

JANET S. JOERLING-LEONARD,

Appellant,

v.

STATE OF MONTANA,  
DEPARTMENT OF REVENUE,

Respondent.

CASE №: PT-2024-56

**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 Park County Tax Appeal Board (CTAB) denying Janet S. Joerling-Leonard, (Taxpayer) a reduction in value on the subject property located at 75 Bridger Meadow Lane, Pray, Montana (Subject Property). The Taxpayer appealed that outcome to Montana Tax Appeal Board (MTAB) on June 10, 2024. We modify the CTAB’s determination.

**ISSUE TO BE DECIDED**

Whether CTAB erred in denying Taxpayer’s request for a reduction in value on the Subject Property.

**EXHIBIT LIST**

The following evidence was submitted at the hearing:

Taxpayer Exhibits:

1. CoreLogic Report;
2. Dream Home Calculator;
3. Construction Analytics Sheet;
4. Montana Land Market Statistics Chart and 2023 Summary of Land Values;

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5. United States Department of Agriculture Regional News Release: Land Values and Cash Rents dated 8/4/23;
6. Exhibit was not Introduced at Hearing;
7. Exhibit was not Introduced at Hearing;
8. Full Unconditional Lien Waiver and Release dated 4/10/23;
9. Photograph of Subject Property Window;
10. Photograph of Subject Property Ceiling;
11. Photograph of Subject Property Ceiling; and
12. Special Order Quote from The Home Depot dated 6/7/2018.

DOR Exhibits:

- A. MCA Rules/Department of Revenue Property Assessment Procedure;
- B. 75 Bridger Meadow Lane Property Assessment Appeal;
- C. Form AB-26 Determination Letter dated 11/2/23;
- D. Classification and Appraisal Notice dated 11/8/23;
- E. Form AB-26 Determination Letter dated 11/28/23;
- F. Classification and Appraisal Notice dated 12/5/23;
- G. 2023 Property Record Card;
- H. Property Photos;
- I. Economic Condition Factor;
- J. 2023 Residential Cost Calculations;
- K. 2022 Land Valuation Worksheet;
- L. 2023 SFR Cost Data Sheet;
- M. 2023 Cost Breakdown;
- N. Materials Cost Increase; and
- O. Test of Reasonability with Map.

**PROCEDURAL HISTORY**

The DOR valued the Subject Property at \$596,532 for the 2023/2024 appraisal cycle, with the land valued at \$112,282 and the improvements valued at \$484,250. *Ex. G.* The Taxpayer filed an AB-26, Request for Informal Classification and Appraisal Review, with the DOR on July 30, 2023, requesting that the non-qualified agricultural

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land be valued at \$1,087, the one-acre homesite be valued at \$51,300, and the improvements be valued at \$341,760 for a total value of \$393,060. *MTAB Dkt. 3*. The DOR sent a Form AB-26 Determination Letter to the Taxpayer dated November 2, 2023, increasing the value of the Subject Property to \$602,802 due to adjustments made during the onsite review. *Ex. C*. The DOR sent a revised AB-26 determination letter to the Taxpayer dated November 28, 2023, which lowered the value of the Subject Property to \$596,532, following an adjustment correcting the bathroom count. *Ex. E*. The Taxpayer appealed the DOR's valuation to the CTAB on December 28, 2023, requesting a total land value of \$52,387 and an improvements value of \$341,760. *MTAB Dkt. 3*. The CTAB hearing was held on May 9, 2024, and the CTAB's decision denying the Taxpayer's application for reduction was sent to the parties on May 9, 2024. *Id.* The Taxpayer appealed to MTAB on June 10, 2024, per Mont. Code Ann § 15-2-301, requesting a total land value of \$82,335 and an improvements value of \$413,005, for a total of \$495,340. *MTAB Dkt. 1; MTAB Hr'g Tr. 3:8-10*. The MTAB hearing was conducted in Helena on January 9, 2025, at which the following were present:

- a. Stanley Wisniewski, Taxpayer Representative (via Zoom); and
- b. Samuel Kane, DOR Counsel; Tina Oliver, Area Manager; Tim Skop, Modeler; Hillary Taylor, Appraiser; Kassie Hawbaker, Paralegal; and Colton Parker, Observing.

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.

### 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 residential home owned by Janet S. Joerling-Leonard. *Ex. G*. It is located at 75 Bridger Meadow Lane, in Pray, Montana, and is also

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identified by its geocode 49-0432-29-2-01-04-0000. *Id.* The Subject Property is 20.636 acres in total size and includes a 320 square foot lean-to and a 621 square foot concrete pad. *Ex. G, J.*

3. The DOR valued the Subject Property at \$596,532 for the 2023 and 2024 appraisal cycle, with the land valued at \$112,282 and the improvements valued at \$484,250. *Ex. G.* Taxpayer requested an AB-26 Informal Classification and Appraisal Review on July 30, 2023, and an onsite review was conducted in which the DOR made adjustments to the square footage count, number of plumbing fixtures, and other aspects of the Subject Property. *Ex. C, E; MTAB Hr'g Tr. 27:10-28:22.* The DOR issued a final determination letter on November 2, 2023, which raised the value of the Subject Property from \$593,962 to \$602,802 due to the adjustments made during the onsite review. *Id.* Shortly after receiving the final determination letter, the Taxpayer communicated to the DOR that the property record card incorrectly labeled the Subject Property as having three bathrooms instead of two. *Id.* The DOR then issued a revised final determination letter, which took into account the decreased bathroom count, and lowered the value of the Subject Property to \$596,532. *Id.*
4. At the May 9, 2024, CTAB hearing, the Taxpayer requested that the Subject Property's land value be reduced to \$52,387 and the value of the improvements be reduced to \$341,760, for a total value of \$394,147. *MTAB Dkt. 3.* The CTAB hearing was held on May 9, 2024, and the CTAB's decision denying the Taxpayer's application for reduction was sent to the parties on May 9, 2024. *Id.* The Taxpayer appealed to MTAB on June 10, 2024, requesting a land value of \$82,335 and an improvements value of \$413,005, for a total of \$495,340. *MTAB Dkt. 1.*
5. At the MTAB hearing, the Taxpayer's Representative argued that their appeal is based on two interrelated issues. *MTAB Hr'g Tr. 5:20-22.* The first issue

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concerns how the DOR determines depreciation and the second concerns how the DOR determines a property's grade. *Id.*

6. Taxpayer's Representative argued that the DOR's method of calculating depreciation is flawed because the Marshall & Swift cost tables used by the DOR do not allow users to input numeric values to account for depreciation. *MTAB Hr'g Tr. 5:20-6:5*. Taxpayer's Representative produced a report from CoreLogic, a parent company of Marshall & Swift, which did allow for the input of numerical depreciation and argued that the CoreLogic report was more accurate than Marshall & Swift's cost tables. *Id.*
  
7. Taxpayer's Representative also argued that the DOR assigned the Subject Property the wrong condition, desirability, and utility (CDU) grade. *MTAB Hr'g Tr. 6:6-17*. The Subject Property was assigned a condition grade of average. *Id.* The State's property valuation manual describes a residential dwelling with an "average" condition grade as exhibiting normal wear and tear with indications of deferred maintenance and no need for significant repairs. *Id.* Taxpayer's Representative testified that the Subject Property does require significant repairs, particularly with its windows. *Id.* The windows are original from when the house was built in 1993. *Id.* Furthermore, some windows have broken seals, which cause them to fog over, some need to be held open with boards in the summer, and some need to be held shut during the winter due to broken counterweights. *Id.* Taxpayer's Representative produced a bid from 2018 in which The Home Depot quoted a repair cost of roughly \$46,000. *Ex. 12; MTAB Hr'g Tr. 6:6-17*. Taxpayer's Representative estimated that roughly 95% of the windows in the Subject Property need to be replaced. *MTAB Hr'g Tr. 20:21-21:7*.
  
8. Taxpayer's Representative argued that the DOR should lower the Subject Property's condition grade from average to fair. *MTAB Hr'g Tr. 6:24-7:6*. The State's property valuation manual defines "fair" as a residential dwelling that

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has some deterioration but is still usable. *Id.* Taxpayer's Representative argued that the Subject Property meets this definition because the interior and exterior show wear and deterioration and require significant repairs, but the home itself is still usable. *Id.*

9. Taxpayer's Representative contended that the DOR's residential cost calculation sheet has incorrectly listed the Subject Property as having gas central forced air heat covering 2,408 square feet of the home. *Ex. J; MTAB Hr'g Tr. 6:18-23.* The square footage listed for the heat covered both the first and second floors of the Subject Property. *Id.* Taxpayer's Representative argued that this is an error as the second floor contains no ductwork or vents and is not heated. *Id.* DOR witnesses testified that the lack of forced air connection to the second floor of the Subject Property did not affect the heating and cooling information on the property record card because the heat will flow through the house and up to the second floor regardless of the presence of second-floor vents and ducts. *Ex. G, J; MTAB Hr'g Tr. 33:13-17, 42:17-43:6.* Furthermore, the cost of heating is built into the value the DOR assigned to the Subject Property, and there is no additional adjustment for the forced air heating. *Id.*
10. Taxpayer's Representative testified that the Subject Property had severe water damage in the kitchen, particularly on the floor, resulting from the home not being properly winterized prior to its purchase in 2017. *MTAB Dkt. 3; MTAB Hr'g Tr. 11:1-14.* The lack of winterization caused the pipes to burst, damaging the floors. *Id.*
11. Taxpayer's Representative stated that the exterior wall depreciation percentage listed in Taxpayer's Exhibit 1 was based on the cost to replace the Subject Property's windows. *Ex. 1; MTAB Hr'g Tr. 12:9-13:3.* Since there was no spot to account for windows when creating Exhibit 1, Taxpayer included the window depreciation as part of the exterior wall depreciation. *Id.* Taxpayer's

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Representative argued that the windows' depreciation should be subtracted from the home's value. *Id.* Taxpayer's Representative stated that the water damage and exterior wall depreciation amounts listed on the cost breakdown sheet in Exhibit 1 were based on his calculations and were "guesstimations." *Id.*

12. Taxpayer's Representative testified that the Dream Home Calculator used in Taxpayer's exhibit produced an estimated value for the Subject Property for 2024 and was not time trended to the DOR lien date of January 1, 2022. *Ex. 2; MTAB Hr'g Tr. 14:7-13.* Taxpayer's Representative used the Dream Home Calculator website to calculate the estimated replacement cost for the dwelling. *Ex. 2.*
13. The DOR estimated the total value of the Subject Property's land and improvements to be \$596,532 using the cost approach. *Ex. J; MTAB Hr'g Tr. 41:17-22.*
14. DOR Appraiser, Hillary Taylor, testified that because the Subject Property is between 20 and 159.99 acres, the property is classified as non-qualified agricultural land under Montana law. *Ex. G; MTAB Hr'g Tr. 26:14-27:9.* Ms. Taylor stated that when property is classified as non-qualified agricultural land, the DOR removes a one-acre home site and values it at market value. *Id.* Ms. Taylor clarified that only the one-acre home site value is under appeal, not the remaining 19.636 acres of non-qualified agricultural land. *Id.*
15. Ms. Taylor testified that after performing the onsite review of the Subject Property, she lowered the condition grade from good to average to reflect the natural deterioration of the home. *Ex. G; MTAB Hr'g Tr. 29:6-30:2.* Ms. Taylor stated that this change accounted for damage to the Subject Property's windows and the hardwood floors. *Id.* Ms. Taylor stated that the Subject Property did not warrant a condition grade of fair because it reflected normal

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deterioration typical for a home built in 1993, and despite having wear and tear, the condition did not fall to that level. *Ex. G; MTAB Hr'g Tr. 30:3-14.*

Additionally, the materials used in constructing the Subject Property, and the ornamentation present on the home, were more typical of an average property versus a fair one. *MTAB Hr'g Tr. 31:3-20.*

16. Taxpayer's Representative testified that the Subject Property's heat pump was installed in 2024 after both the DOR lien date and the onsite appraisal. *Ex. 2; MTAB Hr'g Tr. 15:13-16:6.* Ms. Taylor testified that the heat pump will be added for the 2025/2026 tax cycle but is currently not included in the 2023/2024 appraisal. *Ex. G; MTAB Hr'g Tr. 32:1-10.*
  
17. DOR Area Manager, Tina Oliver, explained that the Subject Property's value was determined using the cost method. *Ex. J; MTAB Hr'g Tr. 36:1-37:18.* The DOR calculated the first-floor value by multiplying the first floor's 1,344 square feet by the price per square foot of \$98.836, which produced a value of \$132,835.584 and then adding that number to the base cost of \$56,465.328 to get a total first-floor value of \$189,301 rounded. *Id.* The second-floor value was calculated by multiplying the second floor's 1,064 square feet by the price per square foot of \$69.927, which produced a value of \$74,402.328, and then adding that number to the base cost of \$24,348.665 to get a total second-floor value of \$98,751 rounded. *Id.* The basement value was calculated by multiplying the basement's 1,344 square feet by the price per square foot of \$14.017, which produced a value of \$18,838.848 and then adding that number to the base cost of \$8,078.635 to get a total basement value of \$23,354 rounded. *Id.* Ms. Oliver explained that the different price per square foot and base cost values used in the cost calculation for each separate floor of the Subject Property came from Marshall & Swift. *Ex. J; MTAB Hr'g Tr. 43:7-12.*
  
18. The Subject Property's basement also had a value assigned to its "fair" finish, which was calculated by multiplying the base cost of \$19.19 per square foot by



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the basement's 1,217 square feet to get a value of \$23,354 rounded. *Ex. J; MTAB Hr'g Tr. 37:6-18*. Adding the total values for the first floor, second floor, basement, and basement finish produced a structural value of \$338,323 for the home without considering adjustments, depreciation, or the Subject Property's additions and yard improvements. *Id.* Ms. Oliver stated that the square footage amounts used in these calculations were from the most recent, updated AB-26 review. *Ex. J; MTAB Hr'g Tr. 36:18-20*. The first and second floors did not list a separate value for their finish because it is built into their value. *Ex. J; MTAB Hr'g Tr. 44:7-15*. Basements do not always have a finish like the Subject Property's basement does, so to account for the finish, the basement finish was listed as a separate value. *Id.*

19. Ms. Oliver confirmed that the economic condition factor (ECF) conforms the cost values used to value the improvements to the local market. *Ex. J; MTAB Hr'g Tr. 43:19-44:6*.
20. Ms. Oliver testified that heating is factored into the base costs of each floor, so no additional adjustment was added to the Subject Property's value to account for heat. *Ex. J; MTAB Hr'g Tr. 37:19-38:6*. Furthermore, the DOR assumes forced air heating heats every floor of a home when valuing a property. *Id.* The software used by the DOR to calculate value cannot deduct specific amounts of square footage from the heating value. *Id.* Additionally, since the heat pump was installed on the Subject Property after the appraisal, it was not included in the cost calculation for the 2023/2024 tax cycle. *Ex. J; MTAB Hr'g Tr. 37:19-38:6*.
21. Ms. Oliver stated that because the Subject Property is considered a grade 5 home, also described as an average home, the cost to build accounts for six plumbing fixtures. *Ex. J; MTAB Hr'g Tr. 38:7-21*. The Subject Property, however, contains 11 fixtures, so to account for the extra fixtures, the DOR multiplied the additional five fixtures by the standard rate of \$1,666 for

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plumbing fixtures in a grade 5 home to get a plumbing adjustment of \$8,300, which was added to the value the Subject Property's improvements. *Id.*

22. The DOR also accounted for the Subject Property's wooden deck, framed porch, and prefabricated stove in the additions portion of the cost calculation. *Ex. J; MTAB Hr'g Tr. 39:1-16.* By multiplying the square footage of the deck and porch by the relevant base costs per square foot for each, the DOR arrived at a value of \$24,551 for the deck and \$5,998 for the porch. *Id.* The prefabricated stove was assigned a standard value of \$2,900. *Id.* The combined value of the Subject Property's additions is \$33,449. *Id.* With the adjustments, additions, and other features included in the cost calculation, the Subject Property's value is \$380,072 before accounting for depreciation. *Id.* Ms. Oliver testified that other buildings and yard improvements (OBYs) were also present on the property and are accounted for in the value. *Ex. J; MTAB Hr'g Tr. 40:12-41:16.* The Subject Property's OBYs are a 320 square foot lean-to and a concrete pad which account for an extra \$1,140 in value. *Id.*
23. Ms. Oliver stated that the next step of the cost calculation is determining the replacement cost new less depreciation (RCNLD) of the Subject Property. *Ex. J; MTAB Hr'g Tr. 39:17-40:11.* The DOR assigned the Subject Property a depreciation amount of 78% good, which can also be phrased as 22% depreciated from when the home was constructed in 1993. *Id.* The Subject Property's pre-depreciation value of \$380,072 was multiplied by the depreciation percentage of 0.78% to get an RCNLD value of \$296,456. *Id.* Lastly, the DOR took the RCNLD value of \$296,456 and factored in the percent completed of the home, the local cost index, and the ECF to get the dwelling's final adjusted RCNLD value of \$483,110 rounded. *Id.*
24. DOR Modeler, Timothy Skop, stated that he believed the DOR's 2022 Land Valuation Model for the Emigrant area accurately reflected value. *Ex. K; MTAB Hr'g Tr. 46:23-47:11, 51:20-52:23.* Mr. Skop based his opinion on the

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outputs of the model's market-adjusted sales price, the coefficient of dispersion (COD), coefficient of variation (COV), and the price-related differential (PRD), which all fell within the DOR's acceptable ranges. *Id.* The model's market-adjusted sales prices, representing the amount the properties sold for after being time trended to the lien date, fell within 3% of the DOR's predicted values and indicates an accurate model. *Id.* Mr. Skop testified that the PRD should be as close to 1 as possible, and the model's PRD was 1.06. *Id.* Mr. Skop stated that this value could be better, but it was more indicative of high variation in the property sizes and sales prices rather than inaccuracy by the model. *Id.*

25. Mr. Skop testified that the base rate for one acre of property in the Emigrant area is \$111,225 according to the land model. *Ex. K; MTAB Hr'g Tr. 48:11-49:19.* The DOR's base rate value was derived from the sales of the 26 properties deemed similar to the Subject Property. *Id.*
26. Mr. Skop stated that Park County experienced a 50% market appreciation from 2020 to 2022, which is consistent with other highly desirable areas such as Gallatin County and Madison County. *MTAB Hr'g Tr. 50:9-51:18.*

### JURISDICTION AND STANDARD OF REVIEW

27. 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.*
28. 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

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had been previously rendered.” *McDunn v. Arnold*, 2013 MT 138, ¶ 22, 370 Mont. 270, 275, 303 P.3d 1279, 1282.

29. 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**

30. To whatever extent the following conclusions of law may be construed as findings of fact, they are incorporated accordingly.
31. “All taxable property must be appraised at 100% of its market value....” *Mont. Code Ann. § 15-8-111*.
32. “[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)*.
33. 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 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).
34. 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.

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35. “‘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)).
36. 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)*.
37. 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

38. For the reasons set forth below, this Board modifies the CTAB’s decision.
39. Taxpayer has made several arguments throughout this appeal. The first is that the DOR’s method of calculating depreciation is flawed and caused the value of the Subject Property to be higher than it should be. Taxpayer’s Representative stated that the main reason why he believes the DOR’s method of calculating depreciation is flawed is because the Marshall & Swift cost tables utilized by the DOR do not allow for the input of specific numerical depreciation values, such as \$40,000 to account for depreciation in the Subject Property’s windows. Instead, the depreciation of specific aspects of the Subject Property is incorporated into the grade. Taxpayer’s Representative stated that

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Marshall & Swift's parent company, CoreLogic, does allow for the input of specific numerical depreciation amounts and suggested that CoreLogic should be used to value properties in Montana instead of Marshall & Swift.

40. We disagree with the above argument. Marshall & Swift is widely used across the appraisal industry and is regarded as accurate and reliable. The inability of Marshall & Swift to allow for the input of specific depreciation amounts does not convince the Board that depreciation of the Subject Property is not properly accounted for. In fact, Ms. Taylor testified that her decision to change the Subject Property's condition grade from good to average accounted for the natural depreciation of the windows and hardwood floors. As the DOR is tasked with performing mass appraisal, determining the exact costs required to rectify depreciation in every home in Montana is not feasible. The Board agrees with the DOR's use of Marshall & Swift and CDU grades when accounting for depreciation and finds that it comports with the mass appraisal standards.
41. Taxpayer's Representative's second argument is that the Subject Property was assessed for locational inflation twice. Taxpayer's Representative argued that since the DOR confirmed that they conform property values to the local markets, and because he believes that the Marshall & Swift cost tables already account for locational differences, this indicates a locational adjustment was applied to the Subject Property twice.
42. This Board disagrees that the Subject Property has been unfairly assessed for locational inflation twice. The Board received testimony from Ms. Oliver that applying an ECF is the DOR's method to conform a property's valuation to the local market. Taxpayer's Representative presented no evidence that Marshall & Swift cost tables utilized by the DOR account for locational differences. Taxpayer's Representative based this assumption on a value estimation report he created using CoreLogic which allowed him to conform his value to the local market. However, the only locational modifier listed on the Taxpayer's

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CoreLogic report was an ECF of 1.68. The DOR's cost calculation worksheet also listed an ECF of 1.68. Therefore, the method of conforming value to the local market utilized by the Taxpayer and the DOR were identical, the only difference being that the DOR applied the ECF later in the calculation compared to Taxpayer's CoreLogic report.

43. Taxpayer's Representative's third argument is that the average CDU grade assigned to the Subject Property's condition does not match the definition listed in the DOR's property valuation manual. Taxpayer's Representative argued that the DOR's grade should be changed from average to fair. Taxpayer's Representative presented testimony that the DOR's property valuation manual defined a dwelling with a fair grade as one where the interior and exterior of the dwelling show deterioration, but the home is still usable. Additionally, the structure is characterized as needing work. In comparison, Taxpayer's Representative's testimony defined an average property as one which exhibits normal wear and tear, has few indications of deferred maintenance, and needs no significant replacements or repairs.
44. The DOR and Taxpayer's Representative presented photographs of the Subject Property which depicted significant defects that this Board believes rise above normal wear and tear. The defects include significant damage to the Subject Property's kitchen floors due to water damage, considerable cracks and tears along the ceiling and walls, and numerous damaged windows that need to be replaced. Taxpayer's Representative presented a 2018 bid from The Home Depot, which estimated the cost of fully replacing the Subject Property's damaged windows to be roughly \$46,000. While this Board does not believe that the estimated \$46,000 for repairs should be subtracted dollar for dollar directly from the Subject Property's final value, the estimated repair costs are indicative of the Subject Property's condition and its substantial need for repairs. Based on the photographs presented and testimony heard at the hearing, this Board believes that the more accurate condition grade for the Subject Property is fair.

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45. Taxpayer's Representative's fourth argument was that the DOR incorrectly listed the second floor of the Subject Property as being heated even though it contains no ductwork or vents which raised the value. However, the lack of ductwork and ventilation on the second floor is irrelevant as DOR witnesses presented testimony that forced air heating is presumed to reach every floor of the home. Furthermore, dwellings with forced air heating have the cost of heat built into the base cost of the home. The DOR did not adjust the Subject Property's heat beyond what is included in the base cost. We believe the DOR properly assessed the Subject Property's heating in accordance with mass appraisal standards.
  
46. Taxpayer also requested that the Subject Property's total land value be reduced from \$112,228 to \$82,335. Specifically, Taxpayer contested the land value of the one-acre homesite, not the remaining 19.636 acres of non-qualified agricultural land. Mr. Skop testified that the land model used to value the Subject Property's land was based on the sales of 26 similar properties in the area. Mr. Skop further stated that the land model met all statistical measures for accuracy including the COD, COV, and PRD. Comparatively, Taxpayer's Representative presented little evidence convincing the Board that the DOR made an error in valuing the Subject Property's land. Therefore, we believe the DOR properly assessed the Subject Property's land value.
  
47. We modify the CTAB's determination accordingly.



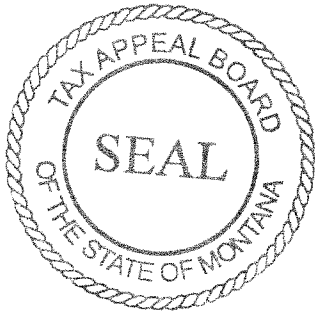
**BEFORE THE MONTANA TAX APPEAL BOARD**

*JANET S. JOERLING-LEONARD v. STATE OF MONTANA, DEPARTMENT OF REVENUE*

**ORDER**

48. The DOR is ordered to recalculate the Subject Property's value with a condition grade of fair for tax years 2023 and 2024.

Dated this 17th day of March 2025.



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

Travis Brown, Chairman

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

Adam Millinoff, 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)*.

**BEFORE THE MONTANA TAX APPEAL BOARD**

*JANET S. JOERLING-LEONARD v. STATE OF MONTANA, DEPARTMENT OF REVENUE*

**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 March 17, 2025, to:

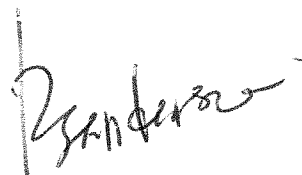
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Rina Sanderson, Legal Secretary