

**BOARD OF EQUALIZATION MINUTES  
GILA COUNTY, ARIZONA**

Date: September 25, 2007

**JOSÉ M. SANCHEZ**  
Chairman

**STEVEN L. BESICH**  
Clerk of the Board

**TOMMIE C. MARTIN**  
Vice-Chairman

By: Marian Sheppard  
Chief Deputy Clerk

**SHIRLEY L. DAWSON**  
Member

Gila County Courthouse  
Globe, Arizona

---

PRESENT: Jose M. Sanchez, Chairman; Tommie Martin, Vice-Chairman (participated via telephone call); Shirley L. Dawson, Member; Dale Hom, Assessor; Larry Huffer, Chief Appraiser; Clarissa (Lynn) Mata, Property Appraiser I; and, Marian Sheppard, Chief Deputy Clerk.

At 1:50 p.m., the Gila County Board of Equalization met to review appeals of the Assessor's 2008 Notices of Value for the valuation of various tax parcels of real property located within Gila County. For the record, Ms. Sheppard announced the names and titles of those present and the location of the hearings. Chairman Sanchez was not present at the beginning of the meeting; however, he arrived later in the meeting and Vice-Chairman Martin participated via telephone conference for a portion of the meeting.

In total, four Residential Petitions for Review of Valuation were scheduled to be heard by the Board of Equalization on this date; however, only three hearings took place. Argo and Sandra Pottorff reached an agreement with the Assessor's Office regarding their property value just prior to the hearing, so a hearing was not conducted on their case. Larry Huffer, Chief Appraiser, advised of the hearing process. Each petition was addressed separately by the Board of Equalization. A summary of each hearing is as follows:

- **Parcel No. 207-15-227A – Richard and Dortha Greenwalt – in person**  
The Residential Petition for Review of Valuation submitted by Mr. and Mrs. Greenwalt states that their opinion of the full cash value of the subject property is \$50,000. The Assessor's full cash value of the subject property is \$102,588. Mr. and Mrs. Greenwalt requested a reduction in the assessed value of their property based on the location of their home, which they have stated is now surrounded by many deteriorated houses in the neighborhood. Mr. Greenwalt stated that many unoccupied homes in the neighborhood are being used to sell illegal drugs and to house illegal immigrants, which has ultimately reduced the value of his home. Mr.

Greenwalt stated, "I probably couldn't sell my house for half of the assessed value because crack houses can be seen from my driveway. Either lower the taxes or remove the drug houses." Supervisor Dawson advised that the issue of unoccupied houses being used for illegal purposes is a matter that should be reported to the City of Globe and she stated that she would contact the City of Globe regarding those houses." Mr. Huffer stated that the Assessor's Office has comparable sales data for this property and he proceeded to show pictures of comparable properties and a map that depicts the location of each comparable property from that of the subject property. The sale price per square foot of comparable properties that were sold ranged from \$63.88 per square foot to \$82.36 per square foot. The full cash value per square foot of the subject property is \$48.57. He then reviewed a spreadsheet which provided detailed information on the properties that were used as sale comparables. (For the record, Chairman Sanchez joined the meeting at 2:08 p.m.) A discussion continued regarding the subject property and those properties that were used as sale comparables. Mr. Huffer stated that the sale comparables presented to the Board were located in the same general area as the subject property and most of the comparable properties have deteriorated structures next or close to them also. In ending the discussion, Supervisor Dawson reiterated that she would contact City of Globe officials to look into the matter of unoccupied houses being used for illegal purposes. Before a motion was made on this case, Chairman Sanchez recused himself from voting on this item as he was not present for the entire discussion.

**Decision: No change. Upon motion by Supervisor Dawson, seconded by Vice-Chairman Martin, the Board of Equalization agreed with the Assessor's opinion of value as the full cash value of the subject property is supported by sales of comparable properties which are similar to the subject property and also have less desirable properties located next or nearby to them. FCV (full cash value) = \$102,588; LPV (limited property value) = \$83,322; Legal Class = 3; and, Assessment Ratio = 10%.**

For the record, at this time Vice-Chairman Martin excused herself from the remainder of the meeting as she had to attend another meeting.

- **Parcel No. 302-32-091 – Edward H. and Mary Jo Eckhardt – in person**  
The Residential Petition for Review of Valuation submitted by Mr. and Mrs. Eckhardt states that their opinion of the full cash value for the subject property is \$119,446. The Assessor's full cash value of the subject property is \$167,069. Mr. Eckhardt advised that when he petitioned the Assessor's Office to lower the assessed value of his property, he was told that his points were too general; therefore, at this time he provided the Board and Assessor's officials with more detailed information to support his appeal. He referred to a letter that he addressed to the Gila County Board of Supervisors (which also sits as the Board of Equalization), outlining the

main reasons for his appeal. The four main points referenced in his letter read as follows: A) *Cloud over the inflated home values*; B) *Inflated home values caused by sub-prime business practices (not over valued as stated by County Assessor's decision)*; C) *Ripple effect caused by inflated home values*; and, D) *The Assessor is not using all the tools the Arizona Legislature provides in investigating sub-prime business practices, causing a field of bad data, which I choose not to accept and thereby failing to determine a true cash value because a new method has yet to be devised to adjust the present method. Using market and cost approaches tainted (and not adjusted) by inflated values is bad data. I am limited by law in trying to investigate mortgage practices because I cannot access private records, but the County Assessor through ARS-11053 has the ability to access both private and public records.* After Mr. Eckhardt concluded his presentation, Mr. Huffer stated that the Assessor's Office has comparable sales data for this property, which is located in East Verde Park, and he proceeded to show pictures of comparable properties and a map that depicts the location of each comparable property from that of the subject property. The sale price per square foot of the comparable sale properties that were sold for cash ranged from \$72.91 per square foot to \$169.41 per square foot. The sale price per square foot for sales of older homes in the area of the subject property ranged from \$77.39 per square foot to \$149.93 per square foot. The full cash value per square foot of the subject property is \$61.43. Mr. Huffer acknowledged that the issue of sub-prime mortgages was very confusing to many people, so he did some extensive reading on the subject. He presented Mr. Eckhardt and the Board with an article that he obtained from the Internet, which states, "So, what is a sub-prime lender?" He then read the article into the record. Mr. Huffer advised that he routinely provides information on sales comparables; however, in this case he also provided information on cash sales of comparable sale properties so that the issue of sub-prime lending would not be a factor for this hearing. A lengthy conversation ensued regarding whether mortgages obtained through sub-prime lenders have an affect on the housing market, the effects the economy has on the housing market in general, and the other information listed as Mr. Eckhardt's four main points. Mr. Huffer provided partial copies of all the Deeds of Trust (mortgages obtained from public records) of all properties that had sold from January 1, 2005, through June 30, 2006, and were used to develop a market adjustment for the R-3 houses in the East Verde Park area. Mr. Huffer also stated that the typical result of a sub-prime lending problem is foreclosures of the home loans or deeds of trusts and notice of trustee's sales. Mr. Huffer stated, "I can't see that there is a sub-prime lender issue in East Verde Park. My point is that since there are no foreclosures or notice of trustee's sales, all of these comparables are good comps." Mr. Eckhardt also expressed a concern that only one approach for assessing property values was used by the Assessor's Office. Assessor Dale Hom and Mr. Huffer explained that there are 3 approaches that can be used for property valuations: cost approach, market approach and the income approach. Mr. Huffer advised that the market approach is the most widely

used and best method because the subject property is compared to properties that are similar in construction, size, and are located within close proximity to the subject property. Mr. Eckhardt expressed his concern that only the market approach was used. In concluding the discussion, Mr. Hom reiterated that regardless of the housing situation in other areas of Arizona and the nation, the assessed valuation placed on the Eckhardts' property is based on the sales of comparable properties in the area of East Verde Park. Mr. Hom also advised the Eckhardts that regardless of this Board's decision, they may appeal their case to the Arizona Tax Court. The appeal must be made within 60 days of the Board of Equalization's decision.

**Decision: No change. Upon motion by Supervisor Dawson, seconded by Chairman Sanchez, the Board of Equalization agreed with the Assessor's opinion of value based on the sale price per square foot of the Assessor's property comparables within the same area. The information gathered from public records and submitted by the Gila County Assessor indicates that present sub-prime mortgage business practices have not created a cloud over the East Verde Park area residential values.**

**FCV = \$167,069; LPV = \$126,419; Legal Class = 3; and, Assessment Ratio = 10%.**

- **Parcel No.302-34-341 – Michael Senftner – Represented by Tax Detective-Delbert C. Strunk – on the record**

The Residential Petition for Review of Valuation submitted by Mr. Delbert Strunk on behalf of Michael Senftner, the owner of the property, states that their opinion of the full cash value for the subject property is \$53,000. The Assessor's full cash value of the subject property is \$78,571. The price per square foot of the comparable sales properties ranged from \$39.95 per square foot to \$84.57 per square foot. The full cash value per square foot of the subject property is \$30.99. Mr. Huffer presented the Board with a map and pictures of comparable properties. Mr. Huffer advised that the subject property is a manufactured home located in the Mesa Del Caballo area, which is northeast of Payson. The subject property was purchased from Conseco Finance Servicing Corporation, which was the beneficiary of a Deed of Trust that was defaulted. Conseco Finance Servicing Corporation took back the property at a Trustee's Sale for \$108,425.96, the amount of the unpaid balance and fees. Mr. Senftner purchased the property from Greentree Servicing, LLC, formerly known as Conseco Finance Servicing, LLC, for \$53,000 and the transaction was recorded on July 17, 2003. Mr. Huffer advised that this was not a market transaction. The previous purchase price of this property was \$103,000. Mr. Huffer acknowledged that at the time Mr. Senftner purchased the manufactured home, it was in need of repairs. Mr. Senftner repaired the manufactured home and uses it as a rental property. Mr. Huffer advised that since the manufactured home was repaired and it is occupied, the market approach can be used.

**Decision: No change. The Board of Equalization agrees with the Assessor's opinion of value based on the sale price per square foot of the Assessor's property comparables within the same area. The full cash value of the subject property is supported by the Assessor's comparables. FCV = \$78,571; LPV = \$78,571; Legal Class = 4; and, Assessment Ratio = 10%.**

There being no further appeals for review, Chairman Sanchez adjourned the meeting at 3:30 p.m.

APPROVED:

---

José M. Sanchez, Chairman

ATTEST:

---

Steven L. Besich, County Manager/Clerk