

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p>KRAUSE TOOL INC.,</p> <p>v.</p> <p>Respondent:</p> <p>JEFFERSON COUNTY BOARD OF COMMISSIONERS.</p>	
<p>Attorney or Party Without Attorney for the Petitioner:</p> <p>Name: Angela & Donald Roman Address: 4363 Loveland Street Golden, Colorado 80403 Phone Number: (303) 279-2800 Attorney Reg. No.</p>	<p>Docket Number: 38008</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on June 4, 2001, Karen E. Hart, Debra A. Baumbach and Mark R. Linné presiding. Petitioner, Angela Roman, appeared pro se. Respondent was represented by Lily Oeffler, Esq.

PROPERTY DESCRIPTION:

Subject property is described as follows:

**PERSONAL PROPERTY
(Jefferson County Schedule No. 916076)**

Petitioner is requesting an abatement for tax years 1998 and 1999, for one personal property schedule number relating to the personal property belonging to Krause Tool Inc.

ISSUES:

Petitioner:

Petitioner contends that the Respondent has overvalued the subject property by ascribing inappropriate economic lives to the assets, not properly identifying the actual date the assets were placed in service, and by not properly valuing the personal property by its actual cost. The Petitioner now asks to correct the values through the abatement process.

Respondent:

The Respondent contends that the value assigned to the subject personal property was based on data provided by the Petitioner and is correct.

FINDINGS OF FACT:

1. The Petitioner, Angela Roman, testified that she and her husband had been operating Krause Tool Inc. since 1962. They sold the property in 1986, but were forced to take it back in 1988. Their son now operates the business.

2. In 1998 and 1999 there were three lathes in service. The witness identified these machines as: a Citizen L-20; a Citizen L-32, which was a leased machine; and a Cincinnati manual machine. The witness identified the Cincinnati as an older machine, which was likely grouped into a separate category by the assessor.

3. The witness testified that they purchased a new Citizen L20 lathe in 1995 and that the property was placed into service in 1996. They reported the purchase of the machine with their personal property declaration in 1997. The year in service date was incorrectly input by Jefferson County, which caused much of the resulting confusion, with respect to the item's valuation.

4. Respondent's witness, Donna Neading, a Personal Property Appraiser for the Jefferson County Assessor's Office, testified that the Petitioner had provided the Assessor with a federal income tax depreciation report during the Board of County Commissioners' hearing in October 2000.

5. The witness testified that she examined the federal depreciation report, and noted that there were items listed on the report that were being reported federally, though not reported to Jefferson County. She detailed examples of the items, which included no mention of the "Bridgeport" machinery; no mention of "Cad Cam;" no mention of "Chip Conveyer;" no mention of the "Citizen Bar Feeder." There was a mention of the "Citizen Lathe," but it was for a different purchase amount. She added four omitted items to the tax rolls, using original cost information.

6. Ms. Neading testified under cross-examination that the value for the personal property was adjusted in 2000, while the abatement request is for 1998 and 1999.

7. Respondent assigned an actual value of \$118,462.00 to the subject property for tax year 1998, and \$91,278.00 for tax year 1999.

8. The witness agreed that there was some confusion with respect to the actual date the machinery was placed in service, and felt that information brought up in the hearing indicated that a change in the value might be appropriate.

9. Based on the information presented in the hearing, Ms. Neading testified that she would recommend an adjustment to the value, based on the corrected year in service and an original cost basis for the referenced Citizen L20 lathe of \$131,298.00, delineated as a cost of \$127,810.00, freight of \$2,435.86 and tax of \$1,033.96, all from the invoice original cost.

10. Ms. Neading indicated that the adjusted actual value for all the subject personal property equipment for 1998 would be \$98,953.00. The actual value for 1999 would be \$63,424.00.

CONCLUSIONS:

1. Petitioner presented sufficient probative evidence and testimony to prove that the subject property was incorrectly valued for tax years 1998 and 1999.

2. The Board recognizes that there appeared to be confusion with respect to the documents presented by the Petitioner, and that the Respondent had attempted to value the subject property with the best information available, and to properly classify the personal property elements.

3. After the testimony of the Petitioner, the Respondent was able to properly clarify the previously misunderstood cost and date placed in service data. Based on this information, the Respondent was able to recommend a reduction in value to \$98,953.00 for 1998 and \$63,424.00 for 1999. The Board concurs with this value, and concludes that it appropriately quantifies the actual costs of the subject personal property.

ORDER:

Respondent is ordered to cause an abatement/refund to Petitioner, based on a 1998 actual value for the subject property of \$ 98,953.00.

Respondent is also ordered to cause an abatement/refund to Petitioner, based on a 1999 actual value for the subject property of \$ 63,424.00.

The Jefferson County Assessor is directed to change his records accordingly.

APPEAL:

Petitioner may petition the Court of Appeals for judicial review within 45 days from the date of this decision.

If the Board recommends that this decision is a matter of statewide concern, or if it results in a significant decrease in the total valuation of the county, Respondent may petition the Court of Appeals for judicial review within 45 days from the date of this decision.

If the Board does not make the aforementioned recommendation or result or Respondent alleges procedural errors or errors of law by this Board, Respondent may petition the Court of Appeals for judicial review within 45 days from the date of this decision.

DATED and MAILED this 17th day of July, 2001.

BOARD OF ASSESSMENT APPEALS

Karen E. Hart
Karen E. Hart

Debra A. Baumbach
Debra A. Baumbach

Mark R. Linné
Mark R. Linné

This decision was put on the record

JUL 17 2001

I hereby certify that this is a true and correct copy of the decision of the Board of Assessment Appeals.

Diane Von Dollen
Diane Von Dollen

