

BEFORE THE MONTANA TAX APPEAL BOARD

FILED

JUL 06 2018

Montana Tax Appeal Board

CASE No: PT-2018-4

STARLO MINI STORAGE,

Appellant,

v.

STATE OF MONTANA,
DEPARTMENT OF REVENUE,

Respondent.

FINDINGS OF FACT,
CONCLUSIONS OF LAW, ORDER,
AND OPPORTUNITY FOR JUDICIAL
REVIEW

Before the Montana Tax Appeal Board is appellant Starlo Mini Storage's (Starlo) appeal from the Park County Tax Appeal Board (PCTAB) decision denying its appeal and upholding the DOR value of the Starlo property.

This Board heard this appeal on April 11, 2018.

For the reasons provided below, Starlo's appeal is denied.

ISSUES TO BE DECIDED

1. Whether the DOR assessed Starlo's land and improvements at market value.

FINDINGS OF FACT

Description of the Property

2. The land involved in this appeal is described as follows:

Palace Add (Livingston), S14, T02 S, R09 E, Block 40, Lot 1 - 12, & Block 39 N 60' Lots 1-12 & Lots 13A, 13-17, 17A & Fct'l Block 41 & Vacated Globe St; geocode 49-0802-14-4-02-01-0000.

3. The land is 2.836 acres. DOR Ex. E.

BEFORE THE MONTANA TAX APPEAL BOARD

Starlo Mini Storage v. Montana Dept. of Revenue

4. There are fifteen buildings on the land, occupied by 304 rental storage units. DOR Ex. D; MTAB Hrg. 32:32 – 32:38. One building includes an office, which also has a restroom. Taxpayer Ex. 11.
5. In 2014, Dalen and Wendy Puckett purchased the Starlo mini-storage business for \$1,690,000. DOR Ex. F; MTAB Hrg. 1:10:00 – 1:13:07.

AB-26 – appeal and outcome

6. On July 3, 2017, the DOR mailed Starlo its assessment notice for tax years 2017 and 2018. DOR Ex. A. The DOR's assessment notice stated the Starlo's land and improvements had a total assessed value of \$1,586,800. *Id.*
7. On July 20, 2017, Starlo submitted an AB-26 request for informal review of the value of its property by the DOR. DOR Ex. B.
8. On September 29, 2017, the DOR issued its AB-26 determination letter. DOR Ex. M. The DOR decreased the total market value of Starlo's property to \$1,582,500 based on a measuring error in the DOR's initial assessment. *Id.*; PCTAB Hrg. Transcr. 11:5 – 6; MTAB Hrg. 1:05:20 – 1:05:37. The DOR determined the land had a value of \$246,211 and the improvements a corrected value of \$1,336,289. DOR Ex. E.

PCTAB hearing – appeal and outcome

9. On November 1, 2017, Starlo appealed the DOR's AB-26 determination letter to the PCTAB. DOR Ex. O.
10. Starlo requested the PCTAB find its land and improvements have a total market value of \$1,179,320. *Id.*
11. After hearing all of the evidence and testimony at the December 12, 2017 hearing, the PCTAB denied Starlo's appeal.

BEFORE THE MONTANA TAX APPEAL BOARD

Starlo Mini Storage v. Montana Dept. of Revenue

MTAB hearing

12. On January 10, 2018, Starlo appealed the PCTAB's decision to this Board. Starlo requested a land value of \$315,000, and an improvements value of \$864,320, for a total value of \$1,179,320. In the appeal, Starlo asserted the DOR should value the improvements using the cost approach and not the income approach.
13. On April 11, 2018, this Board conducted a hearing at the Montana Tax Appeal Board office located at 600 North Park Avenue, Helena, Montana.
14. At the hearing, Starlo was represented by Dalen Puckett. Mr. Puckett testified. He called no other witnesses.
15. This Board admitted the following exhibits submitted by Mr. Puckett:
 - a. Taxpayer Ex. 1: Starlo Mini Storage size and property tax bill;
 - b. Taxpayer Ex. 2: Storage facility in Miles City, its size and property tax bill;
 - c. Taxpayer Ex. 3: Storage facility in Virginia City, its size and property tax bill;
 - d. Taxpayer Ex. 4: Storage facility in Sidney, its size and property tax bill;
 - e. Taxpayer Ex. 5: Storage facility in Livingston, its size and property tax bill;
 - f. Taxpayer Ex. 6: Another storage facility in Livingston, its size and property tax bill;
 - g. Taxpayer Ex. 7: ARM 42.20.108;
 - h. Taxpayer Ex. 8: Starlo Mini Storage income and expense data modeled by the DOR;
 - i. Taxpayer Ex. 9: Information about Starlo Mini Storage, along with its rental rates;
 - j. Taxpayer Ex. 10: Starlo Mini Storage occupancy records;
 - k. Taxpayer Ex. 11: Photographs of Starlo Mini Storage office and listing of their business hours;
 - l. Taxpayer Ex. 12: Montana Department of Labor and Industry - State Minimum Wage;

BEFORE THE MONTANA TAX APPEAL BOARD

Starlo Mini Storage v. Montana Dept. of Revenue

- m. Taxpayer Ex. 13: U.S. Bureau of Labor Statistics – May 2016 National Occupational Employment and Wage Estimates for the United States;
 - n. Taxpayer Ex. 14: U.S. Bureau of Labor Statistics – Occupational Employment and Wages, May 2016 for Transportation, Storage, and Distribution Managers.
 - o. Taxpayer Ex. 15: U.S. Bureau of Labor Statistics – May 2016 State Occupational Employment and Wage Estimates for Montana;
 - p. Taxpayer Ex. 16: Breakdown by Starlo of the DOR’s estimated gross income as to labor expenses; and
 - q. Taxpayer Ex. 17: Montana Department of Labor and Industry – Minimum Wage History.
16. At the hearing, the DOR was represented by Jessica DeMarois. The following witness testified in the DOR’s case:
- a. Richard Browning, Lead Appraiser, DOR Property Assessment Division – Gallatin County;
 - b. Brandi Hilton, Area Manager, DOR Property Assessment Division – Park County; and
 - c. Ross Halverson, Income Management Analyst, DOR Property Assessment Division.
17. This Board admitted the following exhibits submitted by the DOR:
- a. DOR Ex. A: Original Assessment Notice;
 - b. DOR Ex. B: AB-26;
 - c. DOR Ex. C: DOR Request for Information;
 - d. DOR Ex. D: Aerial photograph of Starlo Mini Storage;
 - e. DOR Ex. E: 2017 Property Record Card;
 - f. DOR Ex. F: 2014 Realty Transfer Certificate;
 - g. DOR Ex. G: Photographs of Starlo Mini Storage;
 - h. DOR Ex. H: Income and expense sheet;
 - i. DOR Ex. I: Rate sheet;
 - j. DOR Ex. J: Profit and loss statements;
 - k. DOR Ex. K: Income and expense sheets;
 - l. DOR Ex. L: Income and expense information;
 - m. DOR Ex. M: Final determination letter;
 - n. DOR Ex. N: Revised assessment notice;

BEFORE THE MONTANA TAX APPEAL BOARD

Starlo Mini Storage v. Montana Dept. of Revenue

- o. DOR Ex. O: CTAB Appeal;
 - p. DOR Ex. P: Assessment information packet;
 - q. DOR Ex. Q: CTAB decision;
 - r. DOR Ex. R: 2011 – 2017 Property record cards; and
 - s. DOR Ex. S: Excerpts from PAD Appraisal Guide.
18. At the hearing, Mr. Puckett testified the DOR's value included the following errors: (1) Starlo's appraised value and corresponding tax bill were inconsistent with other mini-storage businesses; and (2) the DOR's income approach and model includes payroll data, profits, and other data which are unrealistic. MTAB Hrg. 6:50 – 7:26. In general, Mr. Puckett argued that once the DOR had received Starlo's individual income information, the DOR should use Starlo's actual income data in its model and not rely on its own model. MTAB Hrg. 44:10 – 45:50; 1:54:22 – 1:55:32.

Equalization

19. Mr. Puckett argued Starlo has a higher tax bill than other similarly situated storage businesses in Miles City, Sidney, and even another one in Livingston. Taxpayer Exs. 1 – 6. MTAB Hrg. 10:06 – 18:30.
20. The DOR testified Starlo's location in the city limits of Livingston may explain why it has a higher mill rate and thus a higher tax bill than some other mini-storage businesses in Park County. MTAB Hrg. 1:28:30 – 1:28:45. Starlo is inside Livingston city limits, while the comparables presented by Mr. Puckett, according to the DOR, are outside of town. MTAB Hrg. 1:37:20 – 1:38:02. The DOR also noted a mini-storage in town may have a higher value than a mini-storage located outside of town due to various levies and taxing jurisdictions. *Id.* According to the DOR, these reasons explained the differences between Starlo's tax bill

BEFORE THE MONTANA TAX APPEAL BOARD

Starlo Mini Storage v. Montana Dept. of Revenue

and the other mini-storage properties presented by Mr. Puckett in Taxpayer's Exhibits 1 through 6. *Id.*

Income approach for the Improvements

21. As a commercial property, the DOR testified it used the income approach to value the Starlo property. MTAB Hrg. 1:10:30 – 1:14:30; DOR Ex. E. The DOR's income approach relies on an income model generated from income information collected from businesses similar to the subject's business. MTAB Hrg. 1:27:10 – 1:27:52; 1:40:40 – 1:41:03. For example, if the subject property is a rural mini-warehouse, the DOR will then use the income data from those rural mini-warehouse businesses to generate a value for the subject property. *Id.*
22. Ross Halverson testified the DOR's income model was created by income data from 224 rural mini-warehouse storage businesses across Montana. MTAB Hrg. 1:50:30 – 1:50:42.
23. Mr. Halverson also testified actual income information from the subject business can be used to verify the accuracy of the DOR's income model. MTAB Hrg. 1:41:03 – 1:42:14; 1:50:00 – 1:50:09. If the actual income information does not fall within the income model, the DOR will use the individual income information to re-evaluate its model and even as the factual basis for adjusting a property value. MTAB Hrg. 1:43:30 – 1:44:02; 2:13:00 – 2:14:20.
24. Using its income model, the DOR determined the Starlo property had a market value of \$1,582,500. DOR Ex. E.
25. The DOR also testified its income approach final value was consistent with the actual income information provided by Starlo, and was lower than the market value the DOR would have arrived at had they used

BEFORE THE MONTANA TAX APPEAL BOARD
Starlo Mini Storage v. Montana Dept. of Revenue

- Starlo's actual income information. DOR Ex. H and L; MTAB Hrg. 1:30:00 – 1:31:10; 1:31:46 – 1:32:28; 2:33:56 – 2:35:07.
26. Mr. Puckett asserted the DOR's income approach should be reduced to account for Starlo's actual data. Mr. Puckett outlined two areas where he believed the DOR's model should be adjusted: (1) payroll expenses, and (2) rental income.
27. Regarding payroll expenses, the DOR's income model predicts payroll expenses at 1.7 percent based on actual expense data provided by rural mini-storage businesses. MTAB Hrg. 32:15 – 32:25; Taxpayer Ex. 13, 14, 15, and 16.
28. Mr. Puckett said the 1.7 percent payroll expenses, which includes workers' compensation and insurance, means a full-time employee would make only \$1.52 per hour or ten cents per rental per year to manage a \$1.6 million business. MTAB Hrg. 37:50 - 38:53; Taxpayer Ex. 17. Mr. Puckett admitted he and his wife manage Starlo and that the business does not have any other employees and thus does not have any payroll expenses. MTAB Hrg. 53:10 – 53:47.
29. Regarding rental income, Mr. Puckett testified Starlo's storage facility typically operates at 98.6 to 99.3 percent occupancy. MTAB Hrg. 28:20 – 28:55; Taxpayer Ex. 10. Mr. Puckett testified this means Starlo cannot generate any more income and cannot reach the \$222,432 income modeled by the DOR. MTAB Hrg. 24:10 – 24:23; 26:10 – 26:35; 28:56 – 29:27. In having \$222,432 in general rental income, the DOR's model includes a \$36,701.00 reduction for vacancy and collection loss in the DOR model. DOR Ex. H. Despite the inclusion of vacancy and collection loss, Mr. Puckett testified the DOR's income model's effective gross income estimated \$40,000 more than his actual gross income. MTAB

BEFORE THE MONTANA TAX APPEAL BOARD

Starlo Mini Storage v. Montana Dept. of Revenue

Hrg. 24:10 – 25:17. Mr. Puckett testified, the DOR's value, therefore, should be reduced to account for the \$40,000 difference in income. *Id.* Mr. Puckett made these arguments despite the following: (1) the DOR's model includes a \$36,701.00 reduction for vacancy loss which is not included in Starlo's actual income data; and (2) The DOR's model found Starlo had an effective gross income (EGI) which compares favorably to Starlo's actual gross income in 2015 and 2016. DOR Ex. H.

30. To whatever extent the following conclusions of law may be construed as findings of fact, they are incorporated accordingly.

CONCLUSIONS OF LAW

31. To whatever extent the foregoing findings of fact may be construed as conclusions of law, they are incorporated accordingly.

Jurisdiction

32. Starlo timely appealed the PCTAB's decision to this Board. Therefore, this Board has jurisdiction to hear and decide this matter. *See* Mont. Code Ann. § 15-2-301(1)(b).
33. "In connection with any appeal under [Mont. Code Ann. § 15-2-301], the state board is not bound by common law and statutory rules of evidence or rules of discovery and may affirm, reverse, or modify any decision. To the extent that this section is in conflict with the Montana Administrative Procedure Act, this section supersedes that act." Mont. Code Ann. § 15-2-301(5).
34. The Rules of Evidence do not apply in an appeal under MCA § 15-2-301, which benefits pro se, self-represented taxpayers. A taxpayer will often present evidence which contains hearsay and lacks foundation, and yet this Board admits the evidence because of the leeway provided for in MCA § 15-2-301.

BEFORE THE MONTANA TAX APPEAL BOARD

Stadlo Mini Storage v. Montana Dept. of Revenue

35. Under MCA § 15-2-301(5), this Board is not bound by the rules of discovery or the rules of evidence and may “affirm, modify, or reverse every decision,” this means this Board hears CTAB appeals *de novo*. See *CHS, Inc. v. DOR*, 2013 MT 100, ¶ 29.
36. “A trial *de novo* means trying the matter anew, the same as if it had not been heard before and as if no decision had been previously rendered.” *McDunn v. Arnold*, 2013 MT 138, ¶ 22.

Burden of Proof

37. The taxpayer has the burden to show the DOR’s appraisal should be reduced. Mont. Code Ann. § 26-1-401; and *Farmers Union Cent. Exch. v. Department of Revenue*, 272 Mont. 471 (Mont. 1995).
38. “As a general rule, . . . the appraisal of the DOR is presumed to be correct and the taxpayer must overcome this presumption. The Department of Revenue should, on the other hand, bear a burden of providing documented evidence to support its assessed values.” *Workman v. The Department of Revenue of the State of Montana*, 1997 WL 37203, *1 (Mont.Tax.App.Bd.); citing *Western Airlines, Inc. v. Catherine J. Michunovich, et al*, 149 Mont. 347, 428 P.2d 3 (1967).

Market Value

39. “All taxable property must be assessed at 100 percent of its market value except as otherwise provided.” MCA § 15-8-111(1).
40. “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.” MCA § 15-8-111(2)(a).
41. This Board, upon hearing a tax appeal, may increase or decrease a property value to ensure the property is “assessed at 100 percent of its

BEFORE THE MONTANA TAX APPEAL BOARD

Starlo Mini Storage v. Montana Dept. of Revenue

market value.” *See Puget Sound Energy Inc. v. State Dept. of Revenue*, 2011 MT 141, 255 P.3d 171; and *O’Neill v. Department of Revenue*, 2002 MT 130, 49 P.3d 43.

42. Under Montana law, the DOR can use a combination of approaches – i.e. the market data approach, the income approach, and the cost approach – to value a property. *Albright v. State*, 281 Mont. 196, 208 - 209 (Mont. 1997). The DOR does not have to use only one approach when it “appraises property and estimates market value.” *Id.* at 208.

43. The Montana Supreme Court in *Albright* concluded:

We recognize that the Department’s method of assessing property and estimating market values is by no means perfect, and will occasionally miss the mark when it comes to the Constitution’s goal of equalizing property valuation. However, perfection in this field is, for all practical purposes, unattainable due to the logical and historical preference for a market-based method, and the occasional lack of market data. Nonetheless, we conclude that the Department’s interdisciplinary method – which utilizes the market data approach, the income approach, the cost approach, or some combination of those approaches – is a reasonable attempt to equalize appraisal of real property throughout the State and that it comports with the most modern and accurate appraisal practices available. *Id.* at 213.

44. Regarding the income approach, MCA 15-8-111(2)(c) states:

If the department uses the income approach as one approximation of market value and sufficient, relevant information on comparable sales and construction cost exists, the department shall rely upon the two methods that provide a similar market value as the better indicators of market value.

BEFORE THE MONTANA TAX APPEAL BOARD
Statlo Mini Storage v. Montana Dept. of Revenue

45. The DOR adopted and applies ARM 42.20.108 as to the income approach, which states:

(1) The income approach is based on the theory that the market value of income-producing property is related to the amount, duration, and certainty of its income-producing capacity. The formula used by the department to estimate the market value of income-producing property through application of the income approach to value is $V = I/R$ where:

(a) "V" is the value of the property to be determined by the department;

(b) "I" is the typical property net income which shall reflect market rents, not investment value income or other rents, for the type of properties being appraised; and

(c) "R" is the capitalization rate determined by the department as provided in ARM 42.20.109.

(2) Market rent is the rent that is justified for the property based on an analysis of comparable rental properties, and upon past, present, and projected future rent of the subject property. It is not necessarily contract rent, which is the rent actually paid by a tenant.

46. For the capitalization rates referenced in ARM 42.20.108, ARM 42.20.109 states

(1) When using the income approach, the department will develop overall capitalization rates which may be according to use type, location, and age of improvements. Rates will be determined by dividing the net income of each property in the group by its corresponding valid sale price. The overall rate chosen for each group is the median of the rates in that group.

BEFORE THE MONTANA TAX APPEAL BOARD

Starlo Mini Storage v. Montana Dept. of Revenue

The final overall rate must include an effective tax rate.

(2) If there are insufficient sales to implement the provisions of (1), the department will consider using a yield capitalization rate. The rate shall include a return of investment (recapture), a return on investment (discount), and an effective tax rate. The discount is developed using a band-of-investment method for types of commercial property. The band-of-investment method considers the interest rate that financial institutions lend on mortgages and the expected rate of return an average investor expects to receive on the equity. This method considers the actual mortgage rates and terms prevailing for individual types of property.

(3) A straight-line recapture rate and effective tax rate will be added to the discount rate to determine the yield capitalization rate.

47. This Board heard no testimony from Mr. Puckett challenging the DOR's land value of \$246,211. Instead, Mr. Puckett challenged the DOR finding that Starlo's improvements had a market value of \$1,336,289. Mr. Puckett asserted the improvements had a total value of \$864,320.
48. This Board believes some of Mr. Puckett's testimony and concerns with the DOR's income approach arise from confusion about the income approach and mass appraisal.
49. Montana, like many other states, finds market value for the hundreds of thousands of properties by using mass appraisal methods. As the Montana Supreme Court stated in *Albright*, perfection of valuation is not administratively realistic. 281 Mont. at 213. The DOR generates an income model to value commercial properties. The model may not be perfect, but the goal is to arrive at market value. Here, the DOR's income

BEFORE THE MONTANA TAX APPEAL BOARD

Starlo Mini Storage v. Montana Dept. of Revenue

model did generate data which reasonably approximates Starlo's actual income data. For example, Mr. Puckett argued the DOR's model had Starlo's total rental income at \$222,432, which was \$40,000 higher than Starlo's actual income. However, Mr. Puckett ignored that the DOR's model accounted for vacancy and loss in its income approach, which resulted in EGI in the DOR's income model being almost identical to the model generated using Starlo's actual data; i.e. approximately \$185,000.

50. While Mr. Puckett revealed some possible problems with the DOR's income model as to employee salaries and actual income, Mr. Puckett did not provide evidence explaining why Starlo's improvements have a market value of \$864,320 and thus \$500,000 less than the DOR's value; especially because the DOR's income model and Starlo's actual data are remarkably close.
51. In contrast the DOR supported its value of the Starlo improvements. The DOR provided evidence supporting its income model and the value derived from that model. The DOR's testimony indicated it complied with the above regulations and Montana case law in valuing the Starlo property using the income approach.
52. This Board finds, therefore, Starlo has failed to show the DOR over valued their mini-warehouse storage property and we find the DOR provided sufficient evidence supporting its valuation of the Starlo property.

Equalization

53. At the hearing, Mr. Puckett produced DOR values and tax bills for other commercial mini-storage properties. Mr. Puckett's arguments suggest the DOR failed to equalize when it valued Starlo's land and improvements as compared to these other properties.

BEFORE THE MONTANA TAX APPEAL BOARD

Starlo Mini Storage v. Montana Dept. of Revenue

54. Article VIII, § 3 of the Montana Constitution states, “The state shall appraise, assess, and equalize the valuation of all property which is to be taxed in the manner provided by law.” As to the first requirement that the State shall appraise property, MCA § 15-8-111 states, in pertinent part,

(1) All taxable property must be appraised at 100% of its market value except as otherwise provided.

(2)

(a) 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.

(b) If the department uses the cost approach as one approximation of market value, the department shall fully consider reduction in value caused by depreciation, whether through physical depreciation, functional obsolescence, or economic obsolescence.

55. The Montana Supreme Court has adopted the *Maxwell* test to examine whether the DOR used an arbitrary, capricious, or unlawful appraisal procedure. The *Maxwell* test has been articulated with the following conjunctive elements:

- a. That there are several other properties within a reasonable area similar and comparable to the taxpayers;
- b. The amount of the assessments on these properties;
- c. The actual value of the comparable properties;
- d. The actual value of the taxpayer’s property;
- e. The assessment complained of; and
- f. That by a comparison of the taxpayer’s property is assessed at a higher proportion of its actual value than the ratio existing between the assessed and actual

BEFORE THE MONTANA TAX APPEAL BOARD

Starlo Mini Storage v. Montana Dept. of Revenue

valuations of the similar and comparable properties, thus creating discriminations. *Department of Revenue v. State Tax Appeal Board*, 188 Mont. at 250, 613 P.2d at 694 – 695.

56. “The burden is on the taxpayer to remove this determination from the realm of conjecture or speculation” by presenting “sufficient evidence to justify a finding that the appraisal method employed by the Department violates uniformity, equal protection and due process requirements.” *Id.*
57. “The combined effect of [Article VIII, section 3 of the Montana Constitution, MCA § 15-7-112 and MCA § 15-9-101(1)] requires standardized appraisal methods throughout the state with the ultimate goal that the valuation of taxable property be equalized among the various counties in the state and among individual taxpayers.” *Roosevelt v. Montana Dept. of Revenue*, 1999 MT 30, ¶ 23, 293 Mont. 240, 975 P.2d 295.
58. Applying the above law, the Montana Supreme Court has found a constitutional violation occurs if the DOR uses “different standards to value similar property.” *Covenant Investments, Inc. v. State, Department of Revenue*, 2013 MT 215, ¶ 11, 371 Mont. 186, 188, 308 P.3d 54, 56; *citing Dept. of Revenue v. Barron*, 245 Mont. 100, 799 P.2d 533 (Mont. 1990); *Dept. of Revenue v. Sheehy*, 262 Mont. 104, 862 P.2d 1181 (Mont. 1993); and *Dept. of Revenue v. State Tax Appeal Board*, 188 Mont. at 248, 613 P.2d at 693.
59. An equal protection violation will likely arise “if different valuation statistics are applied to different pieces of property in the same legal classification, [because] an illegal disparity in valuation is likely to result.” *Dept. of Revenue v. State Tax Appeal Board*, 188 Mont. at 248, 613 P.2d at 693.

BEFORE THE MONTANA TAX APPEAL BOARD

Starlo Mini Storage v. Montana Dept. of Revenue

60. A distinction can be made between an equalization violation and a property simply having a higher valuation because of a property's uniqueness. "DOR's methods of assessing property are by no means perfect, and equalization of values may be based upon divergent circumstances of similarly situated taxpayers." *Ostergren v. State, Dept. of Revenue*, 2004 MT ¶ 20; *referencing Albright v. State* (1997), 281 Mont. 196, 211 – 213, 933 P.2d 815, 824 – 826. Different values do not mean the DOR ignored its requirement to equalize because while the properties may be similar, "there are numerous distinct factors that go into assessing tax liabilities for these properties." *Id.*
61. When the evidence and testimony of both parties is considered, we find Mr. Puckett did not provide any credible evidence the DOR failed to equalize the Starlo property. Mr. Puckett did present evidence showing some mini-storage properties have lower tax bills. Based on the credible testimony provided by the DOR, these various mini-warehouse tax bills differ because those properties are in different taxing jurisdictions with different mill rates and/or are out of town and have a lower mill rate. A higher tax bill does not constitute evidence the DOR violated the Montana Constitution when it valued the Starlo property.
62. Therefore, this Board finds the DOR satisfied its constitutional requirements to equalize in valuing Starlo's property.

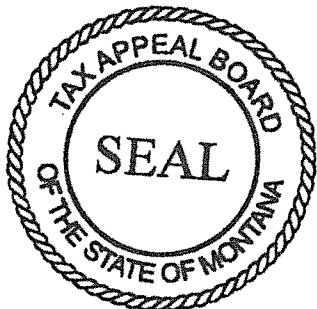
BEFORE THE MONTANA TAX APPEAL BOARD

Starlo Mini Storage v. Montana Dept. of Revenue

ORDER


1. For the reasons provided above, Starlo's appeal is denied.
2. For the 2017 and 2018 tax years, the DOR's value of the property at geocode 49-0802-14-4-02-01-0000 is affirmed as follows:
 - a. The land has a value of \$246,211;
 - b. The improvements have a value of \$1,336,289;
 - c. For a total value of \$1,582,500.

Ordered July 6th, 2018.






David L. McAlpin, Chairman
MONTANA TAX APPEAL BOARD



Stephen A. Doherty, Member
MONTANA TAX APPEAL BOARD



Valerie A. Balukas, Member
MONTANA TAX APPEAL BOARD

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).

BEFORE THE MONTANA TAX APPEAL BOARD

Starlo Mini Storage v. Montana Dept. of Revenue

Certificate of Service

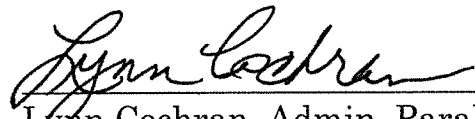
I certify that I caused a true and correct copy of the foregoing *Findings of Fact, Conclusions of Law, Order, and Opportunity for Judicial Review* to be sent by United States Mail via Print and Mail Services Bureau of the State of Montana on July 6, 2018 to:

Starlo Mini Storage
Dalen & Wendy Puckett
201 Monroe Street
P.O. Box 241
Polson, MT 59860

Jessica DeMarois
Montana Department of Revenue
Legal Services Office
P.O. Box 7701
Helena, MT 59604-7701

Park County Tax Appeal Board
c/o Emily Post
Park County Commission
414 East Callender Street
Livingston, MT 59047-2799

Property Assessment Division
Montana Department of Revenue
P.O. Box 8018
Helena, MT 59604-8018



Lynn Cochran, Admin. Paralegal
MONTANA TAX APPEAL BOARD