Office identifies the single-family residential improved lot as Parcel Number 217-361-08. The Mecklenburg County Tax Office identifies the adjacent vacant lot as Parcel Number 217-361-09.

For the tax years at issue, the County Board assigned the following values to the subject properties:

Property Address	County Board Value	Tax Year Under Appeal
House/Lot Parcel # 217-361-08	\$582,500	2011 - 2013
House/Lot Parcel # 217-361-08	\$651,600	2014
Vacant Lot Parcel # 217-361-09	\$270,000	2011 - 2014

In the Notices of Appeal and Applications for Hearings filed with the Commission, the Appellant contends that the County Board failed to consider important factors pertaining to the market values of the subject lots only, which resulted in assessments that substantially exceeded the true value in money of the subject lots for the years at issue; and that the value of the single-family residential lot was \$250,000 for tax years 2011-2013 (i.e. lot value of \$250,000 and house value of \$182,500), and the lot value was \$250,000 for tax year 2014 (i.e. lot value of \$250,000 and house value of \$251,600).<sup>1</sup> Appellant further contends that the value of the adjacent vacant lot, identified as Parcel Number 217-361-09, was \$250,000 for tax years 2011-2014.

The County contends that the subject lots were appraised in accordance with the County's duly adopted schedule of values, standards and rules for the 2011 general reappraisal. The County further contends, based on its analysis and research of the property, that the subject properties have not been appraised in excess of their true value. The County asserts that in its appraisal of the subject properties, all important factors affecting the values of the lots have been considered, and requests the Commission to affirm the County Board's total valuation of \$582,500 for the single-family residential property (i.e. lot value of \$400,000 and house value of \$182,500), for tax years 2011-2013 and the total value of \$651,600 (i.e. lot value of \$400,000 and house value of \$251,600) for tax year 2014. The County further contends that the value of the adjacent vacant lot was \$270,000 for tax years 2011-2014.

## ANALYSIS AND ISSUES

A county's ad valorem tax assessment is presumptively correct.<sup>2</sup> 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".<sup>3</sup> If the taxpayer rebuts the initial presumption, then the burden shifts to the taxing authority to demonstrate that its methods produce true values.<sup>4</sup>

<sup>1</sup> The Appellant does not disagree with the County's assessment of the residential improvements to the lot.

<sup>2</sup> *In re Amp. Inc.*, 287 N.C. 547, 563, 215 S.E.2d 752, 762 (1975).

<sup>3</sup> *Id.* (capitalization and emphasis in original).

<sup>4</sup> *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).

Under this analysis, the Commission must consider the following issues:

1. Did Appellant carry her burden of producing competent, material and substantial evidence tending to show that:
  - (a) Mecklenburg County employed an arbitrary or illegal method of appraisal in reaching the property tax value for Appellant's property;
  - and (b) the County Board assigned values that substantially exceed the true value of the subject lots for the years at issue?
2. If the above issues are answered in the affirmative, did Mecklenburg County demonstrate that its appraisal methodology produced true values for the lots 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?<sup>5</sup>

As to the vacant lot, identified by Mecklenburg County as Parcel Number 217-361-09, the Commission, after hearing Appellant's evidence and considering Mecklenburg County's Motion to Dismiss this appeal, granted Mecklenburg County's motion to dismiss the appeal when the Appellant did not produce competent, material and substantial evidence tending to show that: (a) Mecklenburg County employed an arbitrary or illegal method of appraisal in reaching the property tax value for Appellant's lot for tax years 2011-2014; and that the County Board assigned a value that substantially exceeds the true value of the subject lot for the years at issue.

As to the single-family residential lot,<sup>6</sup> the Commission denied Mecklenburg County's Motion to Dismiss this appeal since the Appellant did carry her burden of producing competent, material and substantial evidence tending to show that the County used an arbitrary or illegal method of appraisal in reaching the property tax value for Appellant's lot for the years at issue; and that the County Board assigned a value that substantially exceeds the true value of the subject single-family residential lot for the years at issue.

**FROM THE NOTICE OF APPEAL AND APPLICATION FOR HEARING<sup>7</sup>  
FILED IN THIS MATTER, AND THE EVIDENCE PRESENTED, THE  
COMMISSION MAKES THE FOLLOWING FINDINGS OF FACT:**

1. The Commission has jurisdiction over the parties and the subject matter of this appeal.
2. The subject property is a single-family residential lot located at 17900 Culross Lane, Charlotte, North Carolina that is identified as Parcel Number 217-361-08.

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<sup>5</sup> *In re Parkdale Mills*, 225 N.C. App.713, 741 S.E.2d 416 (2013).

<sup>6</sup> Parcel Number 217-361-08.

<sup>7</sup>As to the single-family residential lot, identified as Parcel Number 217-361-08.

3. Since the Appellant accepts the County's valuation of the single-family residence for tax years 2011- 2014, the only issue before the Commission is the lot value for tax years 2011-2014.

4. For tax years, 2011-2013, the County Board assigned a total value of \$582,500 for the subject lot and house (i.e. \$400,000 for the lot and \$182,500 for the house. For tax year 2014, the County assigned a total value of \$651,600 for the subject lot and house (i.e. \$400,000 for the lot and \$251,600 for the house).

5. Appellant arrived at an opinion of value of \$250,000 for the subject lot by contending that (a) the residential lot is not located on the main channel of the lake; but is the smallest point lot on the channel; (b) the County's valuation of the residential lot was not consistent with the County's appraisal of similarly situated lots; (c) the County did not consistently appraise this lot when considering its appraisal of other lake lots and how the lake influences certain lots; and (d) the residential lot has varying topography when compared to other lots.

6. When appraising real property in North Carolina, an appraiser has a duty in determining the true value of land, "to consider as to each tract, parcel, or lot separately listed at least its advantages and disadvantages as to location; zoning; quality of soil; waterpower; water privileges .....; and any other factors that may affect its value except growing crops of a seasonal or annual nature."<sup>8</sup>

7. When valuing this lot, the County failed to consider the factors set forth in G.S. 105-317 to determine the true value of the Appellant's lot for the years at issue.

8. In particular, the County did not appraise the residential lot consistent with its appraisal of other lake lots when considering that the County determined the total value of the subject property to be \$582,500 for tax years 2011-2013; and \$651,600 for tax year 2014.

9. The Appellant did present competent, material and substantial evidence tending to show that Mecklenburg County employed an arbitrary method of appraisal in reaching the property tax value for Appellant's property for the years at issue; and that the values assigned to the property by the County Board substantially exceeded the true value of the property for the years at issue by showing that the County did not consider the factors set forth in G.S. 105-317 in determining the true value of the subject lot; and that the County's assessment of the subject lot was not consistent with its appraisal of other lake lots.

10. When the burden shifted to the County, the County did not demonstrate that its appraisal methodology produced 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.<sup>9</sup>

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<sup>8</sup> See N.C. Gen. Stat. § 105-317.

<sup>9</sup> *In re Parkdale Mills & Parkdale Am.*, 225 N.C. App. 713, 741 S.E.2d 416 (2013).

11. As such, the Commission determines that the true value of the residential lot was \$325,000<sup>10</sup> for tax years 2011, 2012, 2013, and 2014.

**BASED UPON THE FOREGOING FINDINGS OF FACT, THE COMMISSION MAKES THE FOLLOWING CONCLUSIONS 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 that 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. Appellant's evidence did tend to show that the county tax supervisor used an *arbitrary method* of valuation and that assessment *substantially* exceeded the true value in money of the property<sup>11</sup> since Mecklenburg County failed to consider the relevant factors to determine the true value of the Appellant's residential lot provided in G.S. 105-317. As such, the total value of Appellant's residential lot was \$325,000 for tax years 2011-2014.

3. Since the Appellant rebutted the presumption of correctness of Mecklenburg County's tax assessment of the residential lot for tax years 2011-2013; and for tax year 2014, then the burden shifted to Mecklenburg County to demonstrate that its method produced the true value for the residential lot for tax years 2011-2014.

4. When the burden shifted to Mecklenburg County, the County must then demonstrate that its methods produce true values. The critical inquiry in such instances is whether the County's appraisal method "is the proper means or method given the characteristics of the property under appraisal to produce a true value or fair market value."<sup>12</sup>

5. In this appeal, Mecklenburg County did not demonstrate that its appraisal methodology is the proper means or method given the characteristics of the property under appraisal to produce a true value or fair market value for the subject property.

6. As such, the true value for the residential lot was \$325,000 for tax years 2011, 2012, 2013, and 2014.

**WHEREFORE THE COMMISSION THEREFORE ORDERS** that the decision of the County Board is modified; and Mecklenburg County is instructed to revise its tax records as necessary to reflect the Findings of Fact and Conclusions of Law of the Commission determining that the true value for the residential lot was \$325,000 for tax years 2011- 2014.

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<sup>10</sup> An adjustment was applied to the County's assessment of a point lot.

<sup>11</sup> *In re Amp, Inc.*, 287 N.C. 547, 215 S.E.2d 752, 761 (1975).

<sup>12</sup> *In re Parkdale Mills & Parkdale Am.*, 225 N.C. App.713, 741 S.E.2d 416 S.E.2d. 416 (2013).

NORTH CAROLINA PROPERTY TAX COMMISSION



A handwritten signature in black ink, appearing to read "W. Peaslee", is written over a horizontal line.

William W. Peaslee, Chairman

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

Entered: May 4, 2016

Attest:

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

Janet L. Shires, General Counsel