

BEFORE THE STATE TAX APPEAL BOARD
OF THE STATE OF MONTANA

MILDRED COX,)
) DOCKET NO.: PT-2005-11
)
 Appellant,)
)
 -vs-)
)
 THE DEPARTMENT OF REVENUE) FACTUAL BACKGROUND,
 OF THE STATE OF MONTANA,) CONCLUSIONS OF LAW,
) ORDER and OPPORTUNITY
 Respondent) FOR JUDICIAL REVIEW

The above-entitled appeal was heard on March 7, 2006, in Thompson Falls, Sanders County, Montana, in accordance with an order of the State Tax Appeal Board of the State of Montana (Board). The notice of the hearing was duly given as required by law. The taxpayer, represented by Curtis Cox (agent), presented testimony in favor of the appeal. The Department of Revenue (DOR), represented by Appraiser Ed Thompson, presented testimony in opposition to the appeal.

The duty of this Board is to determine the appropriate market value for the property based on a preponderance of the evidence. Testimony was presented and exhibits were received.

The Board denies the taxpayer's request for a reduction in market value.

This decision upholds the decision of the Sanders County Tax Appeal Board.

STATEMENT OF ISSUE

The issue before this Board is the market value of the subject property.

FACTUAL BACKGROUND

1. Due, proper, and sufficient notice was given of this matter. All parties were afforded opportunity to present evidence, oral and documentary.
2. The subject property is described as follows:

Lots 18, 19 and 20, Block 11, Plains Original Townsite, in Plains, Sanders County, MT. Land & improvements. Geo-codes – 35-2979-26-3-11-20-PLSO & 35-2979-26-3-11-20-T084; Assessor’s Code 483.
3. The Sanders County Tax Appeal Board received an appeal on June 6, 2005, and held a hearing on this matter on November 14, 2005.
4. The County Board issued its decision on November 14, 2005, denying the taxpayer’s request for a reduction in value. It upheld the DOR values of \$20,791 for the land and \$42,210 for the improvements.
5. Taxpayer appealed that decision to this Board on December 19, 2005, and the matter was duly set for hearing in Sanders County.

TAXPAYER’S CONTENTIONS

Mr. Cox has requested values of \$20,000 and \$35,870 for the land and improvements respectively. The main discrepancy that Mr. Cox has

with the values provided by the DOR is that a similar doublewide trailer could be purchased in Missoula for \$25,000 and placed on the site for \$2,000. Mr. Cox does not dispute the \$8,870 value that the DOR established for the outbuildings. Mr. Cox stated in his testimony that the value of the land is "not more than \$20,000".

DOR'S CONTENTIONS

The DOR testified that for the current appraisal cycle the market values for the subject are \$20,791 for the land and \$42,210 for the improvements:

Land	\$20,791
Doublewide	33,340
Garage & paving	8,870
Total property value	<u>\$63,001</u>

The DOR's property record cards (PRC), exhibits A and B, describe the subject property as:

- Land - 106' (width) x 100' (depth)
- Land value - \$ 20,791
- 1990 Fleetwood/Brookfield, 28' x 40'.
- Effective Age - 1990.
- Physical condition - Average.
- Condition/Desirability/Utility - Average.
- Cost approach to value.

Replacement Cost New	\$ 45,860
Percent Good - 72%	
Depreciation (28%)	<u>(\$ 12,520)</u>
Replacement Cost New Less Depreciation	\$ 33,340
Garage	\$ 7,910
Paving	<u>960</u>
Total property value	<u>\$ 63,001</u>

The DOR used the cost approach to value the subject property,

but provided additional supporting documentation by analyzing comparable sales (exhibit D).

BOARD'S DISCUSSION

The values before this Board are:

	<u>Taxpayer</u>	<u>DOR</u>
Land	\$20,000	\$20,791
Improvements	\$35,870	\$42,210
<u>Total</u>	<u>\$55,870</u>	<u>\$63,001</u>

The main area of dispute between the DOR and Mr. Cox concerns the value of the doublewide trailer.

By statute, the DOR is to value all taxable property at 100% of market value, **§15-8-111 MCA**.

The DOR maintains a property record card (PRC) for each property in Montana. This PRC contains data with respect to the property that aid in the DOR's ability to estimate value. Periodically, the DOR conducts statewide reappraisals of all property in Montana. Because property has the potential to appreciate or depreciate in value, it is necessary for the DOR to collect data, whether it is specific to the property or general market data, in order to establish an opinion of value. The DOR utilized the cost approach in establishing the value for the subject property with additional supporting market sales data. The following table compares the DOR's cost approach value for the subject and the total sales price of the comparables divided by the size of the mobile home:

	Subject	Comp #1	Comp #2	Comp #3	Comp #4	Comp #5	Comp #6
Year Built	1990	1973	1973	1981	1981	1992	1994
Effective Age	1990	1973	1973	1983	1981	1992	1994
Condition /Desirability/Utility	Average	Fair	Fair	Fair	Fair	Average	Average
Size of Mobile Home - SF	1,120	960	1,464	1,440	1,456	1,566	1,120
DOR Total Value	\$63,001	NA	NA	NA	NA	NA	NA
Sale Price (\$)	NA	\$52,000	\$60,000	\$92,500	\$87,000	\$99,500	\$93,500
Unit Value (\$/SF)	\$56.25	\$54.17	\$40.98	\$63.53	\$59.75	\$63.54	\$83.48

The Board notes that the subject property may be superior in some respects and inferior in other respects, but the DOR's value as determined by the cost approach appears reasonable.

For his part, Mr. Cox did not provide any substantial evidence to support a different valuation. His opinion that he could purchase a similar trailer in Missoula for \$25,000 was not bolstered by any documentary evidence and thus has marginal value for the Board's fact-finding mission. The Taxpayer has informed the DOR that a physical inspection of this property was out of the question. Therefore, the DOR must rely on the best information it has in its possession at the time of reappraisal to determine a value for taxation purposes. Therefore, the only credible evidence in the record is that of the DOR.

CONCLUSIONS OF LAW

1. The State Tax Appeal Board has jurisdiction over this matter.
§15-2-301 MCA.

2. §15-8-111 MCA. Assessment - market value standard - exceptions. (1) All taxable property must be assessed at 100% of its market value except as otherwise provided.
3. ARM 2.51.403 (2), With respect to taxable real property and improvements thereon, the decision of the state tax appeal board shall be final and binding unless reversed or modified by the district court upon judicial review. If the decision of the state tax appeal board is not reviewed by a district court, it is final and binding for subsequent tax years unless there is a change in the property itself or circumstances surrounding the property which affects its value.

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ORDER

IT IS THEREFORE ORDERED by the State Tax Appeal Board of the State of Montana that the subject property shall be entered on the tax rolls of Sanders County by the local Department of Revenue office at the values of \$20,791 for the land and \$42,210 for the improvements for tax year 2005. The appeal of the taxpayer is therefore denied and the decision of the Sanders County Tax Appeal Board is affirmed.

Dated this 23rd day of May 2006.

BY ORDER OF THE
STATE TAX APPEAL BOARD

(S E A L)

GREGORY A. THORNQUIST, Chairman

JOE ROBERTS, Member

SUE BARTLETT, Member

NOTICE: You are entitled to judicial review of this Order in accordance with Section 15-2-303(2), MCA. Judicial review may be obtained by filing a petition in district court within 60 days following the service of this Order.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 23rd day of May, 2006, the foregoing Order of the Board was served on the parties hereto by depositing a copy thereof in the U.S. Mails, postage prepaid, addressed to the parties as follows:

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