

JUL 07 2025

Montana Tax Appeal Board

GREGORY L. ACTON and CAPRICE
A. ACTON,

Appellants,

v.

STATE OF MONTANA,
DEPARTMENT OF REVENUE,

Respondent.

CASE №: PT-2024-84
111 Texas Ave. Whitefish**FINDINGS OF FACT,
CONCLUSIONS OF LAW, ORDER,
AND OPPORTUNITY FOR
JUDICIAL REVIEW****STATEMENT OF THE CASE**

This is an appeal of a final decision by the Flathead County Tax Appeal Board (CTAB) denying Gregory L. Acton and Caprice A. Acton, (Taxpayers) a reduction in value on the subject property located at 111 Texas Ave., Whitefish, Montana (Subject Property). The Taxpayers appealed that outcome to the Montana Tax Appeal Board (MTAB) on December 17, 2024. We modify the CTAB's determination.

ISSUE TO BE DECIDED

Whether the CTAB erred in denying the Taxpayers' request for a value reduction to the Subject Property.

EXHIBIT LIST

The following evidence was submitted at the hearing:

Taxpayer Exhibits:

1. 111 Texas Discussion;
2. Land Model Value Exhibits;
3. 111 Texas Comparable Sales Analysis Exhibits;
4. 145 Texas discussion;
5. 145 Texas Comparable sales Analysis; and
6. Supplemental Exhibits.

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DOR Exhibits:

- A. 2024 Revised Classification and Appraisal Notice;
- B. 111 Assessment Packet;
- C. 111 Property Record Card;
- D. Land Model;
- E. Neighborhood Maps 240.0.260.1;
- F. Land Packet;
- G. 111 Comparable Sales; and
- H. 2023 Sales Packet.

PROCEDURAL HISTORY

This is an appeal of tax year 2024. *Ex. A-111*. The DOR valued the Subject Property at \$920,500 for the 2024 appraisal cycle, with the land valued at \$413,655 and the improvements valued at \$506,845. *Ex. C*. The Taxpayer appealed the DOR's valuation to the CTAB on October 9, 2024, requesting a land value of \$222,800 and an improvements value of \$717,420. *MTAB Dkt 3*. The CTAB hearing was held on November 15, 2024, and the CTAB's decision denying the Taxpayer's application for reduction was sent to the parties on November 18, 2024. The Taxpayer appealed to MTAB on December 17, 2024, per Mont. Code Ann. § 15-2-301, requesting a land value of \$192,955, and an improvements value of \$492,420, for a total value of \$685,375, or alternatively a change to the Subject Property's DOR neighborhood from 207.240.0 to 207.260.1 for a total value of \$693,161. *MTAB Dkt 1*. The MTAB hearing was conducted in Helena on April 15, 2025, at which the following were present:

- a. Gregory L. Acton, Taxpayer; and
- b. Katherine E. Talley, DOR Counsel; Andrew Pritchard, Lead Appraiser; Dawn Cordone, Area Manager; Jake Thiesen (by Zoom), Modeler; and Amanda Farnsworth (by Zoom), Observer.

The record includes all materials submitted to CTAB, a recording of the CTAB hearing, all materials submitted to MTAB with the appeal, additional exhibits submitted by the parties prior to and at the MTAB hearing, and a transcript of the MTAB hearing.

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This dispute consists of two appeals from the Taxpayer, PT-2024-84 and PT-2024-85. *MTAB Hr'g Tr. 2:13-22, 75:14-76:15*. The valuation of the two properties were appealed together and the same Taxpayer represented both properties at the April 15, 2025, hearing. *Id.* Although each property has a separate geocode, MTAB heard both appeals together for the convenience of the parties and judicial efficiency. *Id.* The two properties are:

A. 111 Texas Ave., geocode 07-4292-25-4-01-20-0000; and

B. 145 Texas Ave., geocode 07-4292-25-4-01-23-0000.

Due to both appeals being heard at the same time, there is one transcript. Much of the testimony and several exhibits apply to both properties. Since each property has a separate geocode, MTAB is issuing separate opinions for each property.

FINDINGS OF FACT

1. To whatever extent the following findings of fact may be construed as conclusions of law, they are incorporated accordingly.
2. The Subject Property is a 2.29-acre improved property owned by Gregory L. & Caprice A. Acton. *Ex. B-111*. The Subject Property is located at 111 Texas Ave. Whitefish, Montana and is also identified by its geocode 07-4292-25-4-01-20-0000. *Id.* The Subject Property includes a 2,611 square foot house, a framed garage, and three porches. *Id.*
3. The DOR valued the Subject Property at \$920,500 for tax year 2024, allocating \$413,655 to the land and \$506,845 for the improvements. *Ex. C-111*. At the November 15, 2024, CTAB hearing, the Taxpayer requested a land value of \$222,800 and an improvements value of \$717,420. *MTAB Dkt. 3*. The CTAB denied the Taxpayer's request and maintained the DOR's valuation of \$920,500. *Id.* The Taxpayer appealed to MTAB on December 17, 2024, asserting that the

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market value of the Subject Property should be \$685,375, or that it should be moved to DOR neighborhood 207.260.1. *MTAB Dkt 1*. The DOR maintained that the market value for the Subject Property is \$920,500 and that it was placed in the correct neighborhood. *MTAB Hr'g Tr. 3:7-11*.

4. The Taxpayer argued that the DOR methodology for determining land values starts with establishing DOR neighborhoods within a market area. *MTAB Hr'g Tr. 7:3-19*. The Taxpayer defined DOR neighborhoods as a collection of properties defined by natural, man-made, or political boundaries that share locational and physical similarities. *Id.* Additionally, the DOR manual states that physical, economic, governmental, and social influences directly affect a property's value. *Id.* The Taxpayer argues that the Subject Properties' neighborhood, 207.240.0, chosen by the DOR, is quite diverse and includes properties with lake views, commercial properties, homes with Whitefish Lake Lodge amenities, and properties located on Stillwater Lake. *Id.* The Taxpayer argues that using sales with additional amenities to value the Subject Property has a detrimental effect and inflates the value of the Subject Property. *MTAB Hr'g Tr. 8:4-12*. The Taxpayer stated that the majority of the sales in the DOR neighborhood 207.240.0 are high-end properties that are second homes and are not locationally or physically similar to a typical residential lot in Whitefish. *Id.*
5. Taxpayer presented Exhibit 2 to demonstrate that the majority of the sales used by the DOR are not urban residential but rather are located on superior mountainside lots with views of the valley or lake and contain added amenities. *Ex. 2; MTAB Hr'g Tr. 8:13-17*. Taxpayer argues that the DOR miscalculated the land-to-improvement value of comparable properties, resulting in higher sales prices and, in Exhibit 2 page 14, made only a minimal adjustment, which significantly affected the land market value. *Ex. 2; MTAB Hr'g Tr. 8:21-9:14*. The Taxpayer argued his Exhibit 2, pages 7 and 8, contains two lots that were not representative of the other lots in the DOR model because of zoning and superior views. *Id.*

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6. The Taxpayer had a particular interest in building sites valued at \$388,500, with an incremental rate of \$19,500. *MTAB Hr'g Tr. 10:7-21*. The Taxpayer pointed to a sale in Exhibit 2 page 13 which was used by the DOR, and noted that the comparable properties are in a gated community and are not typical of a residential lot. *Ex 2; MTAB Hr'g Tr. 10:22-11:18*. Additionally, the comparable property was valued at \$385,000, while other lots in the same subdivision sold for \$150,000 less. *Id.* Taxpayer claims that out of the 54 properties used in the model, the DOR selected the 16 highest value properties to value the Subject Property. *MTAB Hr'g Tr. 16:19-23*. The Taxpayer further argued that the DOR compared the Subject Property to properties with lake frontage, and according to the DOR's appraisal manual, lake frontage has the potential to add value to any property. *Id.*
7. Taxpayer stated that the Subject Property is one of the original five-acre parcels in the Whitefish Townsite Company Subdivision. *MTAB Hr'g Tr. 12:19-13:2*. Due to the DOR's valuation process and misapplication of comparable properties, the Subject Property is valued in a model with a sales influence that ranges from \$400,000 to \$1,100,000. *Ex. 2; MTAB Hr'g Tr. 12:19-13:2*. Taxpayer claims that the Subject Property would be valued lower if it were included in neighborhood 207.260.1, the same neighborhood as the property directly to the east of the Subject Property. *Id.* The Taxpayer presented DOR neighborhood maps showing all of the neighborhood boundaries used in the DOR's land model. *Ex. 2; MTAB Hr'g Tr. 13:2-15:2*. Using these maps, the Taxpayer pointed out that several of the DOR neighborhoods had diverse properties including some with lake frontage, river frontage, access to downtown Whitefish, and bordering golf courses. *Id.*
8. Taxpayer points out that while DOR does a good job investigating and making notes about properties in the model, the information does not get entered into the DOR's Computer Assisted Mass Appraisal (CAMA) system for use when selecting the DOR's comparable properties. *MTAB Hr'g Tr. 15:13-15:9*. Additionally, the Taxpayer argued that the Subject Property shares the same

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influence type as properties in gated communities with lake access or lake views. *MTAB Hr'g Tr. 17:22-18:5*. Taxpayer claims that the Subject Property is more similar to properties in DOR neighborhood 207.260.1 than the properties in DOR neighborhood 207.240.0. *MTAB Hr'g Tr. 19:5-16*.

9. The Taxpayer argues that the three comparable properties used to value the Subject Property are not comparable. *Ex. H 111; MTAB Hr'g Tr. 20:1-22*. Taxpayer argued that the comparable properties have lake frontage or are located adjacent to a golf course and are not comparable to modest residential properties like the Subject Property. *Id.* Taxpayer testified that the DOR's Exhibit H 111 contains 650 sales, with 29% of the sales exceeding \$1,000,000. *MTAB Hr'g Tr. 21:6-22:10*. Furthermore, 23% of the sales fell below \$500,000 and 55% of the sales are under \$750,000, with eight out of ten sales being made to out-of-state buyers. *Id.* Taxpayer testified that when valuing the Subject Property, the DOR included one sale in the square foot land model from the Subject Property's DOR neighborhood that sold for more than two million dollars. *Id.*
10. The Taxpayer went on to testify about the five DOR comparable properties used in the DOR's comparable analysis to value the improvements and land of the Subject Property. *Ex. B111; MTAB Hr'g Tr. 22:11-29:12*. Taxpayer described numerous differences between the comparable properties and the Subject Property including the different property grades, better views, landscaping, remodeled interior spaces, fireplaces, superior locations, and zoning for overnight rentals. *Id.* The Taxpayer brought up the Subject Property's neighbor, stating that the neighboring property was assigned a grade of five, as compared to the Subject Property's assigned grade of six. *Id.* Taxpayer testified that one of the DOR comparable properties, which is also the Subject Property's neighbor, had its sale price reduced by \$100,000 because a deck needed to be removed. *Id.* The comparable property ended up selling below the Subject Property's assessed value, but close to the listing price. *Id.*

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11. The Taxpayer found several properties contained in DOR Exhibit H111 that he considered to be more comparable to the Subject Property that were not considered by the DOR in their valuation. *Ex. H111, Ex. 3; MTAB Hr'g Tr. 29:23-32:3*. All of the comparable properties selected by the Taxpayer were in the Subject Property's market area and the same DOR neighborhoods, except one. *Id.* The Taxpayer did an independent sales comparison analysis using properties in neighborhood 207.260.1. *Id.* Using his comparable analysis, the Taxpayer argued that his comparable properties are more similar to the Subject Property than those chosen by the DOR. *Id.* Additionally, the Taxpayer contended that his comparable properties are similar in age, condition, desirability, and utility (CDU), and grade. *MTAB Hr'g Tr. 35:8-17*. The Taxpayer also made adjustments to his comparable properties' values, to the best of his ability, to account for differences between the comparable properties and the Subject Property. *MTAB Hr'g Tr. 35:23-36:19*.
12. DOR Area Manager, Dawn Cordone, testified that she became involved with the appraisal at the AB-26 review level. *MTAB Hr'g Tr. 38:16-23, 47:1-20*. Ms. Cordone testified that when the DOR visited the Subject Property, they discovered an additional structure (145 Texas Ave.) and added it to the tax rolls for tax year 2024. *Id.* Because the new structure was not complete at the time, the DOR elected not to add it to the tax rolls for tax year 2023. *MTAB Hr'g Tr. 94:23-95:3*.
13. Ms. Cordone testified that the DOR values all land using the sales comparison approach, while improvements are valued using either the sales comparison approach or the cost approach, and both were based on a January 1, 2022, lien date. *MTAB Hr'g Tr. 39:22-40:3, 40:12-41:13*.
14. Ms. Cordone testified that when the DOR values land, they create neighborhoods to account for the different characteristics of properties. *MTAB Hr'g Tr. 44:1-*

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45:6. By creating neighborhoods, the DOR is able to account for any additional amenities of a property or its location. *Id.*

15. DOR Appraiser, Andrew Pritchard, testified that DOR neighborhoods are established through market transactions, grouping similar property types based on location, market characteristics, or property characteristics. *MTAB Hr'g Tr. 50:14-22.* Additionally, DOR neighborhoods are important because they compare properties based on function, use, utility, and location. *Id.* When determining the Subject Property's neighborhood, Mr. Pritchard testified that location is important. *Id.* The DOR used neighborhoods with urban locations and similar market transactions to value the Subject Property. *Id.* DOR Modeler, Jake Thiesen, testified that DOR neighborhoods are created based on physical, economic, governmental and social factors, or "PEGS" standards, but also take into account market transactions. *MTAB Hr'g Tr. 67:11-24.* Mr. Thiesen testified that DOR appraisers and the area manager delineate the boundaries of DOR neighborhoods. *Id.*
16. Mr. Pritchard testified that DOR neighborhood boundaries often change and that the boundaries of neighborhood 207.240.0 will expand in the future to encompass the Subject Property's eastern neighbors due to their desirable location. *MTAB Hr'g Tr. 50:24-51:6.* Mr. Pritchard believes the Subject Property is in the right DOR neighborhood based on market transactions and other sales that occurred close to Texas Avenue. *MTAB Hr'g Tr. 51:7-19.*
17. When asked by the Board about other rural parcels in Model 270.240.0, including the Bar W Guest Ranch in Round Prairie and other lots north of Whitefish close to Stillwater Lake, Mr. Pritchard testified that those properties have similar desirability and were included in the 270.240.0 neighborhood because they "fit in well." *MTAB Hr'g Tr. 56:12-57:18.* Mr. Pritchard testified that the properties on Stillwater Lake had similar desirability to other properties in the 270.240.0 neighborhood because of the waterfrontage. *Id.* While the properties to the north

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of the Subject Property have waterfrontage, Mr. Pritchard testified that they did not have enough sales to make a neighborhood on the lower Stillwater Lake. *Id.* Instead, the DOR decided that the properties adjacent to the creek shared similar desirability and fit well, pricing-wise, with the 270.240.0 neighborhood east of Whitefish Lake. *Id.*

18. Mr. Pritchard and Mr. Thiesen testified that the Subject Property's land was valued using an additive land model, where the DOR determines a base rate and then multiplies it by the incremental rate to get the final value of \$413,000 for the land value. *MTAB Hr'g Tr. 55:6-16, 70:2-8.* Mr. Thiesen testified that the model used to value the Subject Property included sixty sales that occurred in 2021. *MTAB Hr'g Tr. 68:22-69:9.* Additionally, Mr. Thiesen testified that the DOR's model includes several different measures to test its accuracy, and all of these measures were within acceptable ranges, resulting in a statistically sound model. *MTAB Hr'g Tr. 71:23-72:24.*
19. Mr. Pritchard testified that the Subject Property is located on the outskirts of Whitefish, where it transitions into a more rural area. *MTAB Hr'g Tr. 49:12-50:2.* The Subject Property is a desirable property due to its size and close proximity to Whitefish. *Id.* Mr. Pritchard testified that while some of the comparable properties do have added amenities, the DOR balanced the Subject Property's desirable size with the amenities of the comparable properties that are typically less than a quarter acre when determining value. *MTAB Hr'g Tr. 59:5-17, 62:4-12.*
20. Mr. Pritchard testified that the DOR valued the Subject Property, including the land and improvements, using the sales comparison approach to value. *MTAB Hr'g Tr. 52:1-17.* The DOR used five adjusted comparable sales during the DOR comparable sales analysis. *Id.* The DOR also determines the weighted average value and the multiple regression analysis (MRA) value. *Id.* Using the five adjusted sales prices, the weighted average, and the MRA, the DOR then removes

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the highest price and the lowest price and averages the remaining five for a final value. *Id.*

21. Mr. Pritchard testified that the comparability points for the DOR comparable properties used to value the Subject Property were 127, 152, and 308. *MTAB Hr'g Tr. 53:19-54:2*. Lower comparability points indicate the DOR made fewer adjustments to make the comparable properties similar to the Subject Property. *Id.* When asked by the Board, Mr. Pritchard testified that the comparability points of the comparable properties might be high due to adjustments made when changing neighborhoods from 207.240.0 to 207.260.1 to use as comparisons for valuing the Subject Property. *MTAB Hr'g Tr. 58:15-25*.
22. Comparable sales are typically time-trended to the lien date; however, since all sales used were from 2021, Mr. Thiesen testified that the sales indicated a close enough timeframe from the lien date to not be time-trended. *MTAB Hr'g Tr. 69:10-17*.
23. Ms. Cordone testified that the comparable properties used by the Taxpayer included several inconsistencies and were not based on the lien date. *MTAB Hr'g Tr. 42:13-22*. Additionally, Mr. Pritchard disagreed with the Taxpayer's comparable properties because of significant remodels that occurred at the time of sale, and the property characteristics changing. *MTAB Hr'g Tr. 53:1-14*. Several of the comparable properties used by the Taxpayer were resold after the remodels for significantly more. *Id.*
24. Mr. Pritchard testified that Flathead County has appreciated at an average rate of 46%, with Whitefish experiencing the highest appreciation, ranging between 70% and 80%. *MTAB Hr'g Tr. 99:10-100:2*. Mr. Pritchard pointed out that one of the Taxpayer's proposed comparable properties had sold three times in recent years and had appreciated significantly between sales. *Id.*

JURISDICTION AND STANDARD OF REVIEW

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25. The Montana Tax Appeal Board is an independent agency not affiliated with the Montana Department of Revenue. *Mont. Const., Art. VIII § 7; Mont. Code Ann. § 15-2-101*. The Taxpayer filed a timely appeal of the DOR's decision to the MTAB. Therefore, this Board maintains jurisdiction to hear and decide this matter. *Mont. Code Ann. § 15-2-301*.
26. This Board may hear appeals de novo. *Dept. of Revenue v. Burlington N.*, 169 Mont. 202, 213-14, 545 P.2d 1083 (1976). "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, 370 Mont. 270, 275, 303 P.3d 1279, 1282.
27. The Board's order is final and binding upon all parties unless changed by judicial review. *Mont. Code Ann. § 15-2-301(6)*.

CONCLUSIONS OF LAW

28. To whatever extent the following conclusions of law may be construed as findings of fact, they are incorporated accordingly.
29. "All taxable property must be appraised at 100% of its market value...." *Mont. Code Ann. § 15-8-111*.
30. "[I]n connection with any appeal under [Mont. Code Ann. § 15-2-301], the Montana 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)*.
31. DOR is entitled to a "presumption of correctness if its decisions are pursuant to an administrative rule or regulation, and the rule or regulation is not arbitrary, capricious or otherwise unlawful." *Burlington N.*, 169 Mont. at 214, 545 P.2d at

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1090. 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 v. Michunovich, 149 Mont. 347, 353, 428 P.2d 3, 7 (1967).

32. The Taxpayer bears the burden of proving the error of DOR's decision. *Farmers Union Cent. Exch. v. Dep't of Revenue*, 272 Mont. 471, 476, 901 P.2d 561, 564 (1995); *Western Air Lines*, 149 Mont. at 353, 428 P.2d at 7.
33. "'Assessment formulations' by [the Montana Tax Appeal Board] should be upheld unless there is a clear showing of an abuse of discretion." *Peretti v. 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); see *Northwest Land & Dev. v. State Tax Appeal Bd.*, 203 Mont. 313, 317, 661 P.2d 44, 47 (1983) (overruled on other grounds by *DeVoe v. Dep't of Revenue*, 263 Mont. 100, 866 P.2d 228 (1993)).
34. The term "improvements" includes all buildings, structures, fences, and improvements situated upon, erected upon, or affixed to land. *Mont. Code Ann. § 15-1-101(1)(i)*.
35. The Legislature intended the Department to utilize a number of different approaches or combination of approaches, including the income approach, sales comparison approach, and cost less depreciation approach, depending on the market where the appraisals take place, when it assesses property and estimates market value. *Albright v. State*, 281 Mont. 196, 208-09, 933 P.2d 815, 823 (1997).

DISCUSSION

36. The Taxpayer presented several arguments relating to why the value of the Subject Property should be reduced. After reviewing all the evidence, and for the reasons set forth below, this Board modifies the CTAB's decision.

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37. The Taxpayer argued that when the DOR valued the Subject Property it was placed into the wrong neighborhood. The Taxpayer presented DOR neighborhood maps showing the boundaries of all DOR neighborhoods used to value the Subject Property. The Taxpayer demonstrated to this Board that the Subject Property fits more accurately in neighborhood 207.260.1 rather than the DOR assigned neighborhood of 207.240.0. The Taxpayer presented evidence that several of the properties in DOR neighborhood 207.240.0 are not comparable to the Subject Property. The Subject Property is a larger parcel that is situated on the outskirts of Whitefish. The Subject Property does not have any water access and is in a typical residential neighborhood. The Taxpayer's testimony and exhibits have convinced this board that neighborhood 207.240.0 is quite diverse and includes properties that are not comparable to the Subject Property's neighborhood. Several of the properties presented by the Taxpayer are located far to the north and have waterfront views or access. While the DOR gave testimony that all the sales in neighborhood 207.240.0 had similar market transactions, the Board feels the DOR did not take into account the other "PEGS" standard used when the DOR creates neighborhoods. The DOR testified that they used urban locations with similar market transactions to value the Subject Property. While this may be true, the Board agrees with the Taxpayer that several of the properties in neighborhood 207.240.0 are not similar properties. The DOR testified that location is a key component to creating neighborhoods and since several of the properties are located further to the north and west of the Subject Property, the Board finds that 207.240.0 is the more appropriate neighborhood. Mr. Pritchard testified that the Subject Property is located on the outskirts of Whitefish. The Board finds DOR neighborhood 207.260.1 is a better fit with the location of the Subject Property.
38. Additionally, location is only one of the 'PEGS' standards. When selecting a neighborhood, the DOR must also consider the function, use, and utility of the property. The Board agrees with the Taxpayer that the properties in neighborhood

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207.240.0 don't share the same "PEGS" characteristics as the Subject Property. The Taxpayer demonstrated that the properties in neighborhood 207.240.0 are on smaller lots, some have water access, and many are in gated communities, all of which are characteristics not shared by the Subject Property. While the Subject Property, based on market transactions, is a good fit for DOR neighborhood 207.240.0 there are other factors that must be considered. As evidence of this, the Board wants to point out that when trying to find comparable properties to value the Subject Property, the DOR had to go outside of the Subject Property's neighborhood for three of the five comparable properties. Going outside the Subject Property's neighborhood substantially raised the comparable properties' comparability points, including the Subject Property's neighbor which was used as a DOR comparable property. Additionally, the Board does not feel that a guest ranch located on highway 93, and properties on the Stillwater River are locationally relevant to the Subject Property.

39. The Board finds that the model used by the DOR to value the Subject Property is accurate and statistically sound. The DOR presented evidence showing that the model fell within the allowable statistical ranges and is reliable. The DOR also testified that the model contained sixty sales with all of the sales occurring close to the lien date, indicating that the model has more than enough data to be reliable. The Board finds that the model used by the DOR is credible.
40. The Board would like to acknowledge Mr. Pritchard's testimony relating to the appreciation in Flathead County. Flathead County has seen tremendous growth. Mr. Pritchard's testimony relating to properties selling three times, each time at a significant mark-up, is proof of the appreciation occurring in Flathead County.
41. The Taxpayer argued that the comparable properties used by the DOR were not comparable to the Subject Property. The Taxpayer claimed that many of the comparable properties had different features such as different grades, landscaping, remodeled interiors, and different zoning. While the Taxpayer gave several examples of why the DOR comparison analysis was incorrect, we disagree. Every

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property is different, making the adjustments applied to each comparable property a critical component of the valuation process. The DOR testified that they accounted for inconsistencies between the Subject Property and the DOR's comparable properties which were highlighted by the Taxpayer. The DOR is mandated to use mass appraisal. The DOR cannot appraise each property separately and must rely on the CAMA system to produce comparable sales. The DOR visits each property to ensure the characteristics, including grade and CDU, are correct for each property. Using these verified characteristics, the CAMA system produces the most comparable properties available. While there is more information that could be entered, as suggested by the Taxpayer, this Board is convinced the DOR is doing everything they can to include all relevant information in the CAMA system for valuing property.

42. Additionally, as a safeguard, the DOR uses the weighted average value and the MRA value when valuing the Subject Property. Using the five comparable properties produced by the CAMA system, the weighted average, and the MRA, the DOR dropped the highest and the lowest values and averaged the remaining values. This process of mass appraisal is a recognized appraisal practice nationwide and the Board finds it acceptable.

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ORDER

43. For tax year 2024, the DOR is ordered to recalculate the Subject Property's value based on the model for neighborhood 207.260.1 (South and East Whitefish Rural-Residential.)

Dated this 7th day of July 2025.



A handwritten signature in blue ink, appearing to read "Travis Brown", written over a horizontal line.

Travis Brown, Chairman

A handwritten signature in blue ink, appearing to read "Adam Millinoff", written over a horizontal line.

Adam Millinoff, Member

A handwritten signature in blue ink, appearing to read "Chris Murphy", written over a horizontal line.

Chris Murphy, Member

Notice: You are entitled to judicial review of this Order by filing a petition in district court within 60 days of the service of this Order. The Department of Revenue shall promptly notify this Board of any judicial review to facilitate the timely transmission of the record to the reviewing court. *Mont. Code Ann. §15-2-303(2).*

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Certificate of Service

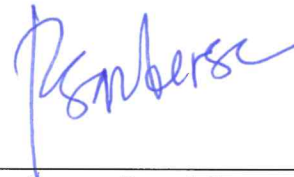
I certify that I caused a true and correct copy of the foregoing Findings of Facts and
Conclusions of Law to be sent by email and United States Mail via Print & Mail
Services Bureau of the State of Montana on July 7, 2025, to:

Gregory L. Acton
Caprice A. Acton
111 Texas Ave
Whitefish, MT 59937

Katherine E. Talley
State of Montana, Department of Revenue
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