

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

Date: November 14, 2011

TOMMIE C. MARTIN
Chairman

JOHN F. NELSON
Clerk of the Board

SHIRLEY L. DAWSON
Vice-Chairman

By: Marian Sheppard
Chief Deputy Clerk

MICHAEL A. PASTOR
Member

Gila County Courthouse
Globe, Arizona

PRESENT: Tommie C. Martin, Chairman (via ITV); Shirley L. Dawson, Vice-Chairman; Michael A. Pastor, Member; Dale Hom, Assessor; Hazel Dillon, Chief Deputy Assessor; Larry Huffer, Chief Appraiser; Gary Holloway, Property Appraiser III Lead (via ITV); Marian Sheppard, Chief Deputy Clerk; and Pam Fisher, Supervisor's Staff Specialist (via ITV).

Item 1 – Call to Order

Chairman Martin called the meeting to order at 9:28 a.m. this date in the Board of Supervisors hearing room. She advised that the Board would only hear agenda items 2A, 2D and 2G as Larry Huffer, Chief Appraiser, was able to reach an agreement with each of the other petitioners prior to this hearing. The petitions that were discussed were based on the Assessor's Notices of Change that were mailed out to property owners for tax year 2012. (A strikethrough has been made to the agenda items for all properties that were previously settled.)

Item 2 – REGULAR AGENDA ITEMS:

A. 9:20 A.M. - Information/Discussion/Action regarding a petition for review of Notice of Change for tax year 2012 submitted by Dennis Bassi for Assessor's tax parcel number 302-07-013.

Chairman Martin called on Dennis Bassi, the petitioner, to present his case. A summary is as follows: The subject property is located in the community of Verde Glen. The home was built in 1966 and it was purchased by Mr. Bassi in 2005. Mr. Bassi compared 8 other properties to his home, of which 6 of them are located on his street and the other 2 are within sight of his property. The subject property has the second oldest home, except for one other home that was built in 1965. The newest property was built in 2005. Mr. Bassi looked at the improvements which have been made to the other properties and he noted

that several have multiple structures which further enhance the improvements. Mr. Bassi requested that his property valuation be reduced to at least \$147.46 per square foot due to the age and condition of comparable properties in his neighborhood, and the fact that his property is nearly the oldest property and one of the smallest.

The hearing recessed for a few minutes at this time to allow those in the Payson office to receive a copy of Mr. Huffer's handouts. When the hearing reconvened, Vice-Chairman Dawson pointed out that the names and titles of those present at this hearing were not read into the record, so it was done at this time.

Mr. Huffer referred to a spreadsheet entitled Assessor's Analysis of Petitioner's Comparables for Tax Year 2012. The valuations are based on RealWare assessment software calculations, and are based on a cost approach to value. He provided information on the following parcels: 302-07-013 (subject property); and 302-07-002; 302-07-003; 302-07-004; 302-07-007; 302-07-008; 302-07-009 and 302-07-014 (comparable properties). For each property, Mr. Huffer reviewed the following categories: style – ranch style with 1 story or a 2 story; value per square foot; type of wall framing; and the various add-ons for each property such as a garage, carport, porch, deck, guest house, etc.; floor covering allowance, and whether the structure had a type of heating and/or cooling system. Mr. Bassi mentioned that there was no HVAC (heating, ventilation and air conditioning) adjustment for parcels 302-07-003 and 302-07-004. Mr. Huffer acknowledged that calculation was omitted from the HVAC line item; however, he assured Mr. Bassi that it was not left out of the total calculation. Mr. Huffer also advised that the value of parcel 302-07-007 is really not applicable because it has a "senior freeze" designation, meaning the homeowners meet certain age and income criteria, and as a result of that designation, the full cash value was frozen from a previous tax year. Mr. Huffer advised that the Assessor's Office and the appraisers both use the Marshall and Swift Handbook to determine replacement cost valuations. After comparing the Assessor's comparable properties to the subject property, Mr. Bassi inquired as to the amount of consideration given to a property's age. Mr. Huffer replied that Mr. Bassi's property has a depreciation factor of 27% for the property's age and the comparable properties' age depreciation factor ranged from 24% and 25% and one older property at 28%. Mr. Huffer then reviewed the overall ratings of the properties with regard to the properties' quality of construction. Parcel 302-07-004 was ranked as a "fair" quality and the remaining properties were ranked as an "average" quality. Mr. Bassi requested the various categories for the rankings and an explanation as to the criteria for said rankings. Mr. Huffer invited Mr. Bassi to the Payson Assessor's Office at a future time so that he could view all of the calculations and worksheets for the comparable properties and Mr. Bassi accepted the invitation. Mr. Bassi inquired as to the impact the add-ons have on a property's value. Mr. Huffer replied that the add-ons definitely added value to these properties along with a

lot of other variables. The add-ons for Mr. Bassi's property were valued at \$15,437, which is for the finished attic of 576 square feet.

Chairman Martin briefly recessed the meeting at 10:03 a.m. so that Mr. Huffer could receive some additional paperwork from the Payson Assessor's Office. The meeting was reconvened at 10:14 a.m.

An in-depth discussion took place at this time regarding the various add-ons and rankings for each property. Mr. Bassi pointed out that the deck was left off the tax roll for parcel 302-07-009. Mr. Huffer replied that for the yard improvements this property had another improvement that was listed separately, which could possibly be the decks, but that second improvement was later included in the valuation. Chairman Martin pointed out that there would be a second printout for the deck; however, the value matched the spreadsheet. Mr. Bassi questioned the method used to calculate his wood deck, which was answered by Mr. Huffer. Mr. Bassi believes that the value given to his add-ons is too high. Chairman Martin suggested having someone from the Assessor's Office revisit the property and Mr. Huffer replied that last week 2 appraisers were sent out to look at all of these properties; not just to view the add-ons, but to verify all of the information. In ending the conversation, Mr. Huffer replied, "We can recanvass (the properties), but we would have to do it at a later date. As far as the value on the subject property, it appears it was done properly." Chairman Martin asked for a motion at this time. Upon motion by Vice-Chairman Dawson, seconded by Supervisor Pastor, the Board unanimously voted to uphold the Assessor's 2012 total full cash value of \$125,394 for parcel number 302-07-013.

~~**B. 9:40 A.M. - Information/Discussion/Action regarding a petition for review of Notice of Change for tax year 2012 submitted by Robert Bennett, Manager, of Covenant Interests Investments, LLC for Assessor's tax parcel number 301-31-040P.**~~

~~**C. 10:00 A.M. - Information/Discussion/Action regarding a petition for review of Notice of Change for tax year 2012 submitted by Beverley Trester for Assessor's tax parcel number 301-08-129A.**~~

D. 10:20 A.M. - Information/Discussion/Action regarding a petition for review of Notice of Change for tax year 2012 submitted by Henry and Irene Sanchez for Assessor's tax parcel number 301-18-014.

This case was heard on the record as the petitioners did not attend this hearing. Mr. Huffer advised that the owners of this property were mailed a 2012 Notice of Change card because the Arizona Legislature passed House Bill 2001 and it was signed by the Governor changing the legal class of residential property that is not the primary residence of the owner. This property was purchased in June 2011 for \$75,500 as a foreclosure sale, and it was sold for

less than market value. Mr. Huffer referred to a spreadsheet that he prepared for the subject property and the following comparable properties that are also located in Cool Pines: 301-18-262; 301-18-453; 301-18-263; 301-18-201; 301-18-371; 301-18-405 and 301-18-120. Mr. Huffer advised that he looked to see if there were any other foreclosures and he found a couple of others; one with just a garage. There also was an unusual house that sold for \$25,000. Mr. Huffer advised that the shape of that house probably had 25 sides and it was in very poor condition. The full cash value placed on the subject property is \$129,030 and he noted that the owners submitted a full cash value (\$100,000) on the Petition for Review of Notice of Change, which was higher than the purchase amount. Mr. Huffer proceeded to review all of the comparable properties. He stated, "If we look at the summary, the median sale price is \$101.29 per square foot and \$64.91 per square foot is the subject valuation. These owners got an exceptional purchase. We recommend that the value remain at \$129,030." Chairman Martin asked for a motion at this time. Upon motion by Supervisor Pastor, seconded by Vice-Chairman Dawson, the Board unanimously voted to uphold the Assessor's 2012 total full cash value of \$129,030 for parcel number 301-18-014.

~~E. 11:40 A.M. – Information/Discussion/Action regarding a petition for review of Notice of Change for tax year 2012 submitted by Joyce Vacek on behalf of James and Joyce Vacek (1/2 interest) and Robert and Nancy Ellis (1/2 interest) for Assessor's tax parcel number 303-30-042.~~

~~F. 1:50 P.M. – Information/Discussion/Action regarding a petition for review of Notice of Change for tax year 2012 submitted by Ralph Greenthal for Assessor's tax parcel number 303-30-031.~~

G. 2:10 P.M. - Information/Discussion/Action regarding a petition for review of Notice of Change for tax year 2012 submitted by AVS Tax, Inc. on behalf of Thomas and Brenda Tackman for Assessor's tax parcel number 302-17-354D.

At this time Vice-Chairman Dawson asked Mr. Huffer if he could call the petitioners or their representative at AVS Tax, Inc. to see whether anyone would be appearing in person at this hearing and, if not, if they would allow the Board of Equalization to hear the case before the scheduled time. Chairman Martin recessed the meeting at 11:01 a.m. to allow Mr. Huffer time to make a phone call. She reconvened the meeting at 11:38 a.m.

Mr. Huffer advised that he spoke with a representative of AVS Tax, Inc. regarding this case. He confirmed that no one would be attending the hearing and, on behalf of Mr. and Mrs. Tackman, permission was given to proceed with the hearing prior to the scheduled time of 2:10 p.m.

Mr. Huffer showed the location of the parcel on a map. He stated that the parcel is .45 acres and that two parcels were combined into one parcel. A Notice of Change was sent to these property owners because this property is a non-primary residence and is now classified differently due to the passage of House Bill 2001 in the Arizona Legislature and signed by the Governor. He advised that the owners purchased this property along with 3 other parcels for a total of \$176,000. The owners believe the value of the subject property should be \$97,217 instead of the Assessor's valuation of \$228,304. Mr. Huffer compared 2 other comparable properties which are vacant lots; one sold for \$30,000 and the other sold for \$38,000. Mr. Huffer stated that the Assessor's opinion of value is the same amount given by a professional appraiser during the closing of the property. During the phone call with Jill of AVS Tax, Inc. a few minutes before this hearing, Mr. Huffer advised her of the valuation and although she was at first not happy with the valuation of \$176,000 for the subject property, she agreed to that amount. Upon motion by Vice-Chairman Dawson, seconded by Supervisor Pastor, the Board unanimously voted to uphold the Assessor's 2012 total full cash value of \$176,000 for parcel number 302-17-354D.

Chairman Martin thanked Mr. Huffer for working so diligently over the weekend to settle so many of these cases.

~~**H. 4:10 P.M. or earlier if Petitioner agrees –
Information/Discussion/Action regarding a petition for review of Notice
of Change for tax year 2012 submitted by Bernerd Doddroe for Assessor's
tax parcel number 304-22-002Y.**~~

There being no further business to come before the Board of Equalization, Chairman Martin adjourned the meeting at 11:43 a.m.

APPROVED:

Tommie C. Martin, Chairman

ATTEST:

Marian Sheppard, Chief Deputy Clerk