

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:

**DAVID G. CRONK and  
CONSTANCE W. CRONK,  
Appellants**

**17 PTC 0231**

From the decision of the Haywood  
County Board of Equalization and  
Review concerning the valuation of  
certain real property for tax year 2017

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**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, October 10, 2017, pursuant to the Appellants’ appeal from the decision of the Haywood County Board of Equalization and Review (“Board”).

Chairman Robert C. Hunter presided over the hearing, with Vice Chairman Terry L. Wheeler and Commission Member Charles W. Penny participating.

Attorney Charles C. Meeker appeared on behalf of Haywood County (“County”). The Appellants appeared *pro se*.

**STATEMENT OF THE CASE**

The property under appeal is an undeveloped parcel, approximately 8.07 acres in size, and located on Bryson Heights Road near Waynesville, North Carolina. The property is identified in the Haywood County tax records as parcel number 8625-56-9959. January 1, 2017, is the date of Haywood County’s most recent reappraisal.

The Appellants disputed the January 1, 2017 assessed value as determined by the County, and appealed said value to the Haywood County Board of Equalization and Review (“Board”). On May 5, 2017, the Board determined the value of the property to be \$94,200. The Appellants

appealed the decision of the Board by filing a Notice of Appeal and Application for Hearing with the Commission. In said Notice and Application, the Appellants stated its opinion that the true value of the property was actually \$42,224.02.

### ANALYSIS AND ISSUES

A county's ad valorem tax assessment is presumed to be correct.<sup>1</sup> 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".<sup>2</sup> 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.<sup>3</sup>

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 appraisal of conflicting and circumstantial evidence.<sup>4</sup>

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

<sup>2</sup> Id. (capitalization and emphasis in original).

<sup>3</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).

<sup>4</sup> 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, David G. Cronk, one of the Appellants, testified that the subject property, which he described as a hayfield, was purchased from a friend; however, he believed that local sales justified a lower value for the property. He further testified that his property has no utility service and no well or septic system.
2. Mr. Cronk further testified as to his opinion that the property sales offered by the County as comparable to his were different from his, in that one of the other sales, in his opinion, “has a view;” another of the properties had a building and municipal water; and another was located 17.6 miles away in the Pisgah National Forest.
3. Mr. Cronk testified as to Appellants’ Exhibits 7, 8, and 9, describing properties that sold in 2014, 2014, and 2012, respectively, stating that the land portion of the property described in Exhibit 7 was assessed at \$8,141 per acre, and that Exhibits 8 and 9 were similar in this respect.
4. Mr. Cronk further testified as to the content of Appellants’ Exhibit 2, which he described as being adjacent properties with an average assessed land value of \$5,232.22 per acre, and that multiplying this figure by the 8.07 acres for his parcel resulted in a value of \$42,224.02, which he offered as his opinion of the true value for the property.
5. On cross-examination, and in referring to the County’s Exhibit 2, Mr. Cronk identified the exhibit as a copy of the deed to the subject property. He further testified on cross-examination that the subject property had been listed for sale at \$289,000; that he had purchased the subject property on September 30, 2016, for \$240,000; that the purchase price had been reasonable; and that the price paid was the market value of the property.
6. On cross-examination, Mr. Cronk further testified that the figures he derived from the properties described in Appellants’ Exhibits 2, 7, 8, and 9 were all based on assessed values, and not on sale prices.
7. The County tendered Greg West as an expert in real property appraisal; Mr. Wright was so qualified without objection.
8. When asked to describe the subject property, Mr. West testified as to his opinion that the property was low, flat to rolling pasture land with long-range mountain views. He

stated that the property adjoined both a county road and a private road, and that it was suitable for up to three homesites.

9. Mr. West testified as to County Exhibit 4, which he indicated were representative photos of the subject property's topography and of the views from the property, which he described as including views of the "highest peaks in the county." Mr. West testified that the "superior qualities" of the subject property were the reason for a 100% adjustment to the County's standard homesite rate, both as shown in County Exhibit 1.
10. When asked why the tax value of \$94,200 was so much lower than the actual, recent purchase price of \$240,000, Mr. West testified as to his opinion that the price paid was "not reflective of the county in general," and that assigning a higher tax value to the subject property would cause the county to "overvalue similar property."
11. Mr. West testified that the sales of properties offered as comparable by the County were chosen because of the limited availability of vacant properties of a size similar to the subject, but the two of the sales were located near the subject, and the third, though more distant, was more similar in size to the subject.
12. Mr. West further testified that the properties offered as comparable by the County had been appraised for tax purposes in a similar manner as to the homesites (for the first two properties); as to the way any residual acreage was appraised; and in a manner that adjusted for various site differences between the properties, and that all properties had been appraised in the manner directed by the Schedules of Values, Standards, and Rules adopted by the County for use during the 2017 reappraisal.
13. Mr. West further testified as to his opinion that the properties offered as comparable by the County were each sold in 2016, and in "arms-length" transactions. He stated that the subject property was assessed at a value that was "much less" than the sale prices of the properties offered as comparable by the County, on a per-acre basis.

**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.

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.”<sup>5</sup>
4. The Appellants provided no evidence regarding the cost approach, the comparable sales approach, or the income approach with respect to their property; rather, the Appellants have compared the assessed values of other properties to that of the subject, and have attempted to extract true value from that process.
5. The Appellants’ purchase of the property less than three months prior to the reappraisal date of January 1, 2017; Mr. Cronk’s testimony that the price paid was reasonable and represented market value; and the sale prices of the only properties offered in evidence as comparable sales all indicate that the value of the subject property is at least \$94,200, and possibly more.
6. The County was able to demonstrate that its methods were not arbitrary through evidence that the properties offered in evidence as comparable sales were all appraised in a similar manner, when differences such as topography and drainage were considered.

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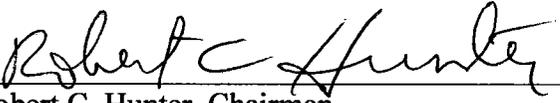
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<sup>5</sup> *In re Greens of Pine Glen Ltd.*, 356 N.C. 642, 648, 576 S.E.2d 316, 320 (2003)

**WHEREFORE**, the Commission orders and decrees that the decision of the Haywood County Board of Equalization and Review is hereby affirmed.

NORTH CAROLINA PROPERTY TAX COMMISSION



  
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Robert C. Hunter, Chairman

Vice Chairman Wheeler and  
Commission Member Penny concur.

Date Entered: 2/13/18

ATTEST:

  
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Stephen W. Pelfrey, Commission Secretary