

MINUTES
Orange County Board of Equalization and Review
Virtual meeting held on June 8th, 2022

Board Members in attendance:

Chair of the Board	Hunter Beattie	Yes
Regular Member	Barbara Levine	No
Regular Member	Leon Meyers	Yes
Alternate Member	Ryan Petrone	Yes
Alternate Member	Reginald Morgan	No

Orange County Staff in attendance:

Tax Administrator	Nancy Freeman
Business Officer	Leslie Wilcox
Administrative Assistant	Vrinlli Flores
Real Property Appraisal Manager	Roger Gunn
Deputy Tax Assessor	Chad Phillips
Personal Property Appraisal Manager	Kandice Wright
Appraiser	Shavonda Mclean
Staff Attorney	Martha Bordogna
Staff Attorney	James Bryan

Meeting Schedule:

Time	PIN or Abstract	Appellant	Appeared	Appeal Type
3:00 PM	9787298186	Chapel Hill Pre School	Yes	Denial of Exemption
4:00 PM	Discussion			BOER Schedule

Meeting called to order	3:00 PM	Meeting adjourned	3:45 PM
Motion made by:	Hunter Beattie	Motion seconded by:	Leon Meyers

Related meeting notes:

Mr. Phillips addressed the board concerning an email sent by Mr. Meyers. The email had requested that the board have more input into the scheduling of meetings for the board. The board agreed that at the June 30th meeting, they would discuss the schedule for next year's board, as well as provide input for any post adjournment meetings for this year. Mr. Phillips will send the board a copy of the statute that regulates the dates the board can meet.

Mr. Gunn made the representatives of Chapel Hill Preschool aware of a discovery notice that had been mailed. He stated that due to the board's ruling on the exemption, they would be able to request that the board grant the exemption in previous years to cover the time of the discovery.

Property Identification:

Property Owner	Chapel Hill Pre School	Appellant (if different)	Jeanne Wakefield
Property Address	108 Mt. Carmel Church Rd	Parcel ID or Abstract	9787298186

Statement of Appeal:

Chapel Hill Preschool attorney, Christina Pearsall presented on behalf of the appellant and requested that the Board grant the exemption for educational purposes and on the basis that no corporate entities or individuals have been financially enriched over the organization's period of operation and the property is operating as an educational institution.

Current Assessed Value	\$1,541,000	County Opinion	Deny Exemption
Time of Hearing	3:00 PM	Appellant Opinion	Grant Exemption
County Representative	Shavonda McLean	Board Decision	Grant Exemption

Evidence submitted by the appellant:

Previous Evidence:

- May 10, 2022 Board of Equalization & Review meeting notice to appellant
- Consent to Remote Hearing form
- Email from appellant requesting that the Board grant the exemption

Additional Evidence:

- Email with attachments
 1. Infant Room Lesson Plan Samples
 2. Teaching strategies family conference form
 3. Assessment Sample
 4. Sample Assessment Report
 5. Curriculum
 6. Teaching Strategies
 7. Infant-Toddler Communication for Parents
 8. NC Foundations
 9. Article about Teaching Infants
 10. Article about Scaffolding when Teaching Infants
 11. STEM with Infants and Toddlers
 12. Brain Development
- Email from Christopher B McLaughlin on interpretation of GS 105-278.4

Ms. Pearsall stated it is the belief of the appellant that the financial statements of the organization that were requested by the board are irrelevant based on GS 278.4. Ms. Pearsall used Duke University as an example of an educational institution that charged market rates and is exempt. She further cited an email from School of Government representative, Chris McLaughlin, to support her view. The appellant stated that in the Eagle Nest case, the court was referencing GS 278.7, and not GS 278.4, and the decision in the Eagle Nest case should not apply to the subject appeal. The appellant stated that all excess proceeds from the program have been reinvested to provide quality care for the children and that the Board of Directors is comprised of volunteers and community members.

Evidence submitted by the county representative:

As this was a continuation based on the motion of the board to ask for advice from the County Attorney as well as documents from the appellant, the Tax Office presented no new evidence.

- Orange County Board of Equalization & Review form with brief summary of the subject property stating property tax exemption was denied due to the use of the property being for-profit. The organization's preschool is charging market rates for the services provided. An April 19, 2022, County letter was mailed informing appellant of not being eligible for exemption as of January 1, 2022 as County found no evidence the property is being used for an exempt purpose as specified in G.S. 105-278.4.
- 2022 Application for Property Tax Exemption or Exclusion
- 2021 Tax bill
- IRS letter which grants tax exempt status to Chapel Hill Cooperative Preschool
- Chapel Hill Cooperative Tuition Fees from website www.chapelhillcoop.com/enroll/tuition
- UNC School of Government "Difficult Exemption Questions" from Coates Canons, NC Government Law

Ms. McLean clarified that nonprofit organizations having the IRS tax exempt status 501(c)3 does not guarantee the organization can qualify for an exemption of North Carolina property tax because the use of the property drives the exemption and not just the tax status of the organization.

Ms. Wright stated that the denial was based on the preschool charging market rates for their tuition and under G.S. 105-278.4a(2) "The owner is not organized or operated for profit..." The county requested the financial statements of the school to demonstrate that they were not for profit. The school refused to provide the requested financial documents.

James Bryan, staff attorney, verified that Mr. Meyers had reviewed the video and evidence from the previous meeting, to ensure he was up to date on the evidence that had been presented. Mr. Bryan stated that financial documents are a factor to qualify for exemption under 105-278.7, and that both 105-278.7 and 105-278.4 deal with educational institutions, so since the Eagle Nest court case used market rents, then you could also apply that precedence to 105-278.4. He stated in regards to the email presented from Chris Mc Laughlin, he was not present at the hearing to be questioned, and the board should give the email the weight as they felt it deserved accordingly.

Motion of the Board	To grant the exemption under 105-278.4
Made the motion	Leon Meyers
Seconded the motion	Hunter Beattie
Voted For	Ryan Petrone
Voted Against	

Chair of the Board:

Hunter Beattie DocuSigned by:
Hunter Beattie
52D9AAB883DE4DE... 6/21/2022

Recording Secretary:

Vrinlli Flores DocuSigned by:
Vrinlli Flores
FD1CA7D9006547D... 6/22/2022