

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

Date: November 17, 2008

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; Shirley L. Dawson, Member; Dale Hom, Assessor; Hazel Dillon, Deputy Assessor; Larry Huffer, Chief Appraiser; Clarissa (Lynn) Mata, Property Appraiser II; and, Marian Sheppard, Chief Deputy Clerk.

At 1:00 p.m. on Monday, November 17, 2008, the Gila County Board of Equalization met to review appeals of the Assessor's 2009 Notices of Change that were sent out by the Assessor's Office for the valuation of various tax parcels of real property located within Gila County. In total there were 9 property owners who submitted petitions to request a hearing before the Board of Equalization; however, there were several petitioners who, prior to the hearing reached an agreement with the Assessor's Office so a hearing was not held for them.

For the record, Ms. Sheppard announced the location and time the hearings began. She then asked those in attendance to state their name and title. Chairman Sanchez advised of the hearing process. He also advised each petitioner of the appeals process to the Arizona Tax Court. Appeals must be submitted to the Arizona Tax Court within 60 days of the Board of Equalization's decision.

Each petition was addressed separately by the Board of Equalization. A summary of each hearing is as follows:

- **Parcel No. 102-08-001M-Steven Rodgers-appeared in person.**

For the record, Mr. Rodgers submitted a petition to request a hearing on this property as well as three other properties which will be addressed following this one. His opinion of value on the subject property is \$17,570. Mr. Rodgers referred to a map of the subject property and the other properties he owns. He advised that there is electric power being provided

by APS (Arizona Public Service) Company to Russell Road; however, at present there is no power going to his properties. He stated that in the past the Arizona Corporation Commission required APS to provide up to the first 1,000 feet of power to a property without charging a fee. After Mr. Rodgers purchased his properties, that ruling changed and APS began issuing a \$5,000 credit for any property owner that needed to provide power to their property. Two months following that ruling, Mr. Rodgers advised the \$5,000 credit offer was dropped and now customers are required to pay for all of the costs to provide power to their property without being given any credits or incentives. He further advised that in addition to a property owner being required to pay for any power lines that are run to their property, APS also assesses a user fee and establishment fee. Mr. Rodgers pointed out that APS advised him that it would cost approximately \$25,000 to run power to one of his properties. That cost, in addition to the current declining housing market and recent layoffs of employees at the local copper mining companies has made it very difficult for Mr. Rodgers to sell any of his property. He has not had any offers to purchase the properties in over a year and he stated, "It makes me think the value has greatly diminished due to the economic status of the area." The Board and Mr. Huffer entered into a discussion with Mr. Rodgers. Mr. Huffer advised that he was not aware of the recent changes made by APS. Mr. Huffer recommended to the Board that a reduction be made to the values of Mr. Rodgers' properties because of the recent changes made by APS.

Decision: Upon motion by Supervisor Dawson, seconded by Vice-Chairman Martin, the Board of Equalization adjusted the value of the subject property based on the fact that the subject property did not have electrical power lines to the property. The comparable property sales presented by the Assessor's Office to the Board of Equalization had electric power lines up to the properties, whereas the subject property did not. FCV (full cash value) = \$24,488; LPV (limited property value) = \$19,329; Legal Class = 2; and, Assessment Ratio = 16%.

- **Parcel No. 102-08-001N-Steven Rodgers-appeared in person.**

Mr. Rodgers' opinion of value on the subject property is \$35,100. Please refer to the summary provided for Assessor's tax parcel number 102-08-001M (above) as the four properties owned by Mr. Rodgers were discussed at the same time although the Board voted separately on each property.

Decision: Upon motion by Vice-Chairman Martin, seconded by Supervisor Dawson, the Board of Equalization adjusted the full cash value of the subject property to \$47,512 based on the fact that the subject property did not have electrical power lines to the property. Another motion was then made by Vice-Chairman Martin, seconded by Supervisor Dawson and unanimously approved to correct the full cash

value amount to \$49,756, as requested by Mr. Huffer. The comparable property sales presented by the Assessor's Office to the Board of Equalization had electric power lines up to the properties, whereas the subject property did not. FCV = \$49,756; LPV = \$39,275; Legal Class = 2; and, Assessment Ratio = 16%.

- **Parcel No. 102-08-001Q-Steven Rodgers-appeared in person.**

Mr. Rodgers' opinion of value on the subject property is \$34,000. Please refer to the summary provided for Assessor's tax parcel number 102-08-001M (above) as the four properties owned by Mr. Rodgers were discussed at the same time although the Board voted separately on each property.

Decision: Upon motion by Supervisor Dawson, seconded by Vice-Chairman Martin, the Board of Equalization adjusted the value of the subject property based on the fact that the subject property did not have electrical power lines to the property. The comparable property sales presented by the Assessor's Office to the Board of Equalization had electric power lines up to the properties, whereas the subject property did not. FCV = \$47,512; LPV = \$37,503; Legal Class = 2; and, Assessment Ratio = 16%.

- **Parcel No. 102-08-001R-Steven Rodgers-appeared in person.**

Mr. Rodgers' opinion of value on the subject property is \$26,740. Please refer to the summary provided for Assessor's tax parcel number 102-08-001M (above) as the four properties owned by Mr. Rodgers were discussed at the same time although the Board voted separately on each property.

Decision: Upon motion by Vice-Chairman Martin, seconded by Supervisor Dawson, the Board of Equalization adjusted the value of the subject property based on the fact that the subject property did not have electrical power lines to the property. The comparable property sales presented by the Assessor's Office to the Board of Equalization had electric power lines up to the properties, whereas the subject property did not. FCV = \$37,268; LPV = \$29,417; Legal Class = 2; and, Assessment Ratio = 16%.

- **Parcel No. 302-60-014E-Larry Ralston and Valkrie Murray-Ralston-appeared in person.**

Mr. and Mrs. Ralston's opinion of value on the subject property is \$250,000. They were present today to gain an understanding as to the process by which properties are valued by the Assessor's Office. Mr. and Mrs. Ralston advised that they paid \$250,000 for the subject property of which a house resides on said property and they did not understand the reason the Assessor's full cash value amount was considerably higher at \$376,592.

Mr. Ralston stated that the property used to be zoned as commercial and he had it changed to residential. He inquired if that change to residential was not reflected in the Assessor's records and that is the reason the Assessor's value was much more than the amount they paid for the property. Mr. Huffer confirmed that his records show the property as being used as residential. He further advised that the Ralstons purchased their property from a sibling as stated on the Affidavit of Property Value; therefore, it would not be considered a market sale and would not be used within the Arizona Department of Revenue's Sale Ratio Studies. He then explained that properties are valued by the Assessor's Office based on market sales of comparable properties in the area of the subject property which have similar lot sizes and homes. Vice-Chairman Martin explained to each of the petitioners that were present at today's hearings that the values being assessed are for the 2009 tax year with comparable property sales being taken from the past eighteen to twenty-four months. She made a point of stating that this formula does not take into consideration the present housing market, which has significantly decreased within the last year or so. Mr. Huffer reviewed the Assessor's comparables which contained two sales that occurred in 2006, two sales that occurred in 2007 and one sale that occurred in 2008. The subject property has been valued by the Assessor's Office at \$79.90 per square foot and the Assessor's sale comparables median price is \$110.41 per square foot and the mean price is \$113.05 per square foot. The Ralstons did not provide any comparable sale properties.

Decision: No change. Upon motion by Supervisor Dawson, seconded by Vice-Chairman Martin, the Board of Equalization did not adjust the value on the subject property because a sale between family members is not considered a market transaction. The full cash value of the subject property is based on market value as stated within Arizona Revised Statute 42-11001 section 6. FCV = \$376,592; LPV = \$349,806; Legal Class = 3; and, Assessment Ratio = 10%.

- **Parcel No. 302-45-031-Richard Shifler-appeared in person.**

Mr. Shifler stated that he originally purchased the property for \$157,000 and at that time it contained the lot and original cabin. He recently added a guest house to the property. He then referred to a letter he submitted to the Board that is dated October 27, 2008. Mr. Shifler explained that on October 24, 2008, he submitted his petition to the County Assessor's Office in Payson and at that time he only had a verbal cost for building his guest house. He advised that the actual cost to build the guest house should be stated on the petition as \$134,520 from \$133,000 and the owner's opinion of full cash value should be changed to \$292,100 from \$291,000. Mr. Huffer presented each Board member with a copy of Mr. Shifler's contract to have the guest house built. He then proceeded to explain the basis for the the Assessor's opinion of value. In summary, he basically reviewed written

comments provided by the Assessor's Office with regard to this property, as follows: The Assessor's full cash value is based on Arizona Revised Statute 42-11001 section 6 which states: ..."full cash value is synonymous with market value which means the estimate of value that is derived annually by using standard appraisal methods and techniques." The price someone may pay to have a structure constructed is not necessarily the same as market value. The valuation date for the 2009 tax year is January 1, 2008. Sales within the Diamond Point Summer Homes area support the Assessor's full cash value. Mr. Huffer then reviewed the Assessor's sales comparables with the median price being \$190.34 per square foot and the mean price being \$194.78 per square foot. The subject property has a full cash value of \$181.52 per square foot. Mr. Shifler did not present any comparable sales.

Decision: No change. Upon motion by Vice-Chairman Martin, seconded by Supervisor Dawson, the Board of Equalization agreed with the Assessor's opinion of full cash value. FCV = \$336,649; LPV = \$220,332; Legal Class = 3; and, Assessment Ratio = 10%.

- **Parcel No. 302-07-033-Don M. and Ann P. Ascoli-appeared in person.**

Mr. Ascoli advised that last year, as an owner/builder, he subcontracted the construction of an 840 square foot addition to the front of his house at a cost of \$69,411.77. He forgot to add in 90 hours of his time at a cost of \$1,800 to construct the house, so the amended actual cost is \$79,200. He advised that in the Verde Glen area of where the subject property is located, there has not been a home sale in almost three years. He asked that the full cash value submitted on the petition be changed from \$316,600 to \$318,400. Mr. Huffer stated that he and Mr. Ascoli had a conversation last week at which time Mr. Huffer noticed that the Notice of Change value includes a 30' x 40' metal building that was permitted in 2004; however, this was the first time it was actually included in the assessed value of the subject property. Mr. Huffer advised that the amended full cash value listed on the petition was initially \$384,849, but it was corrected to \$375,396. Mr. Ascoli proposed a full cash value of \$349,082. There was further Board discussion and Mr. Huffer explained ADOR's Sales Ratio Studies to Mr. Ascoli. The Assessor's sale comparables supported the subject property's full cash value. There was one sale in 2005, one sale in 2006, and two sales in 2007.

Decision: No change. Upon motion by Supervisor Dawson, seconded by Vice-Chairman Martin, the Board of Equalization agreed with the Assessor's opinion of full cash value. FCV = \$375,396; LPV = \$300,035; Legal Class = 3; and, Assessment Ratio = 10%.

- **Parcel No. 304-09-095C-Glen Whitlock-his request for a hearing was withdrawn.**

The petition submitted by Mr. Whitlock stated that his opinion of the full cash value for his property was \$300,000 versus the Assessor's opinion of \$341,488. Mr. Huffer advised that he mailed Mr. Whitlock a copy of the comparable property sales that were used by the Assessor's Office for this hearing, which resulted in Mr. Whitlock deciding to withdraw his request for a hearing; however, there was not enough time to remove his name from the hearing schedule. The full cash value of the subject property will remain at \$341,488.

- **Parcel No. 304-42-046-Jason T. and Melissa S. Hazelo-their request for a hearing was withdrawn.**

Ms. Mata advised that she received a letter from Mr. and Mrs. Hezelo withdrawing their request for a hearing; however, there was not enough time to remove their names from the hearing schedule. Ms. Mata stated that she would provide Ms. Sheppard a copy of the letter for the file.

- **Parcel No. 302-43-904-Susan Jolene Held – on the record.**

Mr. Huffer advised that the Assessor's full cash value of the house on the subject property is now valued as 100% complete from 80% complete. The Assessor's Office reviewed the comparable property sales and it was noticed that there was a data entry mistake on the elevator in the house. This mistake was corrected by lowering the value of the house. Mr. Huffer stated that the Assessor's Office also made an adjustment to the value with regard to the quality of the house which brought the total full cash value from \$1,462,836 to \$1,303,246. Ms. Held's opinion of the full cash value on the subject property is \$1,133,406 as stated on the petition.

Decision: No change. Upon motion by Vice-Chairman Martin, seconded by Supervisor Dawson, the Board of Equalization agreed with the Assessor's corrected opinion of full cash value. FCV = \$1,303,246; LPV = \$1,202,691; Legal Class = 3; and, Assessment Ratio = 10%.

- **Parcel No. 301-07-181 Elby Darrell and Margaret A. Bishop-their request for a hearing was withdrawn.**

Ms. Mata advised that she received a letter from Mr. and Mrs. Bishop withdrawing their request for a hearing; however, there was not enough time to remove their names from the hearing schedule. Ms. Mata stated that she would provide Ms. Sheppard a copy of the letter for the file.

- **Parcel Nos. 201-11-003E, 201-11-003F, 201-11-003G, 201-11-003H and 201-11-003J-all owned by Chip Larsen of B.C. Landbank LLC- his request for a hearing was withdrawn.**

Mr. Huffer advised that he settled the values of the subject properties with Mr. Larsen prior to today's hearings; however, there not enough time to remove his name from the hearing schedule. For the record Mr. Huffer announced the full cash value for each of the properties, as follows: 201-11-003E at \$99,261, 201-11-003F at \$6,680, 201-11-003G at \$30,160, 201-11-003H at \$7,540 and 201-11-003J at \$10,050. These values were reduced based on approval of agricultural status.

There being no further appeals for review, Chairman Sanchez adjourned the meeting at 3:40 p.m.

APPROVED:

José M. Sanchez, Chairman

ATTEST:

Steven L. Besich, County Manager/Clerk