

BEFORE THE MONTANA TAX APPEAL BOARD

FILED

AUG 05 2016

Montana Tax Appeal Board

Mark & Linda Ransford,

Appellants;

v.

State of Montana,
Department of Revenue,

Respondent.

CASE No: PT-2015-26

**Findings of Fact,
Conclusions of Law, Order,
and Opportunity for Judicial
Review**

Before the Board is Appellants Mark and Linda Ransfords' appeal from the Anaconda-Deer Lodge County Tax Appeal Board's decision of November 18, 2015 denying Ransfords' appeal of Respondent State of Montana, Department of Revenue's ("DOR or Department") valuation of Ransfords' vacant lot near Georgetown Lake in Anaconda; geocode 30-1375-08-1-02-13-0000, legal description Maid Marion, S08, T05 N, R13 W, Lot 12, 2.07 acres 359B ("the property").

ISSUE

1. The issue before this Board is whether the DOR determined an appropriate market value for the property for tax year 2015.
2. The Ransfords argue that the DOR's assessed value for 2015-6, which was an increase of almost 23% from the DOR's 2008-14 assessed value,

is not supported by market data because property values for the Georgetown Lake market area declined during this same time period.

3. The DOR argues that the value of the Ransfords' lot was accurately determined through mass appraisal using the Department's land model that was created using the sales prices of actual land sales during the 2008-2014 reappraisal cycle.

FINDINGS OF FACT

4. The Board conducted a hearing on May 12th, 2016 at 1:00 PM at 600 N. Park Ave, Helena at which the following were present:
 - a. Mark Ransford, self-represented taxpayer;
 - b. Kurt Unger, as witness for taxpayer;
 - c. Fred Bjorklund, as witness for taxpayer;
 - d. Michele Crepeau, attorney for DOR;
 - e. Julie Goebel, DOR Anaconda-Deer Lodge County appraiser, as witness for DOR;
 - f. Jerome Patton, DOR economic modeler, as witness for DOR;
 - g. Andrew Hagen, Regional Manager for DOR, who was present but did not testify.
5. The parties argued for the property to be valued as follows:
 - a. DOR - \$140,684,

b. Ransford's - \$61,165.

Procedural History

6. On July 17, 2015, Ransfords filed an application for informal review (AB-26) of the newly assessed 2015 value. (Ex. A.) The AB-26 cited their neighbor's inability to sell a lot located in the same subdivision which was listed for sale at \$90,000. (Id.) Ransfords requested the DOR put a value of \$12,000 on the subject property. (Id.) On October 7, 2015, the DOR issued an AB-26 Determination Letter rejecting the Ransfords request and made no adjustment to the value of \$140,684 for the property. (Id.)
7. Ransfords appealed the AB-26 determination to the Deer Lodge County Tax Appeal Board (CTAB). (Ex. B.) The CTAB held a hearing and considered evidence and testimony from both parties before it denied Ransfords appeal and the Ransfords timely appealed to this Board.

Subject Property

8. The property is vacant land, consisting of 2.07 acres located in the Maid Marion subdivision, which is a fairly flat neighborhood without any views of either Georgetown Lake or Discovery ski resort. (MTAB Hrg. Transcr. 13:1-4.)

DOR Neighborhoods 13.P and 13.E

9. The DOR valued the property using a Computer Assisted Land Model ("CALP") software with input data from designated neighborhood 13.P Pintler Vista East Shore No Lake Frontage ("13.P CALP"). (Ex. C, E.)

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The 13.P CALP was derived using six sales in the two subdivisions that make up the neighborhood, Maid Marion and Pintler Vista. (Ex. D). Those sales were time adjusted from the sale date to the statewide lien date of January 1, 2014. (Ex. E.) Mr. Ransford argued that the DOR arbitrarily created a different neighborhood CALP, designated 13.E Elk Meadows, for an adjacent subdivision with a large number of lots with similar attributes as the lots located in Pintler Vista and Maid Marion ("13.E CALP"). (Ex. G, 3.) Ransford contends the separation of neighborhood models removed lower value sales from his market area, thereby artificially increasing the value of his lot.

10. Mr. Unger testified that Pintler Vista was developed in the late 1990s, with 48 lots, and all of the original lots sold prior to 2008. (MTAB Hrg. Transcr. 24:19-24.) Maid Marion and Elk Meadows were both developed in 2003, Maid Marion had roughly 18 lots and Elk Meadows had 48-50 lots. (Id. 25:5-8.) The lots in Maid Marion sold fairly quickly, and while Elk Meadows enjoyed some good sales through 2008, it was not completely sold when the economic downturn started in 2008 and 2009. (Id. 25:6-13.) This meant that there were still developer owned lots and therefore developer sales in Elk Meadows during the reappraisal cycle period of 2008-2104. (Id. 25:15-17.) The low range of sales prices in Elk Meadows started 50% below the lowest sales price used in the 13.P CALP. (Ex. E, G.) Mr. Unger argued that the Department's decision to create these two neighborhood models resulted in artificially high valuations for the lots located in the 13.P CALP because all the lower priced sales were confined to the 13.E CALP. (Id.)

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11. Mr. Unger testified that while the 13.P CALP creates a significantly higher value for lots located in the Pintler Vista and Maid Marion subdivisions, the real world market indicates that in the three to four square mile area around Georgetown Lake there is very little difference in the value for buildable lots that are not on the lake – with the exception of the Badger Bay subdivision where the lots do have a higher value. (Id. 14:13-21.) He testified to the following as examples of the differences between the three subdivisions: Elk Meadows has more road to maintain; Pintler Vista has soil issues that require level 2 septic systems while some of the lots in Elk Meadows require deep wells; Maid Marion is flat without any view lots, whereas both Pintler Vista and Elk Meadows both have some lots with good views. (Id. 12-14, 20:8-12.)
12. Mr. Bjorkland testified that he has lived in the Georgetown Lake area for 53 years, is self-employed as a builder and is currently serving as the chief of the Georgetown Lake Volunteer Fire Department. (Id. 18:4-19:4.) He has had significant exposure to almost all of the subdivisions that have been created in the area in his role as a volunteer fireman with regard to seasonal access and road maintenance into the respective neighborhoods. (Id. 19:6-11.) Mr. Bjorkland testified that he is familiar with all three of the subdivisions (Maid Marion, Pintler Vista and Elk Meadows) and that he does not consider Elk Meadows to be a lower standard subdivision than Maid Marion and Pintler Vista. (Id. 18:22-25,19:1.)
13. Mr. Ransford offered the testimony of Mr. Unger and Mr. Bjorkland to corroborate his contention that the attributes of the lots in Elk

Meadows are not substantially inferior or less desirable to the typical buyer from the lots in Maid Marion and Pintler Vista. He argues that they are the same market and therefore do not warrant separate CALP's, and sales from all three subdivisions should have been considered to value his property. (Id., Ex. 3.) Mr. Ransford argues that had the Department combined neighborhoods 13.E and 13.P it would have had 13 sales in the CALP as opposed to the six sales that it had in 13.P. (Ex. E, G.) He testified that the price range would have started with values 50% below the lowest sales price for CALP 13.P. (Ex. E, G, 5.) Mr. Ransford concluded that the Department's creation of CALP 13.P resulted in a higher value for his property than the market would indicate because the Department excluded all of the lower priced sales that occurred in neighborhood 13.E which is an artificial distinction that is not reflective of buyers in the market. (Ex. 3, 5)

Model for Neighborhood 13.P

14. Next the Taxpayer offered a very detailed and specific critique of the sales chosen by the DOR to establish the values in 13.P. Mr. Unger testified that 13.P CALP used only six sales as data points, three sales that he argues should not have been verified as valid sales and thereby should have been excluded; and one sale that should have been verified as a valid sale and included in the CALP. (MTAB Hrg. Transcr.28:15-20.)
15. The six sales used by the Department to determine the value of all lots located within the 13.P CALP are described as follows: #1 the sale of 2.600 acres of vacant land on 6/21/2011; #2 the abstracted land value

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from the sale of a house on 1.470 acres on 7/23/2012; #3 the sale of 3.450 acres of vacant land on 10/14/2010; #4 the sale of 2.530 acres of vacant land on 3/25/2008; #5 the sale of 2.810 acres of vacant land on 4/11/2008 ; #6 the sale of the same lot as sale #5 on 4/17/2009. (Ex. E.) Mr. Ransford, through his witness Mr. Unger, agreed that sales #1 and #4 are valid sales and should be used as valid comparable sales to value the property. (Ex. 5.) Mr. Ransford does not agree that sales #3, #5 and #6 were valid arms-length transactions and does not think the DOR should have included them as valid sales in the 13.P CALP. (Id.) Mr. Ransford identified a sale that was not included in the 13.P CALP and presented evidence to support his contention that the DOR should have included it. (Id.)

16. Mr. Unger entered into evidence two deeds to support his contention that the 13.P CALP should not have included the sales identified as sales #5 and #6 on Ex. E. The first is a Warranty Deed dated April 11, 2008 that transferred Lot 8 of the Maid Marion subdivision from Brandon-Legg Development Corporation to Edna Dempster. (Ex. 6.4, 6.5.) William L. Brandon signed the Deed as Vice-President of Brendon-Legg Development Corporation. (Ex. 6.5.) This transfer of ownership corresponds to sale #5 in the CALP for neighborhood 13.P. (Ex. E.)
17. The second is a Quit Claim Deed dated April 14, 2009 that transferred Lot 8 of the Maid Marion subdivision from Edna Dempster to William L. Brandon. (Ex. 6.6, 6.7.) This transfer of ownership corresponds to sale #6 used in the CALP model for neighborhood 13.P. (Ex. E.) Mr. Unger introduced a statement and an Affidavit signed by local Realtor Patty McDonald, which states that she has personal knowledge of the

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- sale of Lot 8 Maid Marion and that Edna Dempsey is William L. Brandon's life partner. (Ex. 6.8, 6.9.)
18. The 13.P CALP shows that the reported sales price for the transfer between Ms. Dempsey and Mr. Brandon was exactly \$1,000 less than the reported sales price for the transfer between the corporation and Ms. Dempsey, but that both transactions reported sale prices almost 40% higher than sales #1 and #4. (Ex. E, 5.)
 19. Mr. Unger introduced two additional exhibits, the first appears to be a copy of the first page of the docket sheet the Montana Bankruptcy Court, for a Chapter 11 bankruptcy of Brandon-Legg Development Corporation and the second is a copy of a Resolution of Brandon-Legg Development Corporation, dated March 29, 2012, authorizing the corporation to file for bankruptcy, signed by three individuals, one of whom is William L. Brandon. (Ex. 6.10, 6.11.)
 20. Mr. Unger testified that he searched all of the real estate listings for Lot 8 of Maid Marion and found a real estate listing advertising the property for sale around the time of the first transfer in 2008, but could not find any real estate listings for the lot around the time of the second transfer in 2009. (MTAB Hrg. Transcr. 36:1-12.) Mr. Unger testified that it is reasonable to conclude that the two transfers between seemingly related parties at essentially the same price, exactly one year and three days apart, should not have been verified as valid

and therefore not used as sales data points in the 13.P CALP. (Id. 9-17.)¹

21. The third sale that Mr. Ransford argues should not have been used in the 13.P CALP, identified as sale #3, was reported as being part of an I.R.C. Section 1031 exchange, and thus required additional scrutiny before being used as a comparable property in a market analysis appraisal. (Ex. E; MTAB Hrg. Transcr. 38:17-20, 44:15-25.) Mr. Unger introduced an exhibit with excerpts from various sources of appraisal practice (all introduced over the Department's objection for lack of foundation) that conclude that any sales that are part of a Section 1031 exchange require additional scrutiny to determine whether the requirements of the exchange distorted the purchase price. (Ex. 8.) These excerpts were introduced to support Mr. Unger's argument that the Department had an affirmative obligation to further investigate this sale to find out whether the sales price was artificially inflated to satisfy the timing requirements of Section 1031. (MTAB Hrg. Transcr. 44:14-25.)
22. Mr. Unger argues that had the Department investigated this sale it would have discovered that the sales price was artificially inflated by the buyer's time constraints imposed by the Section 1031 exchange. With limited time to consummate the exchange some exchange buyers pay more than market value to conclude an exchange within the limited time frame allowed for the asset transfer. (Id.) Mr. Unger did

¹ Ex. E shows the sales dates as occurring 1 year and 6 days apart, the discrepancy is due to the difference between the date the deeds were executed and the date the deeds were recorded.

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contact the buyers of that property, Rodney and Marilyn Nelson, and he introduced a statement signed by the Nelsons, that states they felt that they overpaid for the lot but that timing was of great influence to them. (Ex. 7.4.) Mr. Unger testified that the Nelsons purchase price was influenced by undue stimuli and thus should not have been verified as a valid sale by the Department. (MTAB Hrg. Transcr. 45:1-23.) The reported sales price for sale #3 is 43% higher than sales #1 and #4. (Ex. E, 5.)

23. Mr. Unger next introduced a series of exhibits relating to the sale of Lot 3 of the Maid Marion Subdivision, that he argues was an arms-length transaction between unrelated parties, that the Department incorrectly believed was not an arms-length transaction and thus excluded it from the 13.P CALP. (Id. 47-53.) The sales price for this lot was almost 65% lower than sales #1 and #4. (Ex. E, Ex. 5.)
24. Mr. Unger introduced a copy of a warranty deed, dated April 29, 2013, transferring this lot from Lewis and Gwendolyn Mitchell, partners of Mitchell Family Limited Partnership to Chris Curran. (Ex. 9.1, 9.2) Mr. Unger introduced a copy of the Residential Sales Verification form signed by Mr. Mitchell wherein Mr. Mitchell reported on the form that “the property was advertised for sale by owner.” (Ex.9.4, 9.5.) However, there are handwritten notes at the bottom of the second page that state “not a typical sale-buyer verified it was a private offer + not advertised” with J. Goebel’s signature and date of 6/6/13 on the line for Signature of Verifier. (Ex. 9.5) Mr. Unger testified that this handwritten note explains why the DOR incorrectly determined it was an invalid sale. (MTAB Hrg. Transcr. 48:19-21; Ex. 9.5.)

25. Mr. Unger next introduced two affidavits, one from Mr. Mitchell (seller) and the other from Chris Curran (buyer), wherein both state that the property was advertised for sale on Craigslist and the parties were unrelated to each other, and both attached identical copies of a string of emails between first Larry Curran (Chris Curran's father) inquiring about the property listed for sale on Craigslist and Mr. Mitchell's reply which was then forwarded to Chris Curran who then had further follow up questions for Mr. Mitchell. (Ex. 9.10-9.21.) The emails show that the contact was initiated by Larry Curran in response to an ad listing the property for sale on Craigslist and demonstrating that the parties did not know each other as they negotiated towards the ultimate sale and purchase of the lot. (MTAB Hrg. Transcr. 49:5-13, Ex. 9.10-9.21.) Mr. Unger testified that the evidence demonstrates the Department incorrectly invalidated the sale as being a private offer and excluded it from the 13.P CALP. (MTAB Hrg. Transcr. 51-53.)

DOR Method

26. The Department called Julie Goebel, who is currently employed as the DOR appraiser for Deer Lodge County. (Id. 72:4-13) Ms. Goebel testified that as part of her job she verified all of the sales prices that were used in the 13.P CALP. (Id. 78:7-9, 79:9-15.) Ms. Goebel testified that she could not recall whether she spoke with any of the buyers or sellers on the phone or verified the sales using sales verification letters. (Id. 79:18-20.)
27. However, Ms. Goebel testified that she was not able to verify the sales prices for either sales #5 or #6 because she did not receive a sales

verification letter for either sale. (Id. 89:10-21.) In fact she had no information about the two transfers other than copies of the deeds and the realty transfer certificates. (Id.) Nonetheless, Ms. Goebel testified that she validated those two sales and used them in the 13.P CALP because “it looked like a valid sale for that neighborhood in that area.” (Id.)

28. Ms. Goebel testified that she did not include the sales price of the Mitchell Family Partnership transfer to Chris Curran in the 13.P CALP because “I have a signed, dated verification letter from Mr. Curran saying it was a private offer not advertised through a realtor. It’s an invalid sale.” (Id. 89:3-6.) Ms. Goebel did not however produce a copy of this verification letter so the Board has no way to verify Ms. Goebel’s statement.
29. Ms. Goebel testified that creating a separate neighborhood for Pintler Vista and Maid Marion was appropriate because the lower sales prices in Elk Meadows indicated that there was a difference between Elk Meadows and the Pintler Vista and Maid Marion subdivisions. (Id. 9-20.) Ms. Goebel testified that the Pintler Vista and Maid Marion subdivisions have better year round access than Elk Meadows, that there are more seasonal residents in Elk Meadows and they pay an extra fee on their tax bill for snow plowing. (Id. 79:24-25, 80:1-5.) She also testified and introduced well logs showing that the average well depth in Maid Marion and Pintler Vista is around 200 feet and the average well depth for Elk Meadows is 660 feet. (Id. 85:17-21.)

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30. The Department called Mr. Jerome Patton, an econometric modeler for the DOR who creates land valuation models and is familiar the 13.P CALP. (Id. 96:11-14, 97:1-4.)
31. Mr. Patton testified that he analyzed the sales data for the Georgetown Lake area in general and he found that that there are at least two separate areas, maybe three separate areas that seem to sell at distinct levels in a way that is consistent with the Department's CALP models for neighborhoods 13.P and 13.E. (Id. 112: 2-11.) He testified that the lots in Elk Meadows, specifically those located right behind the Brown Derby, seem to be distinctly different, selling for lower sales prices than lots in Maid Marion or Pintler Vista. (Id. 112:12-23, Ex. N.)
32. Mr. Patton further testified that the time trend for the entire market area showed a 10 percent decrease in sales prices between 2009 and the lien date [January 1, 2014]. (Id. 112:24-25, 113:1-7.) Mr. Patton explained that the 13.P CALP shows sales prices were flat during 2008, decreased between 2009 and 2011, and then flattened again for 2012 and 2013. (Id. 119:21-25, 120:6-14; Ex. E.) The monthly rate of change is shown on the CALP in a box that says monthly rate of change, start date, end date, and percent of change. (Id. 120:6-10.)
33. Upon questioning from the Board, Mr. Patton testified that he has concerns about the 13.P CALP because it only uses six sales data points, but explained that the Department is constrained by the market and the actual number of valid and comparable sales that it can find for the geographical area. (Id. 115:1-14.)

CONCLUSIONS OF LAW

34. The Board has jurisdiction over this case and its order is final and binding upon all parties unless changed by judicial review. Mont. Code Ann. § 15-2-301.

Burden of Proof

35. The taxpayer bears the burden of proving the error of DOR's decision. *Farmers Union Cent. Exch., Inc. v. Dep't of Revenue of State of Mont.*, 272 Mont. 471, 476, 901 P.2d 561, 564 (1995); *Western Air Lines, Inc. v. Michunovich*, 149 Mont. 347, 353, 428 P.2d 3, 7 (1967).
36. However, DOR cannot rely entirely on the presumption in its favor and must present a modicum of evidence showing the propriety of their action. *Western Air Lines*, 149 Mont. at 353, 428 P.2d at 7.

Assessment

37. All taxable property must be appraised at 100% of its market value unless otherwise provided. Mont. Code Ann. § 15-8-111.
38. Market value is the value at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts. Mont. Code Ann. § 15-8-111(2).
39. "Since market value is defined in 15-8-111, MCA as 'the value at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both

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having reasonable knowledge of relevant facts', it follows that if market value is to be derived from analyzing comparable sales, that the sales must represent valid 'arm's length' transactions." Page 25, 2015-2020 Montana Reappraisal Plan, Montana Department of Revenue adopted pursuant to Mont. Code Ann. §15-7-111(5).

40. Comparable properties used for valuation must represent similar properties within an acceptable proximity of the property being valued. Mont. Code Ann. § 15-8-111(3).
41. "Assessment formulations" by [the Montana Tax Appeal Board] should be upheld unless there is a clear showing of an abuse of discretion." *Peretti v. State, Dep't of Revenue*, 2016 MT 105, ¶ 15, 383 Mont. 340, 344, 372 P.3d 447, 450 (citing *O'Neill v. Dep't of Revenue*, 2002 MT 130, ¶ 23, 310 Mont. 148, 155, 49 P.3d 43, 47).

Taxable Years

42. For the taxable years from January 1, 2009, through December 31, 2014, all property classified in 15-6-134, MCA, (class four) must be appraised at its market value as of July 1, 2008. Mont. Admin. R. 42.18.124(1)(b).
43. "For the taxable years from January 1, 2015, through December 31, 2016, all property classified in 15-6-134, MCA, (class four) must be appraised at its market value as of January 1, 2014. Mont. Admin. R. 42.18.124(1)(c).

* * *

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44. DOR has not met its burden of presenting evidence to support its valuation. The Board finds the Taxpayers in this case have cast serious doubt on the accuracy of the value assigned to this property. We conclude the Ransfords have overcome the presumption that the DOR correctly valued their lot.
45. Mr. Ransford introduced sufficient evidence to cast credible doubt on the validity of at least two of the six sales data points used in the 13.P CALP and introduced credible evidence that one sale that was excluded meets the definition of a valid sale.
46. This Board agrees with Mr. Ransford's assertion that the sales between Brandon-Legg Development Corporation, Edna Dempsey and William L. Brandon were likely transfers between related parties and should not have been verified as valid. This Board concludes it is not necessary to know what the relationship between the parties actually is; the deeds themselves imply that Ms. Dempsey was acting as a straw-man to move the real property out of the corporation and to Mr. Brandon individually. Because the Department never received a sale verification letter for either of these sales from any of the parties involved in the transaction it was unable to verify either sale as valid. The Department should not have used these sales in its model without any verification that the transfers were actually arms-length transactions between unrelated parties.
47. Mr. Ransford submitted sufficient credible evidence to convince this Board that the Mitchell-Curran sale was an advertised arms-length transaction between unrelated parties and should have been included

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in the 13.P CALP, even if the model would have rejected the sale as an outlier. Mr. Mitchell marked the box on the sales verification letter stating that the lot was advertised for sale by owner. Ms. Goebel's handwritten notes on the second page indicate that she spoke to the buyer who told her that it was a private offer. However, under oath in front of this Board, Ms. Goebel testified that she did not recollect verifying any sales by phone but that she had received a sales verification letter from Mr. Curran stating it was a private offer. Ms. Goebel did not introduce this alleged sales verification letter into evidence and the Board does not find Ms. Goebel's testimony regarding her decision to invalidate the Mitchell-Curran sale credible. This Board finds it credible that Chris Curran may not have understood the distinction between the terms "private offer" and "for sale by owner."

48. Finally, Mr. Ransford presented evidence to call into question the Department's inclusion of the Nelson's sales price in the CALP model for neighborhood 13.P. While this evidence is not as compelling as the taxpayer's evidence relating to the Brandon-Legg/Dempsey transactions and the Mitchell-Curry sale, it does cast further doubt on whether the 13.P CALP used appropriate data.
49. The Department, through Mr. Patton, presented evidence to explain that it may have been appropriate to create separate neighborhood land models for the Pintler Vista and Maid Marion subdivisions and the Elk Meadows subdivision. However, this separation of neighborhoods left the Department with very few sales data points with which to construct the 13.P CALP.

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50. After considering all the evidence, the Board has arrived at the conclusion that the Department made a mistake when it valued the Ransfords' property using the 13.P CALP that determined the subject property's assessed value for this reappraisal cycle. The Board agrees with the methodology used in this valuation but questions the data selected to implement the methodology.
51. This Board agrees with the Ransfords' and finds that the Department failed to meet its obligation to value the subject property using verified valid sales that occurred at arms-length between unrelated parties. The Department has offered no credible explanation for why the Brandon-Legg-Dempsey and Dempsey-Brandon sales were included in the CALP model and why the Mitchell-Curran sale was excluded.
52. In further support of the Ransfords' position, Mr. Patton testified that the verified sales data for the market area show a decline of close to 10 percent between January 1, 2009 and the lien date of January 1, 2014 for properties that sold in the 13.P CALP neighborhood. This testimony supports Mr. Ransford's basis for the appeal which stated his [DOR assessed] value increased by 23 percent during a period when by all accounts the market value for property in the area declined.
53. The evidence presented by the Ransfords leaves us with the conclusion that the DOR's value is not market value, but our duty is to find a market value in tax appeals. This Board concludes that the most appropriate way to determine the 2015 market value for the Ransfords' lot is to start with the DOR's assessed value for 2008 and apply the market trend as calculated by Department's verified sales data used in

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the broader market area. Mr. Patton gave credible testimony that the market trend in the Georgetown Lake area indicated a 10% decline in value.

54. Starting with the 2008 assessed value of \$114,547 and applying a 10% reduction determines that the value for the property as of January 1, 2014 is \$103,092.
55. This Board acknowledges that DOR must use mass appraisal to accomplish statewide valuations, and that DOR is not provided with enough resources to thoroughly research each and every sale. Under present law the DOR staff must rely on voluntary sales verification to validate many sales, clearly an imperfect system. However the result of that system may be imperfect CALP neighborhoods where very few sales are available as comparables. In this case we had a taxpayer and his witness who spent hours investigating and critiquing sales used to form the basis of value in this neighborhood. The results of their work produced credible evidence that the value calculated by mass appraisal methods was not market value.

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ORDER

56. Ransford's appeal and complaint is **granted**.
57. DOR is **ordered** to enter a value of \$103,092 for the Ransfords' property located at 201 Sherwood Forest Ln., Anaconda; geocode 30-1375-08-1-02-04-0000, legal description Maid Marion, S08, T05 N, R13 W, Lot 4. Acres 2.09, 359B.

Notice: You may be entitled to judicial review of this Order by filing a petition in district court within 60 days of the service of this Order. Mont. Code Ann. § 15-2-303(2).

Ordered August 5, 2016.



A handwritten signature in blue ink, appearing to read "David L. McAlpin".

David L. McAlpin, *Chairman*
MONTANA TAX APPEAL BOARD

A handwritten signature in blue ink, appearing to read "Stephen A. Doherty".

Stephen A. Doherty, *Member*
MONTANA TAX APPEAL BOARD

A handwritten signature in blue ink, appearing to read "Valerie A. Balukas".

Valerie A. Balukas, *Member*
MONTANA TAX APPEAL BOARD

Certificate of Service

I certify that I caused a true and correct copy of the foregoing Findings Of Fact, Conclusions Of Law, Order, And Opportunity For Judicial Review to be sent by United States Mail via Print and Mail Services Bureau of the State of Montana on August 5, 2016 to:

Mark and Linda Ransford
5170 MT Highway 1
Hall, MT 59837-9704

Michele Crepeau
Department of Revenue
Office of Legal Affairs
P.O. Box 7701
Helena, MT 59604-7701


Lynn Cochran, Administrative Officer
MONTANA TAX APPEAL BOARD