

STATE OF NORTH CAROLINA
COUNTY OF WAKE

BEFORE THE PROPERTY TAX COMMISSION
SITTING AS THE STATE BOARD OF
EQUALIZATION AND REVIEW
07 PTC 719

IN THE MATTER OF:
APPEAL OF: **Family Tree Farm, LLC**
from the decision of the Halifax County
Board of Equalization and Review
concerning the valuation of certain
property for tax year 2007.

FINAL DECISION

This matter was heard by the Property Tax Commission (“the 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 Thursday, May 20, 2010, pursuant to the appeal of **Family Tree Farm, LLC** from the decision of the Halifax County Board of Equalization and Review (“County Board”) concerning the valuation of certain real property for tax year 2007.

Chairman Terry L. Wheeler presided over the hearing with Vice Chairman Aaron W. Plyler and Commission members Wade F. Wilmoth, Georgette Dixon and Paul Pittman participating.

Rom B. Parker, Jr., member manager, appeared at the hearing on behalf of Family Tree Farm, LLC (“Appellant”). Charles C. Meeker, Esq., represented Halifax County at the hearing.

STATEMENT OF CASE

The property under appeal is 538.75 acres of woodland (parcel 04-05514), located in Halifax County, North Carolina. Effective January 1, 2007, Halifax County’s assessed value for the subject property was \$471,390 and the present-use value was \$158,064. The Appellant challenged the assessed value of the subject property by filing an appeal with the County Board. After conducting a hearing, the County Board rendered its decision affirming the county’s assessed value of \$471,390 and the present-use value of \$158,064 for the subject property.

On appeal to the Commission, the Appellant, in its Application for Hearing, contends that the assessed value is excessive and that Halifax County should adjust the assessment of the subject property to recognize 90 acres of wasteland, 25 acres of riparian area, land ownership shares and governmental restrictions. The County contends that the subject property was appraised in accordance with Halifax County’s duly adopted schedule of values, standards and rules for the 2007 general reappraisal. Halifax County further contends, based on its analysis, that the subject property was not appraised in excess of its true value and that it considered all relevant factors affecting the value of the subject property as of January 1, 2007.

ISSUES

In the Order on Final Pre-Hearing Conference, the parties did not agree on the contested issues to be considered by the Commission. The Commission considered the following issues:

- a. Did Halifax County employ an arbitrary or illegal method of appraisal in reaching the property tax value for the Appellant's property as of January 1, 2007?
- b. Does the assessed value of \$471,390 substantially exceed true value, even though the woodland is in the present-use value program?

FROM THE APPLICATION FILED IN THIS MATTER, ANY STIPULATIONS AND 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 large woodland tract (538.75 acres) located in a rural area of Halifax County, North Carolina. The property is owned by Family Tree Farm, LLC.

3. As of January 1, 2007, the subject property was being used for the production of trees. The Appellant harvested four hundred acres of the tract at least three times prior to the 2007 year of general reappraisal. As such, the property's highest and best use is woodland.

4. The subject woodland is part of the present-use value program and has a reduced assessment; namely the tract has a present-use value assessment of \$158,064, while its assessed market value was \$470,390, effective January 1, 2007.

5. Prior to this appeal, Mr. Parker challenged numerous aspects of Halifax County's 2007 schedule of values, standards and rules. The Commission approved the schedule of values, standards and rules for the 2007 county-wide general reappraisal.¹ The Commission's March 22, 2007 final decision was then affirmed by the Court of Appeals by opinion dated July 15, 2008.² Once approved, the schedule of values, standards and rules are sufficient to assess the subject property at its market value.

6. The Appellant is challenging the specific valuation of the subject woodland by Halifax County because it believes that Halifax County should consider such factors such as: (a) wasteland (90 acres), riparian area (25 acres), land ownership shares and governmental restrictions when the county valued the property for tax year 2007.

¹ In re appeal of Rom B. Parker, Jr. (06 PTC 338), final decision entered on March 22, 2007.

² In re appeal of Rom B. Parker, Jr., heard by Court of Appeals on November 28, 2007 and opinion filed on July 15, 2008.

7. When determining the assessed value for the subject woodland, Halifax County considered a riparian area consisting of 16 acres and adjusted the property's value accordingly. Halifax County did not adjust the value of the property to reflect 90 acres of wasteland when Appellant's Forest Management Plan makes no such reference to 90 acres of wasteland, and there were no documents or maps to show delineation for wasteland.

8. Halifax County did not adjust the value of the subject property to reflect land ownership shares since land values are not determined by ownership shares. Halifax County did not consider governmental restrictions to determine the assessed value for the woodland when there were no documents or information showing that the property was subject to governmental restrictions, as of January 1, 2007.

9. The woodland subject to this appeal was assessed in accordance with Halifax County's 2007 schedule of values, standards and rules. When assessing the subject property at its true value and present-use value, Halifax County considered all the factors that affect the value of the subject woodland.

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

1. When an appellant challenges the county's assessment of his property, he is required to produce evidence that tends to show that the County relied on illegal or arbitrary valuation methods and that the assessment substantially exceeds true value of the property.³

2. After the appellant produces such evidence as outlined above, the burden of going forward with the evidence and of persuasion that its methods would in fact produce true value then rests with the County; and it is the Commission's duty to hear the evidence of both sides, to determine its weight and sufficiency and the credibility of witnesses, to draw inferences, and to appraise conflicting and circumstantial evidence, all in order to determine whether the County met its burden.⁴

3. The Appellant failed to produce evidence that tends to show that the County relied on an arbitrary valuation method and the assessment does not substantially exceed true value of the property.⁵

BASED UPON THE FOREGOING FINDINGS OF FACT AND CONCLUSIONS OF LAW, THE COMMISSION THEREFORE ORDERS that the decision of the County Board assigning a market value of \$471,390 and a present-use value of \$158,064 to the subject property, effective January 1, 2007, is affirmed.

³ *In re Amp, Inc.*, 287 N.C. 547, 215 S.E.2d 752 (1975).

⁴ *In re Appeal of IBM Credit Corporation*, 186 App. 223, 650 S.E.2d 828 (2007), aff'd per curiam, 362 N.C. 228, 657 S.E.2d 355 (2008).

⁵ *Id.*

NORTH CAROLINA PROPERTY TAX COMMISSION



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

Terry L. Wheeler, Chairman

Vice Chairman Plyler and Commissioners Wilmoth and Dixon and Pittman concur.

Entered: October 21, 2010

Attest:

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

Janet L. Shires, General Counsel