

Bond Case Briefs

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Virginia International Gateway, Inc. v. City of Portsmouth

Supreme Court of Virginia - October 31, 2019 - S.E.2d - 2019 WL 5607827

Taxpayer, believing that assessments for its real and personal property were above fair market value, filed separate applications to correct the real estate and personal property assessments.

City filed counterclaim to the real property application, contending that fair market value was actually several hundred thousand dollars more than the assessment. The trial court consolidated the two cases for trial. The Circuit Court dismissed both of taxpayer's applications, as well as the city's counterclaim, and taxpayer appealed.

The Supreme Court held that:

- Trial court abused its discretion when it excluded real estate appraiser's expert testimony, and
- Taxpayer did not rebut presumption of correctness of city's valuation of taxpayer's personal property.

In taxpayer's action, contesting city's real estate and personal property assessments, trial court abused its discretion when it excluded real estate appraiser's expert testimony; appraiser held active New York real estate appraisal license, he secured temporary Virginia appraisal license, and during this period of active licensure, he updated his initial valuation and brought it into compliance with standards governing real estate appraisals in Virginia, he completed his final appraisal report within period of active licensure, and his testimony addressed only the appraisal for which he was licensed.

There was sufficient evidence to support trial court's ruling that taxpayer did not rebut the presumption of correctness of city's valuation of taxpayer's personal property, and accordingly, trial court did not err in declining to adjust the personal property assessment; city assessed taxpayer's personal property at 50% of original value, city not only came forward with evidence of the assessment's correctness in the form of expert's independent appraisal, it also presented evidence that taxpayer's appraisal of the property was flawed, and city put on evidence that taxpayer's methodology was flawed because of its failure to adhere to recognized valuation approaches.