

Halifax County Board of Commissioners

Vernon J. Bryant, Chairman
J. Rives Manning, Jr., Vice-Chairman
Carolyn C. Johnson
Linda A. Brewer
Marcelle O. Smith
T. Patrick W. Qualls



Tony N. Brown
County Manager
Andrea H. Wiggins
Clerk to the Board
M. Glynn Rollins, Jr.
County Attorney

Monday May 6, 2019 Board of Equalization and Review Meeting 9:30 AM

Halifax County Historic Courthouse
10 North King Street, Post Office Box 38, Halifax, North Carolina 27839
252-583-1131/Fax: 252-583-9921
www.halifaxnc.com

The mission of the Halifax County Board of Commissioners is to provide leadership and support for an effective county government that seeks to enhance the quality of life for the people of Halifax County.

1. Call to Order **Chairman Vernon J. Bryant**

2. Conflict of Interest **Chairman Vernon J. Bryant**

In accordance with the Halifax County Board of Commissioners Rules of Procedures and N. C. G. S. Sec.153A-44, it is the duty of every member present to vote on all matters coming before the Board, unless there is a conflict of interest as determined by the Board or by law. Does any Board member have any known conflict of interest with respect to any matters coming before the Board today? If so, please identify the conflict and the remaining Board members will vote to consider the requested excuse.

3. Board of Equalization and Review Appeals Presentation **C. Shane Lynch, County Assessor**

(A listing of tax appeal(s) will be presented by C. Shane Lynch, County Assessor, along with the Tax Department's recommendations. After each presentation, Chairman Bryant will provide an opportunity for the property owner(s) to address the Board. After each appeal has been heard, the Board will make a motion to approve or deny the request.)

- A. Brian Sommer, Parcel 0903678**
- B. Brian Sommer, Parcel 0706287**
- C. John Galloway, Parcel 0706286**
- D. Rural Health Group, Inc. Property Tax Exemption**
- E. Sylvan Heights, Parcel 1100754, 2019 Exclusion Late Application**
- F. White's Auto, LLC and White Ford, LLC**

4. Adjournment Pursuant to G. S. 105-322(f) **Chairman Vernon J. Bryant**

Accommodations for individuals with disabilities may be arranged by contacting the County Manager's office at 252-583-1131 at least 48 hours prior to the meeting.



AGENDA
Halifax County Board of Commissioners
Board of Equalization and Review

TO: Halifax County Board of Commissioners

FROM: C. Shane Lynch, Tax Assessor

SUBJECT: Brian Sommer, Parcel 0903678

DATE: May 6, 2019 Board of Equalization and Review

SUPPORTING INFORMATION:

Mr. Brian Sommer appealed the value of parcel 0903678 on April 4, 2019. Upon review by real property appraiser, Lynne Simeon, the only appropriate adjustments in value involved the outbuilding values. The land and dwelling value were deemed to be appropriate. The appraiser spoke with Mr. Sommer and he agreed with the proposed value.

ATTACHMENTS:

Description

No Attachments Available

TOTAL COST:

COUNTY COST:

REQUEST: The Tax Department recommends that the Board of Equalization and Review approve the change in value for parcel 0903678 from \$130,900 to \$130,300 for the 2019 tax year.



AGENDA
Halifax County Board of Commissioners
Board of Equalization and Review

TO: Halifax County Board of Commissioners

FROM: C. Shane Lynch, Tax Assessor

SUBJECT: Brian Sommer, Parcel 0706287

DATE: May 6, 2019 Board of Equalization and Review

SUPPORTING INFORMATION:

Mr. Brian Sommer appealed his property value for parcel 0706287 on April 3, 2019. Upon review by real property appraiser, Lynne Simeon, and information from the Environmental Health Department, land codes for this 18.43 acre parcel were adjusted to reflect the proposed use of the property. The appraiser has spoken with Mr. Sommer and he has agreed with the proposed changes.

ATTACHMENTS:

Description

No Attachments Available

TOTAL COST:

COUNTY COST:

REQUEST: The Tax Department recommends that the Board of Equalization and Review approve the change in value for parcel 0706287 from \$141,600 to \$70,100 for the 2019 tax year.



AGENDA
Halifax County Board of Commissioners
Board of Equalization and Review

TO: Halifax County Board of Equalization and Review

FROM: C. Shane Lynch, Tax Assessor

SUBJECT: John Galloway, Parcel 0706286

DATE: May 6, 2019 Board of Equalization and Review

SUPPORTING INFORMATION:

Mr. Galloway appealed the value of parcel 0706286 on April 4, 2019. Upon review by real property appraiser, Lynne Simeon and information from the Environmental Health Department, land codes for this 21.8 acre parcel were adjusted to reflect the proposed use of this property. The appraiser spoke with Mr. Galloway and he agreed with the proposed value.

ATTACHMENTS:

Description

No Attachments Available

TOTAL COST:

COUNTY COST:

REQUEST: The Tax Department recommends the Board of Equalization and Review approve the change in value for parcel 0706286 from \$146,700 to \$73,600 for the 2019 tax year.



AGENDA
Halifax County Board of Commissioners
Board of Equalization and Review

TO: Halifax County Board of Equalization and Review

FROM: C. Shane Lynch, Tax Assessor

SUBJECT: Rural Health Group, Inc. Property Tax Exemption

DATE: May 6, 2019 Board of Equalization and Review

SUPPORTING INFORMATION:

Rural Health Group, Inc. applied for a property tax exemption on parcels 0910994, 0910985, 0911003, 0911002, 0910988 and 0910986 for 2019 under NCGS 105-278.8 Charitable Hospital Purposes. The subject parcels are condominiums purchased to provide housing for physicians and students.

On March 4, 2019, the Tax Assessor denied the application based on the fact that he didn't believe the condominiums qualified under the "use" requirement of NCGS 105-278.8. On March 29, 2019, the legal council for Rural Health Group, Inc. appealed the Assessor's decision citing North Carolina Court of Appeals case *Moses H. Cone Memorial Hospital* (see the attached appeal letter and explanation). Basically, the contention is that the condominiums are used for recruitment and retention of physicians and students.

The Tax Assessor has consulted with the legal council for the North Carolina Department of Revenue Property Tax Division and he agrees the application and use is comparable to the Court of Appeals case.

ATTACHMENTS:

Description

- ▯ RURAL HEALTH LETTER, APPLICATION AND STATUTE

TOTAL COST:

COUNTY COST:

REQUEST: The Tax Assessor recommends that the Board of Equalization and Review reverse his denial of the exemption application for the above listed parcels and approve the application based on the new information provided.

March 29, 2019

Emily M. Meeker
Partner
D: 919.783.2842
F: 919.783.1075
emeeker@poynerspruill.com

VIA CERTIFIED MAIL AND EMAIL

Halifax County Board of Equalization and Review
c/o Mr. C. Shane Lynch
Tax Assessor
Halifax County
P.O. Box 68
Halifax, NC 27839
Lynchc@halifaxnc.com

RE: Appeal of Denial of Property Tax Exemption to Rural Health Group, Inc. for
Parcels 09-10994, 09-10985, 09-11003, 09-11002, 09-10988, and 09-10986

Dear Mr. Lynch:

This firm represents the Rural Health Group, Inc. Pursuant to N.C. Gen. Stat. § 105-282.1(b), Rural Health Group hereby appeals the decision of the Halifax County Tax Assessor, dated March 4, 2019, to the Halifax County Board of Equalization and Review. In that decision, the Tax Assessor denied Rural Health Group's application for a property tax exemption under N.C. Gen. Stat. § 105-278.8 for the six tax parcels listed above. The Tax Assessor's reason for the denial is that the property "does not meet the use requirement at this time."

Background

This appeal involves six condominiums owned by Rural Health Group. Rural Health Group is a non-profit, federally qualified community health center dedicated to providing primary medical care, dental care, and other health-related services. It serves a federally designated medically-underserved population.

Rural Health Group struggles with recruiting and retaining medical providers

for its patients. Rural Health Group purchased the condominiums at issue because some of its providers were having difficulty finding short-term housing in the relevant market. Compared to the condominiums, hotels are expensive and do not have amenities like kitchens. Likewise, adequate short-term apartment rentals were simply unavailable in the area.

In order to solve this shortage of temporary housing for its providers, Rural Health Group purchased these six condominiums. This housing is *exclusively* used by Rural Health Group's providers—visiting professors and medical students, doctors who are on-call but do not live close-by, temporary medical providers, and new hires, as they search for permanent housing. Providers can stay from one night to several months, depending on their schedule and needs. Rural Health Group subsidizes the cost of the housing for its providers. Some providers stay for free, and others stay for \$10 per night, with a maximum amount of \$300 per month.

For example, the housing allows Rural Health Group to host a professor from East Carolina University, who teaches continuing medical education to Rural Health Group's providers. The housing will also allow Rural Health Group to begin hosting medical residents for rotations that will last several weeks. This would not be possible without the condominiums.

In another example, Rural Health Group was able to retain a physician that otherwise would have left the organization with the housing. The provider recently moved several counties away and thought she might have to resign. But, as a result of the housing, the provider is able to continue working for Rural Health Group, because she can commute to Halifax County for regular office days and then can stay in a condominium overnight when she is on-call several days each month. The housing allowed Rural Health Group to retain this valued provider.

This Appeal

Rural Health Group applied for a property tax exemption for the condominiums under N.C. Gen. Stat. § 105-278.8. Under this Section, real property owned "by a hospital organized and operated as a nonstock, nonprofit, charitable institution . . . shall be exempted from taxation if actually and exclusively used for charitable hospital purposes." N.C. Gen. Stat. § 105-278.8(a).

The Halifax County Tax Assessor does not dispute that the Rural Health Group qualifies as a charitable hospital under the statute. Instead, the Tax Assessor

apparently concluded that the condominiums were not “actually and exclusively used for charitable hospital purposes.” *See id.*

Under North Carolina law, property is “actually and exclusively used for charitable hospital purposes” if it is “reasonably necessary to accomplish a taxpayer’s charitable purpose.” *In re Moses H. Cone Memorial Hosp.*, 113 N.C. App. 562, 578-79, 439 S.E.2d 778, 787 (N.C. App. 1994), *affirmed in relevant part*, 340 N.C. 93, 95, 455 S.E.2d 431, 432 (N.C. 1995).

In *Moses H. Cone Memorial Hospital*, the North Carolina Court of Appeals concluded that a hospital’s child-care center was exempt under Section 105-278.8 because it was reasonably necessary to accomplish the hospital’s charitable purpose. *See id.* The Court held that the hospital’s child-care center was “reasonably necessary to accomplish a taxpayer’s charitable purpose” where the child care center was: (1) organized to meet the specific needs of hospital employees, and (2) aided the taxpayer in recruiting and retaining hospital employees. *Id.*

The decision in *In re Moses H. Cone Memorial Hospital* addresses child care, but the Court’s reasoning also applies to the housing owned by Rural Health Group. Here, the condominium housing is “reasonably necessary” to accomplish the Rural Health Group’s charitable purpose. Like the child care center in *Moses H. Cone Memorial Hospital*, the condominiums are specifically set up to meet the needs of Rural Health Group’s medical providers. The condominiums have important amenities, like kitchens, and are available for short-term rentals for a variety of providers. Second, as the examples above illustrate, these condominiums have aided Rural Health Group in recruiting and retaining providers for its patients.

Therefore, the condominiums owned by Rural Health Group are “actually and exclusively used” for a charitable hospital purpose as required by Section 105-278.8. Accordingly, Rural Health Group is entitled to an exemption from ad valorem taxes for the condominiums at issue.

For these reasons, Rural Health Group respectfully appeals the decision of the Tax Assessor and seeks an exemption for the six parcels at issue. This letter shall serve as Rural Health Group’s notice of appeal to the Halifax County Board of Equalization and Review pursuant to N.C. Gen. Stat. § 105-282.1(b).

Page 4

Please contact me if you have any questions about this appeal.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Emily M. Meeker', with a long horizontal flourish extending to the right.

Emily M. Meeker

Halifax County Tax Department

Post Office Box 68
357 Ferrell Lane
Halifax, NC 27839
Phone: (252) 583-2121
Fax: (252) 583-9311

Doris B. Hawkins, Tax Coordinator/Collector
hawkinsd@halifaxnc.com

C. Shane Lynch, Tax Assessor
lynchc@halifaxnc.com

March 4, 2019

RURAL HEALTH GROUP, INC
500 JACKSON ST
ROANOKE RAPIDS, NC 27870

Dear Taxpayer,

Your recent application for Property Tax Exemption for parcel(s) 09-10994, 09-10985, 09-11003, 09-11002, 09-10988 and 09-10986 has been reviewed by our office.

In accordance with N. C. General Statute(s) 105-278.8, your application has been **DENIED**.

The reason for denial is: **DOES NOT MEET THE USE REQUIREMENT AT THIS TIME.**

You can appeal this decision by the Assessor within 30 days of this letter.

Feel free to contact me if you have any questions.

Sincerely,



C. Shane Lynch
Tax Assessor



Where the Spirit of Independence Was Born

APPLICATION for TAX YEAR _____

Property Tax Exemption or Exclusion

COUNTY: Halifax

MUNICIPALITY: Roanoke Rapids

Full Name of Owner(s): Rural Health Group, Inc.

Trade Name of Business: _____

Mailing Address of Owner: 500 Jackson Street, Roanoke Rapids, NC 27870

Phone Numbers: Home: _____ Work: 252-536-5440 Cell: _____

List the Property Identification Numbers and addresses/locations for the properties included in this application (attach list if needed):

Property ID #: 0910994 Address/Location: 606 Cambridge CT, Roanoke Rapids, NC

Property ID #: 0910985 Address/Location: 607 Cambridge CT, Roanoke Rapids, NC

Property ID #: 0911003 Address/Location: 803 Cambridge CT, Roanoke Rapids, NC

Non-Deferment Exemptions and Exclusions—Check or write in the exemption or exclusion for which this application is made.

These exemptions or exclusions do not result in the creation of deferred taxes. However, taxes for prior years of exemption or exclusion may be recoverable if it is later determined that the property did not actually qualify for exemption or exclusion for those prior years.

- | | | | |
|--|--|--|-------------------------------------|
| <input type="checkbox"/> G.S. 105-275(8) | Pollution abatement/recycling | <input type="checkbox"/> G.S. 105-278.5 | Religious educational assemblies |
| <input type="checkbox"/> G.S. 105-275(17) | Veterans organizations | <input type="checkbox"/> G.S. 105-278.6 | Home for the aged, sick, or infirm |
| <input type="checkbox"/> G.S. 105-275(18),(19) | Lodges, fraternal & civic purposes | <input type="checkbox"/> G.S. 105-278.6 | Low- or moderate-income housing |
| <input type="checkbox"/> G.S. 105-275(20) | Goodwill Industries | <input type="checkbox"/> G.S. 105-278.6 | YMCA, SPCA, VFD, orphanage |
| <input type="checkbox"/> G.S. 105-275(45) | Solar energy electric system | <input type="checkbox"/> G.S. 105-278.6A | CCRC-Attach Form AV-11 |
| <input type="checkbox"/> G.S. 105-275(46) | Charter school property | <input type="checkbox"/> G.S. 105-278.7 | Other charitable, educational, etc. |
| <input type="checkbox"/> G.S. 105-277.13 | Brownfields-Attach brownfields agreement | <input checked="" type="checkbox"/> G.S. 105-278.8 | Charitable hospital purposes |
| <input type="checkbox"/> G.S. 105-278.3 | Religious purposes | <input type="checkbox"/> G.S. 131A-21 | Medical Care Commission bonds |
| <input type="checkbox"/> G.S. 105-278.4 | Educational purposes (institutional) | <input type="checkbox"/> Other: | _____ |

Tax Deferment Programs—Check the tax deferment program for which this application is made. ***These programs will result in the creation of deferred taxes that will become immediately due and payable with interest when the property loses eligibility. The number of years for which deferred taxes will become due and payable varies by program. Read the applicable statute carefully.***

- | | |
|--|---|
| <input type="checkbox"/> G.S. 105-275(12) | Nonprofit corporation or association organized to receive and administer lands for conservation purposes |
| <input type="checkbox"/> G.S. 105-275(29a) | Historic district property held as a future site of a historic structure |
| <input type="checkbox"/> G.S. 105-277.14 | Working waterfront property |
| <input type="checkbox"/> G.S. 105-277.15A | Site infrastructure land |
| <input type="checkbox"/> G.S. 105-278 | Historic property-Attach copy of the local ordinance designating property as historic property or landmark. |
| <input type="checkbox"/> G.S. 105-278.6(e) | Nonprofit property held as a future site of low- or moderate-income housing |

Describe the property: Federal Qualified Health Center

Describe how you are using the property. If another organization is using the property, give their name, how they are using the property, and any income you receive from their use: Physician housing for medical office that provides healthcare to the uninsured & under-insured patients.

AFFIRMATION: I, the undersigned, declare under penalties of law that this application and any attachments are true and correct to the best of my knowledge and belief. I have read the applicable exemption or exclusion statute. I fully understand that an ineligible transfer of the property or failure to meet the qualifications will result in the loss of eligibility. If applying for a tax deferment program, I fully understand that loss of eligibility will result in removal from the program and the immediate billing of deferred taxes.

Signature(s) of Owner(s): Netha Taylor Title: CFO Date: 12/28/18

(All tenants of a tenancy Title: _____ Date: _____

in common must sign.) Title: _____ Date: _____

The Tax Assessor may contact you for additional information after reviewing this application.

OFFICE USE ONLY: ☐ APPROVED ☒ DENIED BY: C. Shamus REASON FOR DENIAL: does not meet use requirement

APPLICATION for TAX YEAR 2019

Property Tax Exemption or Exclusion

Roanoke
Rapids

COUNTY: Halifax

MUNICIPALITY: _____

Full Name of Owner(s): Rural Health Group, Inc.

Trade Name of Business: _____

Mailing Address of Owner: 500 Jackson Street, Roanoke Rapids, NC 27870

Phone Numbers: Home: _____ Work: 252-536-5440

Cell: _____

List the Property Identification Numbers and addresses/locations for the properties included in this application (attach list if needed):

Property ID #: <u>0911002</u>	Address/Location: <u>503 Cambridge CT, Roanoke Rapids, NC</u>
Property ID #: <u>0910988</u>	Address/Location: <u>601 Cambridge CT, Roanoke Rapids, NC</u>
Property ID #: <u>0910986</u>	Address/Location: <u>603 Cambridge CT, Roanoke Rapids, NC</u>

Non-Deferment Exemptions and Exclusions—Check or write in the exemption or exclusion for which this application is made. These exemptions or exclusions do not result in the creation of deferred taxes. However, taxes for prior years of exemption or exclusion may be recoverable if it is later determined that the property did not actually qualify for exemption or exclusion for those prior years.

<input type="checkbox"/> G.S. 105-275(8)	Pollution abatement/recycling	<input type="checkbox"/> G.S. 105-278.5	Religious educational assemblies
<input type="checkbox"/> G.S. 105-275(17)	Veterans organizations	<input type="checkbox"/> G.S. 105-278.6	Home for the aged, sick, or infirm
<input type="checkbox"/> G.S. 105-275(18),(19)	Lodges, fraternal & civic purposes	<input type="checkbox"/> G.S. 105-278.6	Low- or moderate-income housing
<input type="checkbox"/> G.S. 105-275(20)	Goodwill Industries	<input type="checkbox"/> G.S. 105-278.6	YMCA, SPCA, VFD, orphanage
<input type="checkbox"/> G.S. 105-275(45)	Solar energy electric system	<input type="checkbox"/> G.S. 105-278.6A	CCRC-Attach Form AV-11
<input type="checkbox"/> G.S. 105-275(46)	Charter school property	<input type="checkbox"/> G.S. 105-278.7	Other charitable, educational, etc.
<input type="checkbox"/> G.S. 105-277.13	Brownfields-Attach brownfields agreement	<input checked="" type="checkbox"/> G.S. 105-278.8	Charitable hospital purposes
<input type="checkbox"/> G.S. 105-278.3	Religious purposes	<input type="checkbox"/> G.S. 131A-21	Medical Care Commission bonds
<input type="checkbox"/> G.S. 105-278.4	Educational purposes (institutional)	<input type="checkbox"/> Other:	_____

Tax Deferment Programs—Check the tax deferment program for which this application is made. ***These programs will result in the creation of deferred taxes that will become immediately due and payable with interest when the property loses eligibility. The number of years for which deferred taxes will become due and payable varies by program. Read the applicable statute carefully.***

<input type="checkbox"/> G.S. 105-275(12)	Nonprofit corporation or association organized to receive and administer lands for conservation purposes
<input type="checkbox"/> G.S. 105-275(29a)	Historic district property held as a future site of a historic structure
<input type="checkbox"/> G.S. 105-277.14	Working waterfront property
<input type="checkbox"/> G.S. 105-277.15A	Site infrastructure land
<input type="checkbox"/> G.S. 105-278	Historic property-Attach copy of the local ordinance designating property as historic property or landmark.
<input type="checkbox"/> G.S. 105-278.6(e)	Nonprofit property held as a future site of low- or moderate-income housing

Describe the property: Federal Qualified Health Center

Describe how you are using the property. If another organization is using the property, give their name, how they are using the property, and any income you receive from their use: Physician housing for medical office that provides healthcare to uninsured, under-insured patients.

AFFIRMATION: I, the undersigned, declare under penalties of law that this application and any attachments are true and correct to the best of my knowledge and belief. I have read the applicable exemption or exclusion statute. I fully understand that an ineligible transfer of the property or failure to meet the qualifications will result in the loss of eligibility. If applying for a tax deferment program, I fully understand that loss of eligibility will result in removal from the program and the immediate billing of deferred taxes.

Signature(s) of Owner(s): Detha Taylor Title: CEO Date: 12/28/18

(All tenants of a tenancy

Title: _____

Date: _____

in common must sign.)

Title: _____

Date: _____

The Tax Assessor may contact you for additional information after reviewing this application.

OFFICE USE ONLY: ☐ APPROVED ☒ DENIED BY: C. Shane Jay REASON FOR DENIAL: does not meet use requirement

§ 105-278.8. Real and personal property used for charitable hospital purposes.

(a) Real and personal property held for or owned by a hospital organized and operated as a nonstock, nonprofit, charitable institution (without profit to members or their successors) shall be exempted from taxation if actually and exclusively used for charitable hospital purposes.

(b) Notwithstanding the exclusive-use requirements of subsection (a), above, if part of a property that otherwise meets that subsection's requirements is used for a purpose that would require exemption under that subsection if the entire property were so used, the valuation of the part so used shall be exempted from taxation.

(c) Within the meaning of this section, a charitable hospital purpose is a hospital purpose that has humane and philanthropic objectives; it is a hospital activity that benefits humanity or a significant rather than limited segment of the community without expectation of pecuniary profit or reward. However, the fact that a qualifying hospital charges patients who are able to pay for services rendered does not defeat the exemption granted by this section. (1973, c. 695, s. 4.)



AGENDA
Halifax County Board of Commissioners
Board of Equalization and Review

TO: Halifax County Board of Equalization and Review

FROM: C. Shane Lynch, Tax Assessor

SUBJECT: Sylvan Heights, Parcel 1100754, 2019 Exclusion Late Application

DATE: May 6, 2019 Board of Equalization and Review

SUPPORTING INFORMATION:

The Tax Department has reviewed Sylvan Height's application and had it been received before the deadline, the request for exclusion would have been approved. The deadline is the listing period, which in Halifax County for 2019 ended January 31, 2019.

See the attached letter and application from Sylvan Heights for further details. Also attached is NCGS 105-278.7 noting the criteria to be met for this exclusion and 105-282.1(a1) which addresses the late application issue.

ATTACHMENTS:

Description

- ▣ SYLVAN HEIGHTS LETTER, APPLICATION AND STATUTES

TOTAL COST:

COUNTY COST:

REQUEST: The Halifax County Board of Equalization and Review's approval for a late application to be submitted for the 2019 tax year is the only recourse Sylvan Heights has to obtain this property tax exclusion for the 2019 tax year. If approved, Sylvan Heights is aware that this application is only good for 2019 and that they will have to submit a timely application for 2020.



SYLVAN HEIGHTS BIRD PARK

PO Box 368
500 Sylvan Heights Park Way
Scotland Neck, NC 27874

ph: (252) 826-3186
fax: (252) 826-3273
info@shwpark.com

March 22nd 2019

To Halifax County Tax Office

Enclosed please find check for the sum of \$2091.79. We apologize for not paying it in a timely fashion due to Sylvan Heights Waterfowl Park and Eco-Center being a non-profit organization 501©3 we were not aware of outstanding taxes owed. EIN # 02-0774368

The house was donated to Sylvan Heights to be used for interns, visiting zoologists, aviculturists and students of ornithology and biology. The house is also being used for storage of educational materials used at the park. With the house, additional office and meeting space is now available for the staff which was very much needed as our business has grown.

Sylvan Heights has a focus on saving rare and endangered species of waterfowl. We currently host over 55,000 visitors a year. A good portion of those are school groups coming from this region. We also are in the process of hiring an additional event coordinator and educator so the office space is a necessity. The house is within a mile from the Park, in the past my husband and I have housed majority of professional guests so are relieved that the Park now has its own accommodation.

Ali Lubbock
Assistant Director



www.shwpark.com

APPLICATION for TAX YEAR

2019

RECEIVED
3/22/19
CSC

Property Tax Exemption or Exclusion

COUNTY: Halifax

MUNICIPALITY: _____

Full Name of Owner(s): SYLVAN HEIGHTS WATERFOWL PARK AND ECO-CENTER

Trade Name of Business: SYLVAN HEIGHTS BIRD PARK

Mailing Address of Owner: P.O. BOX 368

Phone Numbers: Home: _____ Work: 252-826-3186 Cell: 252-532-0703

List the Property Identification Numbers and addresses/locations for the properties included in this application (attach list if needed):

Property ID #: 1100754 Address/Location: 1210 CHURCH STREET, SCOTLAND NECK NC 27874

Property ID #: _____ Address/Location: _____

Property ID #: _____ Address/Location: _____

Non-Deferment Exemptions and Exclusions—Check or write in the exemption or exclusion for which this application is made.

These exemptions or exclusions do not result in the creation of deferred taxes. However, taxes for prior years of exemption or exclusion may be recoverable if it is later determined that the property did not actually qualify for exemption or exclusion for those prior years.

- | | | | |
|--|--|--|-------------------------------------|
| <input type="checkbox"/> G.S. 105-275(8) | Pollution abatement/recycling | <input type="checkbox"/> G.S. 105-278.5 | Religious educational assemblies |
| <input type="checkbox"/> G.S. 105-275(17) | Veterans organizations | <input type="checkbox"/> G.S. 105-278.6 | Home for the aged, sick, or infirm |
| <input type="checkbox"/> G.S. 105-275(18),(19) | Lodges, fraternal & civic purposes | <input type="checkbox"/> G.S. 105-278.6 | Low- or moderate-income housing |
| <input type="checkbox"/> G.S. 105-275(20) | Goodwill Industries | <input type="checkbox"/> G.S. 105-278.6 | YMCA, SPCA, VFD, orphanage |
| <input type="checkbox"/> G.S. 105-275(45) | Solar energy electric system | <input type="checkbox"/> G.S. 105-278.6A | CCRC-Attach Form AV-11 |
| <input type="checkbox"/> G.S. 105-275(46) | Charter school property | <input checked="" type="checkbox"/> G.S. 105-278.7 | Other charitable, educational, etc. |
| <input type="checkbox"/> G.S. 105-277.13 | Brownfields-Attach brownfields agreement | <input type="checkbox"/> G.S. 105-278.8 | Charitable hospital purposes |
| <input type="checkbox"/> G.S. 105-278.3 | Religious purposes | <input type="checkbox"/> G.S. 131A-21 | Medical Care Commission bonds |
| <input type="checkbox"/> G.S. 105-278.4 | Educational purposes (institutional) | <input type="checkbox"/> Other: | _____ |

Tax Deferment Programs—Check the tax deferment program for which this application is made. ***These programs will result in the creation of deferred taxes that will become immediately due and payable with interest when the property loses eligibility. The number of years for which deferred taxes will become due and payable varies by program. Read the applicable statute carefully.***

- | | |
|--|---|
| <input type="checkbox"/> G.S. 105-275(12) | Nonprofit corporation or association organized to receive and administer lands for conservation purposes |
| <input type="checkbox"/> G.S. 105-275(29a) | Historic district property held as a future site of a historic structure |
| <input type="checkbox"/> G.S. 105-277.14 | Working waterfront property |
| <input type="checkbox"/> G.S. 105-277.15A | Site infrastructure land |
| <input type="checkbox"/> G.S. 105-278 | Historic property-Attach copy of the local ordinance designating property as historic property or landmark. |
| <input type="checkbox"/> G.S. 105-278.6(e) | Nonprofit property held as a future site of low- or moderate-income housing |

Describe the property: SEE ATTACHED

Describe how you are using the property. If another organization is using the property, give their name, how they are using the property, and any income you receive from their use: SEE ATTACHED

AFFIRMATION: I, the undersigned, declare under penalties of law that this application and any attachments are true and correct to the best of my knowledge and belief. I have read the applicable exemption or exclusion statute. I fully understand that an ineligible transfer of the property or failure to meet the qualifications will result in the loss of eligibility. If applying for a tax deferment program, I fully understand that loss of eligibility will result in removal from the program and the immediate billing of deferred taxes.

Signature(s) of Owner(s): Ali Cusack Title: ASSISTANT DIRECTOR Date: 3/21/19

(All tenants of a tenancy Title: _____ Date: _____

in common must sign.) Title: _____ Date: _____

The Tax Assessor may contact you for additional information after reviewing this application.

OFFICE USE ONLY: ☐ APPROVED ☐ DENIED BY: _____ REASON FOR DENIAL: _____

§ 105-278.7. Real and personal property used for educational, scientific, literary, or charitable purposes.

(a) Buildings, the land they actually occupy, and additional adjacent land necessary for the convenient use of any such building shall be exempted from taxation if wholly owned by an agency listed in subsection (c), below, and if:

- (1) Wholly and exclusively used by its owner for nonprofit educational, scientific, literary, or charitable purposes as defined in subsection (f), below; or
- (2) Occupied gratuitously by an agency listed in subsection (c), below, other than the owner, and wholly and exclusively used by the occupant for nonprofit educational, scientific, literary, charitable, or cultural purposes.

(b) Personal property shall be exempted from taxation if wholly owned by an agency listed in subsection (c), below, and if:

- (1) Wholly and exclusively used by its owner for nonprofit educational, scientific, literary, or charitable purposes; or
- (2) Gratuitously made available to an agency listed in subsection (c), below, other than the owner, and wholly and exclusively used by the possessor for nonprofit educational, scientific, literary, or charitable purposes.

(c) The following agencies, when the other requirements of this section are met, may obtain property tax exemption under this section:

- (1) A charitable association or institution,
- (2) An historical association or institution,
- (3) A veterans' organization or association,
- (4) A scientific association or institution,
- (5) A literary association or institution,
- (6) A benevolent association or institution, or
- (7) A nonprofit community or neighborhood organization.

(d) Notwithstanding the exclusive-use requirements of subsection (a), above, if part of a property that otherwise meets the subsection's requirements is used for a purpose that would require exemption if the entire property were so used, the valuation of the part so used shall be exempted from taxation.

(e) The fact that a building or facility is incidentally available to and patronized by the general public, so long as there is no material amount of business or patronage with the general public, shall not defeat the exemption granted by this section.

(f) Within the meaning of this section:

- (1) An educational purpose is one that has as its objective the education or instruction of human beings; it comprehends the transmission of information and the training or development of the knowledge or skills of individual persons.
- (2) A scientific purpose is one that yields knowledge systematically through research, experimentation, or other work done in one or more of the natural sciences.
- (3) A literary purpose is one that pertains to letters or literature, especially writing, publishing, and the study of literature. It includes the literature of the stage and screen as well as the performance or exhibition of works based on literature.
- (4) A charitable purpose is one that has humane and philanthropic objectives; it is an activity that benefits humanity or a significant rather than limited

segment of the community without expectation of pecuniary profit or reward. The humane treatment of animals is also a charitable purpose.

- (5) A cultural purpose is one that is conducive to the enlightenment and refinement of taste acquired through intellectual and aesthetic training, education, and discipline. (1973, c. 695, s. 4; 1995 (Reg. Sess., 1996), c. 646, s. 15; 2005-435, ss. 59(b), 59(c).)

§ 105-282.1. Applications for property tax exemption or exclusion; annual review of property exempted or excluded from property tax.

(a) Application. – Every owner of property claiming exemption or exclusion from property taxes under the provisions of this Subchapter has the burden of establishing that the property is entitled to it. If the property for which the exemption or exclusion is claimed is appraised by the Department of Revenue, the application shall be filed with the Department. Otherwise, the application shall be filed with the assessor of the county in which the property is situated. An application must contain a complete and accurate statement of the facts that entitle the property to the exemption or exclusion and must indicate the municipality, if any, in which the property is located. Each application filed with the Department of Revenue or an assessor shall be submitted on a form approved by the Department. Application forms shall be made available by the assessor and the Department, as appropriate.

Except as provided below, an owner claiming an exemption or exclusion from property taxes must file an application for the exemption or exclusion annually during the listing period.

- (1) No application required. – Owners of the following exempt or excluded property do not need to file an application for the exemption or exclusion to be entitled to receive it:
 - a. Property exempt from taxation under G.S. 105-278.1 or G.S. 105-278.2.
 - b. Special classes of property excluded from taxation under G.S. 105-275(15), (16), (26), (31), (32a), (33), (34), (37), (40), (42), or (44).
 - c. Property classified for taxation at a reduced valuation under G.S. 105-277(g) or G.S. 105-277.9.
- (2) Single application required. – An owner of one or more of the following properties eligible for a property tax benefit must file an application for the benefit to receive it. Once the application has been approved, the owner does not need to file an application in subsequent years unless new or additional property is acquired or improvements are added or removed, necessitating a change in the valuation of the property, or there is a change in the use of the property or the qualifications or eligibility of the taxpayer necessitating a review of the benefit.
 - a. Property exempted from taxation under G.S. 105-278.3, 105-278.4, 105-278.5, 105-278.6, 105-278.7, or 105-278.8.
 - b. Special classes of property excluded from taxation under G.S. 105-275(3), (7), (8), (12), (17), (18), (19), (20), (21), (31e), (35), (36), (38), (39), (41), or (45) or under G.S. 131A-21.
 - c. Special classes of property classified for taxation at a reduced valuation under G.S. 105-277(h), 105-277.1, 105-277.1C, 105-277.10, 105-277.13, 105-277.14, 105-277.15, 105-277.17, or 105-278.
 - d. Property owned by a nonprofit homeowners' association but where the value of the property is included in the appraisals of property owned by members of the association under G.S. 105-277.8.
 - e. Repealed by Session Laws 2008-35, s. 1.2, effective for taxes imposed for taxable years beginning on or after July 1, 2008.

(a1) Late Application. – Upon a showing of good cause by the applicant for failure to make a timely application, an application for exemption or exclusion filed after the close of the listing period may be approved by the Department of Revenue, the board of equalization and

review, the board of county commissioners, or the governing body of a municipality, as appropriate. An untimely application for exemption or exclusion approved under this subsection applies only to property taxes levied by the county or municipality in the calendar year in which the untimely application is filed.

(b) **Approval and Appeal Process.** – The Department of Revenue or the assessor to whom an application for exemption or exclusion is submitted must review the application and either approve or deny the application. Approved applications shall be filed and made available to all taxing units in which the exempted or excluded property is situated. If the Department denies an application for exemption or exclusion, it shall notify the taxpayer, who may appeal the denial to the Property Tax Commission.

If an assessor denies an application for exemption or exclusion, the assessor must notify the owner of the decision and the owner may appeal the decision to the board of equalization and review or the board of county commissioners, as appropriate, and from the county board to the Property Tax Commission. If the notice of denial covers property located within a municipality, the assessor shall send a copy of the notice and a copy of the application to the governing body of the municipality. The municipal governing body shall then advise the owner whether it will adopt the decision of the county board or require the owner to file a separate appeal with the municipal governing body. In the event the owner is required to appeal to the municipal governing body and that body renders an adverse decision, the owner may appeal to the Property Tax Commission. Nothing in this subsection shall prevent the governing body of a municipality from denying an application which has been approved by the assessor or by the county board provided the owner's rights to notice and hearing are not abridged. Applications handled separately by a municipality shall be filed in the office of the person designated by the governing body, or in the absence of such designation, in the office of the chief fiscal officer of the municipality.

(c) **Discovery of Property.** – When an owner of property that may be eligible for exemption or exclusion neither lists the property nor files an application for exemption or exclusion, the assessor or the Department of Revenue, as appropriate, shall proceed to discover the property. If, upon appeal, the owner demonstrates that the property meets the conditions for exemption or exclusion, the body hearing the appeal may approve the exemption or exclusion. Discovery of the property by the Department or the county shall automatically constitute a discovery by any taxing unit in which the property has a taxable situs.

(d) **Roster of Exempted and Excluded Property.** – The assessor shall prepare and maintain a roster of all property in the county that is granted tax relief through classification or exemption. On or before November 1 of each year, the assessor must send a report to the Department of Revenue summarizing the information contained in the roster. The report must be in the format required by the Department. The assessor must also send the Department a copy of the roster upon the request of the Department. As to affected real and personal property, the roster shall set forth:

- (1) The name of the owner of the property.
- (2) A brief description of the property.
- (3) A statement of the use to which the property is put.
- (4) A statement of the value of the property.
- (5) The total value of exempt property in the county and in each municipality therein.

(e) **Annual Review of Exempted or Excluded Property.** – Pursuant to G.S. 105-296(l), the assessor must annually review at least one-eighth of the parcels in the county exempted or excluded from taxation to verify that the parcels qualify for the exemption or exclusion. (1973, c. 695, s. 8; c. 1252; 1981, c. 54, ss. 2, 3; c. 86, s. 2; c. 915; 1985 (Reg. Sess., 1986), c. 982, s.



AGENDA
Halifax County Board of Commissioners
Board of Equalization and Review

TO: Halifax County Board of Equalization and Review

FROM: C. Shane Lynch, Tax Assessor

SUBJECT: White's Auto, LLC and White Ford, LLC penalty appeal

DATE: May 6, 2019 Board of Equalization and Review

SUPPORTING INFORMATION:

The Tax Department requests that the Board of Equalization and Review make a determination on whether or not to compromise, settle, or adjust the 2018 (10%), 2017 (20%), 2016 (30%), 2015 (40%), 2014 (50%) and 2013 (60%) late list penalties on business personal property owned by White's Auto, LLC and White Ford, LLC as separate accounts.

In the state of North Carolina, businesses are required to list any business related personal property and/or business related improvements to leased real property during the annual listing period each year. When a business does not accurately list their personal property or list it at all, N.C. G.S. 105-312 allows the Assessor to create a discovery bill for the current year and for any of the preceding five years during which it escaped taxation. The same statute allows the Tax Assessor and Tax Collector to add a penalty of ten percent (10%) of the amount of the tax for the earliest year in which the property was not listed, plus an additional ten percent (10%) of the same amount for each subsequent listing period that elapsed before the property was discovered. This statute also gives the Board of Equalization and Review the authority to compromise, settle, or adjust the taxes and penalty.

The owner of White's Auto, LLC and White Ford, LLC has asked the Halifax County Board of Equalization and Review for any consideration they can give towards the late list penalties applied to their (2) discovery bills. Both of these bills have been penalized the maximum penalty allowed by law.

See the attached letters from the accountant of the property owner for details. Also attached is a copy of N.C. G.S. 105-312 regarding discovered property; appraisal; penalty.

ATTACHMENTS:

Description

- ▯ White's letter, discovery and statute

TOTAL COST:

COUNTY COST:

REQUEST: The Board of Equalization and Review decides whether to leave the penalty as is or whether to compromise, settle, or adjust the late list penalties for White's Auto, LLC's and White Ford, LLC's business personal property for the 2013-2018 tax years.



Koonce, Wooten & Haywood, LLP
CERTIFIED PUBLIC ACCOUNTANTS

August 20, 2018

Mr. C. Shane Lynch
Halifax County Tax Department
P.O. Box 68
357 Ferrell Lane
Halifax, NC 27839

Re: White's Auto, LLC
Account No. 123739 – TMA No. 282134
Property ID 10278033

Dear Mr. Lynch:

At the request of the officials of White's Auto, LLC, we are responding to the proposed business personal property values for the year 2013, 2014, 2015, 2016, 2017 and 2018. We agree with the proposed values except for the proposed penalties. We are requesting an abatement of penalties for the late listings due to reasonable cause and not a willful neglect in the listings.

We request a conference with the Halifax County Board of Commissioners to request abatement of penalties for late listings. Please inform us of the date, time and place for our requested conference with Board of Commissioners.

If you have any questions, please advise.

Sincerely,



J. Graham Clements

JGC:mrn
Enclosures
Copy to: Mr. Lawrence White

Raleigh
4060 Barrett Drive
Post Office Box 17806
Raleigh, North Carolina 27619

919 782 9265
919 783 8937 FAX

Durham
3500 Westgate Drive
Suite 203
Durham, North Carolina 27707

919 354 2584
919 489 8183 FAX

Pittsboro
10 Sanford Road
Post Office Box 1399
Pittsboro, North Carolina 27312

919 542 6000
919 542 5764 FAX

Halifax County Tax Department

Post Office Box 68
357 Ferrell Lane
Halifax, NC 27839
Phone: (252) 583-2121
Fax: (252) 583-9311

Doris B. Hawkins, Tax Coordinator/Collector
hawkinsd@halifaxnc.com

C. Shane Lynch, Tax Assessor
lynchc@halifaxnc.com

April 16, 2019

Mr. Graham Clements
Koonce, Wooten & Haywood, LLP
P.O. Box 17806
Raleigh, NC 27619

RE: White's Auto, LLC
d/b/a White's Chevrolet-Cadillac
Account No. 123739- TMA No. 282134
Property ID. 10278033

Dear Mr. Clements:

Our auditors have revised their audit findings of the letter dated August 8, 2018, to determine the accuracy of Business Personal Property Listings filed with this office for the years as reflected below. Please accept this as our official notice of our audit findings, proposed property discovery, and abstract correction as provided by North Carolina General Statute 105-312.

Summary of Audit Findings:

Per the appeal and review of additional provided information, it was verified that many assets shown on the depreciation schedule are located at other dealerships in other counties and some were disposed; therefore, these costs have been removed from the audit. Also, it was verified that a pylon sign included in the original audit findings is manufacturer owned. Cost for this asset has been removed from the audit findings. As a result of the aforementioned changes, the variances for machinery and equipment (M&E) decreased for tax years 2013 through 2018. The variances for furniture and fixtures (F&F) decreased for tax years 2016 through 2018 and remain the same for tax years 2013 through 2015. The variances for computer equipment (EDP) decreased for tax years 2015 through 2018 and remain the same for tax years 2013 and 2014. The variances for leasehold improvements (LHI) decreased for tax years 2016 through 2018 and tax years 2013 through 2015 are no longer relevant to the audit. The variances for unregistered vehicles decreased for tax years 2013 through 2018. The variances for supplies and historical values remain the same for tax years 2013 through 2018. Details are provided in the table below and on the enclosed workpapers.



Where the Spirit of Independence Was Born

Mr. Graham Clements
RE: White's Auto, LLC
d/b/a White's Chevrolet-Cadillac
Halifax County, NC
April 16, 2019
Page 2

Proposed Discovery:

<u>Tax Year</u>	<u>M & E Value</u>	<u>F & F Value</u>	<u>EDP Value</u>	<u>LHI Value</u>	<u>Unregistered Vehicles Value</u>	<u>Supplies Value</u>	<u>Historical Value</u>	<u>Total Value</u>	<u>Statutory Penalty</u>
2018	\$ 138,777	\$ 46,243	\$ 7,880	\$ 12,499	\$ 274	\$ 2,237	\$ -	\$ 207,910	10%
2017	72,244	54,081	8,082	13,235	406	2,911	-	150,959	20%
2016	66,734	62,191	9,287	13,970	537	2,789	(7,516)	147,992	30%
2015	46,771	68,680	10,768	-	4,697	2,131	-	133,047	40%
2014	21,848	59,182	4,601	-	5,047	1,998	(4,340)	88,336	50%
2013	20,230	-	7,716	-	13,483	2,663	-	44,092	60%

Should you have any questions concerning the audit findings as reflected by this notice, please contact our TMA auditor, Phil Loseke, at phil.loseke@tma1.com or audit support at 704-847-1234 ext. 7616. If your concern pertains to an appeal, please see the information below and submit your request to the county business personal property department.

Please be advised that this proposed property discovery, listing, and appraisal is effective the date of this notice and will become final unless written exception thereto is filed with this office within fifteen (15) days from this date.

In order to take exceptions to the audit discovery, an appeal form must be submitted to the Halifax County Tax Department. To obtain the appeal form, please contact the business personal property department at (252)-583-2121 and request an appeal form.

Sincerely,



C. Shane Lynch
Halifax County Tax Assessor

Enclosures

If you agree with and accept the above discovery, please sign and return to the Tax Department, Business Property Section, and your bill will be processed.

SIGNATURE: _____

Principal Officer or officially empowered full-time employee

4-13-19
Date

cc: White's Auto, LLC
d/b/a White's Chevrolet-Cadillac

Halifax County Tax Department

Post Office Box 68
357 Ferrell Lane
Halifax, NC 27839
Phone: (252) 583-2121
Fax: (252) 583-9311

Doris B. Hawkins, Tax Coordinator/Collector
hawkinsd@halifaxnc.com

C. Shane Lynch, Tax Assessor
lynchc@halifaxnc.com

August 8, 2018

Mr. Graham Clements
Koonce, Wooten & Haywood, LLP
P.O. Box 17806
Raleigh, NC 27619

RE: White's Auto, LLC
d/b/a White's Chevrolet-Cadillac
Account No. 123739- TMA No. 282134
Property ID. 10278033

Dear Mr. Clements:

Our auditors have finalized their audit to determine the accuracy of Business Personal Property Listings filed with this office for the years as reflected below. Please accept this as our official notice of our audit findings, proposed property discovery, and abstract correction as provided by North Carolina General Statute 105-312.

Summary of Audit Findings:

1. Information reviewed included a chart of accounts, trial balances, depreciation schedules, and NC Partnership property tax returns, and other financial documentation.
2. Business personal property tax listings were not filed for tax years 2013, 2015, 2017, and 2018. The business was not assessed creating variances in machinery and equipment (M&E), furniture and fixtures (F&F), computer equipment (EDP), leasehold improvements (LHI), and unregistered vehicles. We propose to assess all assets at this time.
3. Machinery and equipment (M&E), furniture and fixtures (F & F), computer equipment (EDP), and leasehold improvements (LHI) were under assessed for tax years 2014 and 2016. Credit has been given for an assessment for tax years 2014 and 2016 in the Historical Values column.
4. Unregistered vehicles were not reported for tax years 2014 and 2016. If a vehicle is capitalized and depreciated, it becomes a business asset that must be taxed. It is considered an asset, not inventory, even if the vehicles will be sold at some time. Unregistered vehicles and trailers with multi-year tags should be reported in Section B Group (1) on the Halifax Business Personal Property Tax Listing. The property taxes on vehicles that possess an annual plate are collected by the Department of Motor Vehicles (DMV) during the renewal process. However, an unregistered vehicle or a trailer with a multi-year plate does not go through this renewal process; therefore, property tax is not assessed. Therefore, they have to be listed.



Where the Spirit of Independence Was Born

Mr. Graham Clements
RE: White's Auto, LLC
d/b/a White's Chevrolet-Cadillac
Halifax County, NC
August 8, 2018
Page 2

5. Supplies were not reported for tax years 2013 through 2018. Virtually every business has supplies. Reportable supplies cost was calculated by taking 1/12 of the year-end expense for the office supplies and other supplies accounts for all departments.
6. Going forth, please be sure the listings filed in the future reflect the current audit findings along with any additions/disposals.

Proposed Discovery:

<u>Tax Year</u>	<u>M & E Value</u>	<u>F & F Value</u>	<u>EDP Value</u>	<u>LHI Value</u>	<u>Unregistered Vehicles Value</u>	<u>Supplies Value</u>	<u>Historical Value</u>	<u>Total Value</u>	<u>Statutory Penalty</u>
2018	\$ 181,696	\$ 54,145	\$ 9,262	\$ 21,499	\$ 1,825	\$ 2,237	\$ -	\$ 270,664	10%
2017	121,150	62,985	10,922	22,985	15,414	2,911	-	236,367	20%
2016	113,221	72,208	13,662	24,470	2,581	2,789	(7,516)	221,415	30%
2015	84,019	68,680	16,909	11,250	7,617	2,131	-	190,606	40%
2014	26,308	59,182	4,601	12,000	8,916	1,998	(4,340)	108,665	50%
2013	24,690	-	7,716	12,750	18,301	2,663	-	66,120	60%

Should you have any questions concerning the audit findings as reflected by this notice, please contact our TMA auditor, Phil Loseke, at phil.loseke@tma1.com or audit support at 704-847-1234 ext. 7616. If your concern pertains to an appeal, please see the information below and submit your request to the county business personal property department.

Please be advised that this proposed property discovery, listing, and appraisal is effective the date of this notice and will become final unless written exception thereto is filed with this office within thirty (30) days from this date.

Sincerely,



C. Shane Lynch
Halifax County Tax Assessor

Enclosures

If you agree with and accept the above discovery, please sign and return to the Tax Department, Business Property Section, and your bill will be processed.

SIGNATURE:


Principal Officer or officially empowered full-time employee

8/20/18
Date

cc: White's Auto, LLC
d/b/a White's Chevrolet-Cadillac



Koonce, Wooten & Haywood, LLP
CERTIFIED PUBLIC ACCOUNTANTS

August 20, 2018

Mr. C. Shane Lynch
Halifax County Tax Department
P.O. Box 68
357 Ferrell Lane
Halifax, NC 27839

Re: White Ford, LLC
Account No. NEW – TMA No. 283838

Dear Mr. Lynch:

At the request of the officials of White Ford, LLC, we are responding to the proposed business personal property values for the year 2013, 2014, 2015, 2016, 2017 and 2018. We agree with the proposed values except for the proposed penalties. We are requesting an abatement of penalties for the late listings due to reasonable cause and not a willful neglect in the listings.

We request a conference with the Halifax County Board of Commissioners to request abatement of penalties for late listings. Please inform us of the date, time and place for our requested conference with Board of Commissioners.

If you have any questions, please advise.

Sincerely,



J. Graham Clements

JGC:mrn
Enclosures
Copy to: Mr. Lawrence White

Raleigh
4060 Barrett Drive
Post Office Box 17806
Raleigh, North Carolina 27619

919 782 9265
919 783 8937 FAX

Durham
3500 Westgate Drive
Suite 203
Durham, North Carolina 27707

919 354 2584
919 489 8183 FAX

Pittsboro
10 Sanford Road
Post Office Box 1399
Pittsboro, North Carolina 27312

919 542 6000
919 542 5764 FAX

Halifax County Tax Department

Post Office Box 68
357 Ferrell Lane
Halifax, NC 27839
Phone: (252) 583-2121
Fax: (252) 583-9311

Donis B. Hawkins, Tax Coordinator/Collector
hawkinsd@halifaxnc.com

C. Shane Lynch, Tax Assessor
lynchc@halifaxnc.com

April 16, 2019

Mr. Graham Clements
Koonce, Wooten & Haywood, LLP
P.O. Box 17806
Raleigh, NC 27619

RE: White Ford, LLC
Account No. NEW- TMA No. 283838

Dear Mr. Clements:

Our auditors have revised their audit findings of the letter dated August 8, 2018, to determine the accuracy of Business Personal Property Listings filed with this office for the years as reflected below. Please accept this as our official notice of our audit findings, proposed property discovery, and abstract correction as provided by North Carolina General Statute 105-312.

Summary of Audit Findings:

Per the appeal and review of additional provided information, it was verified that many assets shown on the depreciation schedule are located at other dealerships in other counties and some were disposed; therefore, these costs have been removed from the audit. Also, it was verified that a pylon sign included in the original audit findings is manufacturer owned and this cost removed from the audit findings. As a result of the aforementioned changes, the variances for machinery and equipment (M&E) decreased for tax years 2013 through 2018. The variances for leasehold improvements (LHI) decreased for tax years 2016 through 2018 and tax years 2013 through 2015 are no longer relevant to the audit. The variances for computer equipment and supplies remain the same for tax years 2013 through 2018. Details are provided in the table below and on the enclosed workpapers.

Proposed Discovery:

<u>Tax Year</u>	<u>M & E Value</u>	<u>EDP Value</u>	<u>LHI Value</u>	<u>Supplies Value</u>	<u>Total Value</u>	<u>Statutory Penalty</u>
2018	\$ 34,505	\$ 5,056	\$ 12,499	\$ 3,051	\$ 55,111	10%
2017	37,421	7,676	13,235	3,327	61,659	20%
2016	43,872	10,820	13,970	2,757	71,419	30%
2015	146,386	734	-	4,038	151,158	40%
2014	170,906	-	-	2,172	173,078	50%
2013	165,085	-	-	2,739	167,824	60%



Where the Spirit of Independence Was Born

Mr. Graham Clements
RE: White Ford, LLC
Halifax County, NC
April 16, 2019
Page 2

Should you have any questions concerning the audit findings as reflected by this notice, please contact our TMA auditor, Phil Loseke, at phil.loseke@tma1.com or audit support at 704-847-1234 ext. 7616. If your concern pertains to an appeal, please see the information below and submit your request to the county business personal property department.

Please be advised that this proposed property discovery, listing, and appraisal is effective the date of this notice and will become final unless written exception thereto is filed with this office within fifteen (15) days from this date.

In order to take exceptions to the audit discovery, an appeal form must be submitted to the Halifax County Tax Department. To obtain the appeal form, please contact the business personal property department at (252)-583-2121 and request an appeal form.

Sincerely,

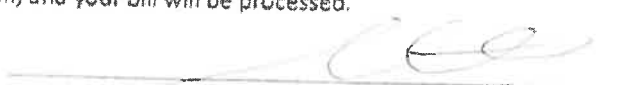


C. Shane Lynch
Halifax County Tax Assessor

Enclosures

If you agree with and accept the above discovery, please sign and return to the Tax Department, Business Property Section, and your bill will be processed.

SIGNATURE:


Principal Officer or officially empowered full-time employee

6-13-19
Date

cc: White Ford, LLC

Halifax County Tax Department

Post Office Box 68
357 Ferrell Lane
Halifax, NC 27839
Phone: (252) 583-2121
Fax: (252) 583-9311

Doris B. Hawkins, Tax Coordinator/Collector
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C. Shane Lynch, Tax Assessor
lynchc@halifaxnc.com

August 8, 2018

Mr. Graham Clements
Koonce, Wooten & Haywood, LLP
P.O. Box 17806
Raleigh, NC 27619

RE: White Ford, LLC
Account No. NEW- TMA No. 283838

Dear Mr. Clements:

Our auditors have finalized their audit to determine the accuracy of Business Personal Property Listings filed with this office for the years as reflected below. Please accept this as our official notice of our audit findings, proposed property discovery, and abstract correction as provided by North Carolina General Statute 105-312.

Summary of Audit Findings:

1. Information reviewed included a chart of accounts, trial balances, depreciation schedules, and NC Partnership property tax returns.
2. Business personal property tax listings were not filed for tax years 2013 through 2018. The business was not assessed creating variances in machinery and equipment (M&E), computer equipment (EDP), and leasehold improvements (LHI). We propose to assess all assets at this time. A Ford sign that was not on the depreciation schedule has been included in LHI. Cost has been determined at \$15,000 with a 2008 in-service date. This cost is similar to the cost of the Chrysler sign.
3. Supplies were not reported for tax years 2013 through 2018. Virtually every business has supplies. Reportable supplies cost was calculated by taking 1/12 of the year-end expense for the office supplies and other supplies accounts for all departments.
4. Going forth, please be sure the listings filed in the future reflect the current audit findings along with any additions/disposals.

Proposed Discovery:

<u>Tax Year</u>	<u>M & E Value</u>	<u>EDP Value</u>	<u>LHI Value</u>	<u>Supplies Value</u>	<u>Total Value</u>	<u>Statutory Penalty</u>
2018	\$ 68,945	\$ 5,056	\$ 19,999	\$ 3,051	\$ 97,051	10%
2017	82,623	7,676	21,485	3,327	115,111	20%
2016	100,913	10,820	22,970	2,757	137,460	30%
2015	213,113	734	9,750	4,038	227,635	40%
2014	249,472	-	10,500	2,172	262,144	50%
2013	253,337	-	11,250	2,739	267,326	60%



Where the Spirit of Independence Was Born

Mr. Graham Clements
RE: White Ford, LLC
Halifax County, NC
August 8, 2018
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Should you have any questions concerning the audit findings as reflected by this notice, please contact our TMA auditor, Phil Loseke, at phil.loseke@tma1.com or audit support at 704-847-1234 ext. 7616. If your concern pertains to an appeal, please see the information below and submit your request to the county business personal property department.

Please be advised that this proposed property discovery, listing, and appraisal is effective the date of this notice and will become final unless written exception thereto is filed with this office within thirty (30) days from this date.

Sincerely,



C. Shane Lynch
Halifax County Tax Assessor

Enclosures

If you agree with and accept the above discovery, please sign and return to the Tax Department, Business Property Section, and your bill will be processed.

SIGNATURE:


Principal Officer or officially empowered full-time employee

8/20/18
Date

cc: White Ford, LLC

§ 105-312. Discovered property; appraisal; penalty.

(a) Repealed by Session Laws 1991, c. 34, s. 4.

(b) Duty to Discover and Assess Unlisted Property. – It shall be the duty of the assessor to see that all property not properly listed during the regular listing period be listed, assessed and taxed as provided in this Subchapter. The assessor shall file reports of such discoveries with the board of commissioners in such manner as the board may require.

(c) Carrying Forward Real Property. – At the close of the regular listing period each year, the assessor shall compare the tax lists submitted during the listing period just ended with the lists for the preceding year, and he shall carry forward to the lists of the current year all real property that was listed in the preceding year but that was not listed for the current year. When carried forward, the real property shall be listed in the name of the taxpayer who listed it in the preceding year unless, under the provisions of G.S. 105-302, it must be listed in the name of another taxpayer. Real property carried forward in this manner shall be deemed to be discovered property, and the procedures prescribed in subsection (d), below, shall be followed unless the property discovered is listed in the name of the taxpayer who listed it for the preceding year and the property is not subject to appraisal under either G.S. 105-286 or G.S. 105-287 in which case no notice of the listing and valuation need be sent to the taxpayer.

(d) Procedure for Listing, Appraising, and Assessing Discovered Property. – Subject to the provisions of subsection (c), above, and the presumptions established by subsection (f), below, discovered property shall be listed by the assessor in the name of the person required by G.S. 105-302 or G.S. 105-306. The discovery shall be deemed to be made on the date that the abstract is made or corrected pursuant to subsection (e) of this section. The assessor shall also make a tentative appraisal of the discovered property in accordance with the best information available to him.

When a discovery is made, the assessor shall mail a notice to the person in whose name the discovered property has been listed. The notice shall contain the following information:

- (1) The name and address of the person in whose name the property is listed;
- (2) A brief description of the property;
- (3) A tentative appraisal of the property;
- (4) A statement to the effect that the listing and appraisal will become final unless written exception thereto is filed with the assessor within 30 days from date of the notice.

Upon receipt of a timely exception to the notice of discovery, the assessor shall arrange a conference with the taxpayer to afford him the opportunity to present any evidence or argument he may have regarding the discovery. Within 15 days after the conference, the assessor shall give written notice to the taxpayer of his final decision. Written notice shall not be required, however, if the taxpayer signs an agreement accepting the listing and appraisal. In cases in which agreement is not reached, the taxpayer shall have 15 days from the date of the notice to request review of the decision of the assessor by the board of equalization and review or, if that board is not in session, by the board of commissioners. Unless the request for review by the county board is given at the conference, it shall be made in writing to the assessor. Upon receipt of a timely request for review, the provisions of G.S. 105-322 or G.S. 105-325, as appropriate, shall be followed.

(e) Record of Discovered Property. – When property is discovered, the taxpayer's original abstract (if one was submitted) may be corrected or a new abstract may be prepared to reflect the discovery. If a new abstract is prepared, it may be filed with the abstracts that were submitted during the regular listing period, or it may be filed separately with abstracts designated "Late Listings." Regardless of how filed, the listing shall have the same force and effect as if it had been submitted during the regular listing period.

(f) **Presumptions.** – When property is discovered and listed to a taxpayer in any year, it shall be presumed that it should have been listed by the same taxpayer for the preceding five years unless the taxpayer shall produce satisfactory evidence that the property was not in existence, that it was actually listed for taxation, or that it was not his duty to list the property during those years or some of them under the provisions of G.S. 105-302 and G.S. 105-306. If it is shown that the property should have been listed by some other taxpayer during some or all of the preceding years, the property shall be listed in the name of the appropriate taxpayer for the proper years, but the discovery shall still be deemed to have been made as of the date that the assessor first listed it.

(g) **Taxation of Discovered Property.** – When property is discovered, it shall be taxed for the year in which discovered and for any of the preceding five years during which it escaped taxation in accordance with the assessed value it should have been assigned in each of the years for which it is to be taxed and the rate of tax imposed in each such year. The penalties prescribed by subsection (h) of this section shall be computed and imposed regardless of the name in which the discovered property is listed. If the discovery is based upon an understatement of value, quantity, or other measurement rather than an omission from the tax list, the tax shall be computed on the additional valuation fixed upon the property, and the penalties prescribed by subsection (h) of this section shall be computed on the basis of the additional tax.

(h) **Computation of Penalties.** – Having computed each year's taxes separately as provided in subsection (g), above, there shall be added a penalty of ten percent (10%) of the amount of the tax for the earliest year in which the property was not listed, plus an additional ten percent (10%) of the same amount for each subsequent listing period that elapsed before the property was discovered. This penalty shall be computed separately for each year in which a failure to list occurred; and the year, the amount of the tax for that year, and the total of penalties for failure to list in that year shall be shown separately on the tax records; but the taxes and penalties for all years in which there was a failure to list shall be then totalled on a single tax receipt.

(h1) Repealed by Session Laws 1991, c. 624, s. 8.

(i) **Collection.** – For purposes of tax collection and foreclosure, the total figure obtained and recorded as provided in subsection (h) of this section shall be deemed to be a tax for the fiscal year beginning on July 1 of the calendar year in which the property was discovered. The schedule of discounts for prepayment and interest for late payment applicable to taxes for the fiscal year referred to in the preceding sentence shall apply when the total figure on the single tax receipt is paid. Notwithstanding the time limitations contained in G.S. 105-381, any property owner who is required to pay taxes on discovered property as herein provided shall be entitled to a refund of any taxes erroneously paid on the same property to other taxing jurisdictions in North Carolina. Claim for refund shall be filed in the county where such tax was erroneously paid as provided by G.S. 105-381.

(j) **Tax Receipts Charged to Collector.** – Tax receipts prepared as required by subsections (h) and (i) of this section for the taxes and penalties imposed upon discovered property shall be delivered to the tax collector, and he shall be charged with their collection. Such receipts shall have the same force and effect as if they had been delivered to the collector at the time of the delivery of the regular tax receipts for the current year, and the taxes charged in the receipts shall be a lien upon the property in accordance with the provisions of G.S. 105-355.

(k) **Power to Compromise.** – After a tax receipt computed and prepared as required by subsections (g) and (h) of this section has been delivered and charged to the tax collector as prescribed in subsection (j), above, the board of county commissioners, upon the petition of the

taxpayer, may compromise, settle, or adjust the county's claim for taxes arising therefrom. The board of commissioners may, by resolution, delegate the authority granted by this subsection to the board of equalization and review, including any board created by resolution pursuant to G.S. 105-322(a) and any special board established by local act.

(l) Municipal Corporations. – The provisions of this section shall apply to all cities, towns, and other municipal corporations having the power to tax property. Such governmental units shall designate an appropriate municipal officer to exercise the powers and duties assigned by this section to the assessor, and the powers and duties assigned to the board of county commissioners shall be exercised by the governing body of the unit. When the assessor discovers property having a taxable situs in a municipal corporation, he shall send a copy of the notice of discovery required by subsection (d) to the governing body of the municipality together with such other information as may be necessary to enable the municipality to proceed. The governing board of a municipality may, by resolution, delegate the power to compromise, settle, or adjust tax claims granted by this subsection and by subsection (k) of this section to the county board of equalization and review, including any board created by resolution pursuant to G.S. 105-322(a) and any special board established by local act. (1939, c. 310, s. 1109; 1971, c. 806, s. 1; 1973, c. 476, s. 193; c. 787; 1977, c. 864; 1981, c. 623, ss. 1, 2; 1987, c. 45, s. 1; c. 743, ss. 1, 2; 1989, c. 522; 1991, c. 34, s. 4; c. 624, s. 8; 1991 (Reg. Sess., 1992), c. 961, s. 12; 1999-297, s. 2.)