MINUTES

2013 Board of Equalization and Review

May 22, 2013

Board Members Present: Jane Sparks, Chair
Jennifer Marsh
Bronwyn Merritt

Staff Members Present: Lee Harris, Deputy Tax Assessor
Roger Gunn, Chief Appraiser
Steve Hensley, Appraiser
Scherri McCray, Recording Secretary

Ms. Sparks called the Board to order at 2:04 p.m. on Thursday May 22, 2013. The Board approved the minutes from several prior meetings.

Linda M. Crabtree *PIN # 9833389775*

WITHDREW APPEAL

Deborah Finn *PIN # 9788582924*

Mr. and Mrs. Finn appeared before the Board to appeal the valuation of their property located at 214 HILLSBROUGH STREET, CHAPEL HILL. The current tax value assigned to the property by Orange County is $753,800. Mr. Finn is requesting that their current assessed value be reduced to $579,000. Comparable home sales that he obtained from the Value Appeal website support a reduced assessment. The appellant pointed out that there were four comparable homes in his neighborhood that had sales prices approximately the same or lower than his assessed value. Furthermore, he claimed that he obtained information from the County's website that showed comparable properties with lower assessed values then his property.

Upon review, the County inquired about the quality of the comparable homes that were referenced by the appellant. The appellant replies that he felt that these homes are similar and well maintained. The County noted that the sales comparables provided by the appellant were not similar in structure to that of the subject. 116 North Street is a 2159 square foot, two story residences and 405 North Street is a one story residence. The subject is a 2990 square foot, split level residence built in 1926 with an attached storage building.

During deliberation, the Board reviewed all documents presented by the appellant and the County. After deliberation, Ms. Merritt made a motion that no change be made to the

current valuation since the appellant did not provide any compelling evidence to substantiate that the County's assessed value is incorrect. Mrs. Marsh seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Rosalind Irene Broughton ***PIN # 9898133201***

Mrs. Broughton appeared before the Board to appeal a Denial of Exemption under GS105-278.7 that she received from the Orange County Assessor's office regarding the property located at 4618 FORK DRIVE, ROUGEMONT. She states that she was declared disabled in March 2011 and applied for the exemption to reduce her property tax liability. She received a denial letter from the Assessor's office citing the appellant's income exceeded the $28,100 amount allowed for 2013 tax year as specified under the North Carolina General Statute 105- 277.1. The appellant questioned just how the total income from her disability payment could be included in the income calculation when a certain amount went to attorney's fees.

The County explained that this is an application for 2013 exemption status that is based on 2012 income. The appellant's 2012 income statement included a lump sum distribution of monies that was reported to the IRS as income. Under the North Carolina General Statute 105-277.1(b) (1) (a) income is defined as all monies received. Given that the appellant received this lump sum amount in 2012, the entire amount is considered income and attorney's fees are considered expenses that are not deductible from the gross income.

The Board reviewed all information provided by the appellant and the County. During deliberation, Ms. Merritt made a motion to uphold the County's ruling for exemption denial for the 2013 tax year. Mrs. Marsh seconded that motion and the motion carried.

Ayes: 3
Noes: 0

Susie Wong ***PIN # 9799175638***

Susie Wong elected not to appear before the Board and requested to allow the appeal form and all supporting documentation to serve as her appeal. Her property is located at 102 MARKHAM DRIVE, CHAPEL HILL. The current tax value assigned to the property by Orange County is $ 296,674. The appellant is requesting that the Board adjust her current valuation to $ 259,300 citing comparable home sales that she obtained from the Value Appeal website that supports a reduced assessment.

Upon review, the County stated that the current physical depreciation was at 19% and recommended that it be adjusted to approximately 26%. The County also recommended the removal of a construction modifier. These adjustments will change the building value to $ 161,300, bringing the total property value to $ 279,500.

During deliberation, the Board reviewed all documents presented by the appellant and the County. After deliberation, Ms. Sparks made a motion to accept the County's recommendations. Mrs. Marsh seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Tso-Pang Yao ***PIN # 9870533089***

Tso-Pang Yao elected not to appear before the Board and requested to allow the appeal form and all supporting documentation to serve as his appeal. His property is located at 1004 BRENDON COURT, CHAPEL HILL. The current tax value assigned to the property by Orange County is $421,989. The appellant is requesting that the Board adjust his current valuation to $373,900 citing comparable home sales that he obtained from the Value Appeal website that supports a reduced assessment.

During deliberation, the Board reviewed all documents presented by the appellant and the County. After deliberation, the Board stated that the date of sales submitted by the appellant were not in the relevant time frame and were not from the appellant's neighborhood. Mrs. Marsh made a motion that no change be made to the current assessed value based on insufficient evidence provided by the appellant. Ms. Merritt seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Willie Glenn Page ***PIN # 9789472937***

Mr. Page appeared before the Board to appeal the value of his property located at 100 MENDEL DRIVE, CHAPEL HILL. The current tax value assigned to the property by Orange County is $431,199. The appellant purchased the 2449 square foot property in 2004 for $361,000. He feels that the property was grossly overvalued in 2009 and provided comparable sales from 2008 to support this claim. He is requesting that the Board reduce his value to $404,000 stating that the property estimate he obtained indicated that the value should be in the range of $399,800 to $403,961. Furthermore, the appellant claims that the subject is listed as a four bedroom home when in actuality it is a three bedroom home as one of the listed bedroom is too small to be considered a bedroom.

Mr. Page noted that he obtained the sales comparables from a free internet site and that he was not certain that all the sales that he submitted as evidence were similar to his property.

Upon review, the County noted inaccuracies that they noticed in the appellant's submitted information. The sales that the appellant submitted listed the subject with 1396 square feet of living area. The appellant's actual living area is 2449 square feet. The County also informed the appellant that the subject's attached addition is considered part of the living area and included it in the total square footage.

During deliberation, the Board reviewed all information presented by the appellant and the County. The Board informed the appellant that comparable sales must be prior to 2009 to be admissible and that sales after this period could not be considered because the schedule of values is set as of January 1, 2009. The Board stated that the County's sales show the range of sales prices of similar homes in the appellant's vicinity were between $160-260 per square foot with an average sales price of $174 per square foot. The appellant's value per square foot is $176. After deliberation, Mrs. Marsh made a motion that no change be made to the current tax valuation based on the lack of relevant information to justify a change as of January 1, 2009. She stated that the subject's tax value was consistent with other properties in the neighborhood and that the property value was equitable with the adjacent areas. Ms. Sparks seconded that motion and the motion carried.

Ayes: 3
Noes: 0

Linda Esner ***PIN # 9777972452***

Linda Esner elected not to appear before the Board and requested to allow the appeal form and all supporting documentation to serve as her appeal. Her property is located at 104 UNWIN PLACE, CHAPEL HILL. The current tax value assigned to the property by Orange County is $554,045. The appellant is requesting that the Board adjust her current valuation to $440,000 citing comparable home sales that she obtained from the Value Appeal website that supports a reduced assessment.

Upon review, the County made a recommendation to adjust the subject from a 1 ¾ story residence to a 1 ½ story residence. This adjusted the building value to $402,400 bringing the total adjusted value to $530,800 and the square footage from 2656 square feet to 2385 square feet. The adjusted value would be supported by comparable sales the County obtained from the appellant's neighborhood.

After reviewing all documentation presented by the appellant and the County, Ms. Sparks made a motion to accept the County's recommendation to change the square footage of the subject and accept the revised property value. She added that no other value changes were warranted. Ms. Merritt seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Xiaoying Fu *PIN # 9890761065*

Xiao Ying Fu elected not to appear before the Board and requested to allow the appeal form and all supporting documentation to serve as his appeal. His property is located at 478-482 ERWIN ROAD, DURHAM. The current tax value assigned to the property by Orange County is $438,400. The appellant is requesting that the value be reduced to reflect the current appraised value. The submitted documentation describes the subject as two duplexes located on a 10 acre parcel that was recently purchased. The appellant stated that there is limited well water usage and that the majority of the site is unbuildable. He submitted documentation from the Environmental Health Office verifying that the remaining property is unbuildable. The two duplexes' combined rent is $2,500 a month.

Upon review, the County examined the subject's recent listing with the appellant's comparable sales and noted that the subject property sold for $240,000 in May 2013. Comparable rental properties in 2009 rented for $600 monthly without a garage and $700 monthly with a garage. The County made a recommendation to adjust the value to $347,500 based on the market rents in 2009 and a gross rent multiplier derived from sales of two to four family homes prior to 2009.

The Board reviewed all documents presented by the appellant and the County. After deliberation, Ms. Sparks made a motion to accept the County's recommendations. Ms. Merritt seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Rekha Agarwal *PIN # 9789501108*

Rekha Agarwal appeared before the Board to appeal the value of his property located at 108 CAMPBELL LANE, CHAPEL HILL. The current tax value assigned to the property by Orange County is $554,800. The appellant claims that the value is too high based on his March 2009 sale price of $520,000 and the home's appraised value at that time. He states that the value on the tax record in 2009 was approximately $583,000 but he feels that it should have been $520,000. The appellant submitted the closing statement from the recent purchase for the Board to review as proof of over-valuation.

Upon review, the County asked the appellant if there was a rental apartment in the basement of the subject to which the appellant replied that there was an apartment in the

basement. The appellant stated that the monthly rent was $850 plus utilities. The County noted that the basement area was only 40% finished and recommended that the Board allow the County to correct the information. With the corrected finished basement, the new value would be approximately $535,000.

After reviewing all documentation presented by the appellant and the County, Ms. Merritt made a motion to accept the recommendation made by the County. Ms. Sparks seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Eric Busam *PIN # 9878531658*

Eric Busam elected not to appear before the Board and requested to allow the appeal form and all supporting documentation to serve as his appeal. His property is located at 401 EVELYN LANE, HURDLE MILLS. The subject is a modular home on 3.7 acres of land and is a rental property. The current tax value assigned to the property by Orange County is $203,455. The appellant is requesting a value of $145,000 citing an 80 foot stream buffer that restricts significant use of the land. An appraisal from 2011 was submitted by the appellant for the Board to review. The appellant recently purchased this property from a bank for $124,000. The property was previously by the bank for $196,000 as a foreclosure property.

Upon review, the County submitted sales for modular and doublewide homes as evidence to show that the County's current assessed value was correct.

The Board reviewed all documentation presented by the appellant and the County. After deliberation, Ms. Merritt made a motion that no change be made to the value based on lack of sufficient evidence to prove that the current value was incorrect. Ms. Sparks seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Having heard all the appeals scheduled on this date, Ms. Sparks made a motion to adjourn this meeting. Ms. Merritt seconded the motion and the meeting was adjourned at 5:00.

Jane Sparks, Chair

Scherri McCray, Recording Secretary