

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p>MARION J. WELLS,</p> <p>v.</p> <p>Respondent:</p> <p>GARFIELD COUNTY BOARD OF EQUALIZATION.</p>	<p>Docket No.: 70529</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on November 22, 2017, Debra A. Baumbach and MaryKay Kelley presiding. Petitioner appeared pro se. Respondent was represented by Katharine Johnson, Esq. Petitioner is protesting the 2017 actual value of the subject property.

Subject property is described as follows:

**6702 County Road 309, Parachute, Colorado
Garfield County Schedule No. R270070**

The subject is a 2,549 square-foot, two-story residence with basement, garage, and barn. It was built of rammed-earth construction in 1995 on a two-acre site in the rural area of Rulison.

Respondent assigned a value of \$400,450 for tax year 2017, which is supported by an appraised value of \$400,450. Petitioner is requesting a value of \$345,140.

Ms. Wells argued that her 2017 value based on mass appraisal rose 23% in comparison to other Rulison homes, which saw an increase of 6%. She did not disagree with Respondent's land value of \$60,000 but did dispute Respondent's improvement value.

Ms. Wells presented four comparable sales. She made adjustments for a variety of features and applied them to the assigned values of improvements, then added assigned site values to each sale for an adjusted range of \$289,140 to \$453,270. This range, in her opinion, supported the value

assigned for tax year 2016 of \$345,140, and she requested the same value be upheld for tax year 2017.

Ms. Wells addressed Respondent's appraisal: no adjustments were made for the subject's rural area, which, along with Sale One, lies a greater distance to services and amenities than her Morrisania Mesa sales; many comparable sales' list prices were 7% higher than their sale prices, indicating value decline; the subject's two acres should not be compared to acreages of three to 18.94-acres; adjustments were arbitrary; no rammed-earth sales were presented; functional obsolescence was inaccurately addressed; and the basement's storage area was addressed both in basement square footage and as a separate line item.

Respondent's witness, Amber Knox, Ad Valorem Appraiser for the Garfield County Assessor's Office, presented a Sales Comparison Analysis with five comparable sales ranging in sale price from \$375,000 to \$451,500.

Ms. Knox made no location adjustments, considering her Morrisania Mesa sales comparable to the subject's Rulison area. Both are in the Parachute economic area with adequate access to services and amenities.

Ms. Knox testified that Petitioner denied her an interior inspection, saying that no changes had occurred in the property since a 2016 inspection by another staff appraiser.

Based on research, Ms. Knox testified that values remained stable in Rulison, Morrisania Mesa, Battlement Mesa, and Parachute areas; she made no time adjustments.

Ms. Knox' site adjustments referenced size and various other features, such as water rights, distance from county roads, and terrain.

Ms. Knox discussed the subject basement's storage area. Only finished basement square footage carried adjustments; unfinished storage was addressed as a separate item labeled "storage".

Ms. Knox discussed the subject's rammed-earth construction, which features very thick walls (18 to 24 inches) and less interior living space than a similarly-measured frame-built house. She applied a 5% adjustment for this functional difference.

Ms. Knox' adjusted values ranged from \$389,350 to \$424,420. She placed greatest weight on Sales One through Four and concluded that the Board of Equalization's assigned value of \$400,450 was supported by her Market Approach.

Petitioner presented sufficient probative evidence and testimony to prove that the subject property was incorrectly valued for tax year 2017.

"The actual value of residential real property shall be determined solely by consideration of the market approach to appraisal. Section 39-1-103(5)(a), C.R.S. The market approach is based on

comparison of properties similar to the subject with adjustments for time, size, and a variety of physical characteristics.

Although Petitioner presented market sales, she then applied adjustments to the assigned value of each sale's improvement. The Board notes that a property (lot plus improvement) is appropriately valued as an integral unit; addressing an improvement independent of the whole is not an inappropriate valuation methodology.

Further, Petitioner compared the subject to the assigned values of her comparable sales, which is an equalization argument provided without the support from the market approach. The Board gives little weight to Petitioner's equalization approach.

With regard to Petitioner's emphasis on location, the Board is convinced that the market recognizes no difference in the subject's Rulison location and the Morrisania Mesa location. Both fall in the Parachute economic area, which offers access to services and amenities.

Ms. Wells questioned the relationship between list price and sale price. A list price is set by a seller. A sale price is agreed on by a willing buyer and a willing seller, neither being under duress. Comparison between the two have no relevance in valuation.

Petitioner argued that Respondent's adjustments were arbitrary or unsupported. The Board finds no basis for this argument.

While Petitioner argued that Respondent presented no rammed-earth comparisons, the Board is convinced that this type of construction is uncommon. It also notes that Petitioner's comparable sales were, likewise, frame-built.

Ms. Wells questioned Respondent's functional line item. The Board finds Respondent's explanation believable in that very thick walls reduce interior square footage and living space. Respondent's 5% adjustment was secured from area appraisers, and the Board finds it credible.

Petitioner contended that Respondent incorrectly addressed the subject's basement storage area twice in the appraisal. Respondent explained that basement finish was included in the basement section of the market grid while the storage area was an independent line item.

Respondent's evidence included a market approach to appraisal. The Board is convinced that Respondent's methodology and value conclusion (which relied on the market approach) are credible.

In review of Respondent's appraisal, the Board finds the most comparable properties to be those of similar acreage and years built, thus Sales One and Two. Other similarities include Sale One's barn and Sale Two's basement. Sales Three (18.94 acres), Four (9.95 acres), and Five (2007 year built) are considered less comparable. The Board finds that conclusion at mid-point of the adjusted sale prices of Sales One (\$393,510) and Two (\$391,770) to be more supportable.

The Board concludes that the 2017 actual value of the subject property should be reduced to \$392,000.

ORDER:

Respondent is ordered to reduce the 2017 actual value of the subject property to \$392,000.

The Garfield County Assessor is directed to change their records accordingly.

APPEAL:

If the decision of the Board is against Petitioner, Petitioner may petition the Court of Appeals for judicial review according to the Colorado appellate rules and the provisions of Section 24-4-106(11), C.R.S. (commenced by the filing of a notice of appeal with the Court of Appeals within forty-nine days after the date of the service of the final order entered).

If the decision of the Board is against Respondent, Respondent, upon the recommendation of the Board that it either is a matter of statewide concern or has resulted in a significant decrease in the total valuation of the respondent county, may petition the Court of Appeals for judicial review according to the Colorado appellate rules and the provisions of Section 24-4-106(11), C.R.S. (commenced by the filing of a notice of appeal with the Court of Appeals within forty-nine days after the date of the service of the final order entered).

In addition, if the decision of the Board is against Respondent, Respondent may petition the Court of Appeals for judicial review of alleged procedural errors or errors of law within thirty days of such decision when Respondent alleges procedural errors or errors of law by the Board.

If the Board does not recommend its decision to be a matter of statewide concern or to have resulted in a significant decrease in the total valuation of the respondent county, Respondent may petition the Court of Appeals for judicial review of such questions within thirty days of such decision.

Section 39-8-108(2), C.R.S.

DATED and MAILED this 9th day of January, 2018.

BOARD OF ASSESSMENT APPEALS

Debra A. Baumbach

Debra A. Baumbach

MaryKay Kelley

MaryKay Kelley

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

Milla Lishchuk

Milla Lishchuk

