

**COMMISSIONERS MINUTES
JULY 5, 2012**

The Elmore County Commissioners met in special session on the above date in the Commissioner's Room, basement of the Elmore County Courthouse, 150 South 4th East, Mountain Home, Idaho.

Present at the meeting were Chairman Arlie Shaw, Commissioners Al Hofer and Wes Wootan. Also present was Civil Attorney Buzz Grant and Clerk Barbara Steele.

The special session is being held to meet as a Board of Equalization to review and/or make decisions on property assessment appeals.

Motion by Shaw, second by Wootan, to recess as a Board of Commissioners and convene as a Board of Equalization.

SHAW..... - AYE

HOFER..... - AYE

WOOTAN..... - AYE Motion carried and so ordered.

Chairman Shaw swore those in who would be testifying, Assessor Ron Fisher, Chief Deputy Terry Hughes, and Appraiser Connie Dorr.

The first assessment appeal was Billy Dyer, Parcel #RP00141001013BA. Chairman Shaw swore Mr. Dyer in at the same time the Assessor's office employees were sworn in. Mr. Dyer appeared and stated the valuation on his house is too high. Mr. Dyer stated the house next door sold for less than his assessment and has more features than his house does. Terry Hughes, Chief Deputy Assessor, stated Mr. Dyer feels his property is overvalued because a foreclosed residence, similar and next door to his residence recently sold for \$107,600 and Mr. Dyer's basement does not have egress windows and the basement of the residence next door does. Mr. Dyer is comparing his house to only one sale, which is a foreclosure. Since we mass appraise, we have to use all sales reported and this one sale does not set or represent the market value for all similar properties, it was included in our market study to help arrive at our current assessed values. Mr. Dyer and Mr. Hughes discussed distressed sales. Assessor Fisher explained how assessments and the ratio study was prepared. Mr. Dyer stated he was told by the Assessor's office to find a comparable sale which he brought before the Board. Discussion followed on how appraisals are done. The hearing was closed.

The next assessment appeal was from Jimmy Adams and Maria Jaya, Parcel #RPA01210020290A and Parcel #RPA00690010150A. Mr. Adams and Ms. Jaya were not present. Regarding Parcel #A00690010150A, Chief Deputy Hughes stated Mr. Adams and Ms. Jaya feel the value of their property is too high. They believe that the property should be valued at \$40,380. Along with their appeal packets, they presented 7 other sales to compare to their property. They used 4 of these sales and their own sales price to compute an average sales price of \$40,380. Assessed values in the State of Idaho are based on market value. A ratio study is done each year comparing assessed values to actual sales reported to us. Once the market is determined, all properties are indexed to meet that market value. Regarding Parcel #RPA01210020290A, Chief Deputy Hughes stated Mr. Adams and Ms. Jaya feel that the value of their property is too high. They believe that the property should be valued at \$33,150. This value is not based on the appraisal conducted on December 27, 2011, which values their property at \$43,000.00. The state tested sales in our ratios study from October 1, 2010 to September 30, 2011. After seeing declining sale prices extending past these dates, the Assessor's Office used sales through December 31, 2011 to set the values for 2012. The three comparables used in Mr. Adams and Ms. Jaya's appraisal are within this time frame but are all foreclosures. Since we mass appraise, we used all 202 reported sales in Mountain Home to set market values. The subject property was purchased as a foreclosure after our time frame. The Assessor's Office feels that Mr. Adams and Ms. Jaya were treated fairly and equitably and request the value to remain at \$69,197.00. Mr. Adams appeared. Chairman Shaw swore in Mr. Adams. Chief Deputy Hughes explained that the evidence that Mr. Adams submitted were not in the time frame allowed for consideration. Mr. Adams stated he understood and would wait until next year. Discussion followed on the ratio study. The hearing was closed.

A small recess was taken. The special session continued.

The next appeal is from Joy Adams, Parcel #RPA00160030170A. Ms. Adams did not appear. Chief Deputy Hughes stated Ms. Adams feels her property value is too high and requests it be lowered to \$33,150 based on comparable sales. Assessed values in the State of Idaho are based on market value. We do a ratio study each year comparing our assessed values to actual sales reported. Once we determine the market, all properties are indexed to meet that market value. The appraisal Ms. Adams submitted is not for the property she is appealing. In addition the subject property in the appraisal is valued at \$43,000, \$9,850 higher than her requested value and all comparables used in this appraisal were foreclosures. Our ratio study uses sales from October 1, 2010 to September 30, 2011. Due to the declining market the Assessor's office used sales through December 31, 2011 to set values for 2012. Since we mass appraise, we used all 202 reported sales in Mountain Home to set market values. The Assessor's office feels that Ms. Adams has been treated fairly and equitably and based on the facts provided request the value to remain at \$72,021.00. The hearing was closed.

The next appeal is from Chris Conner and Sweet Swede Land Company, LLC on parcel #RP01N10E070290A. Mr. Conner was present but Joseph D. Mallet representing Sweet Swede Land Company, LLC was not. Chairman Shaw swore in Mr. Conner. Mr. Conner

stated there was a fire on December 31, 2011 that caused some damage to the cabin. Mr. Conner gave the Commissioners a sales agreement dated November 19, 2011 selling the property for \$625,000. The sale did not happen. Mr. Conner gave the Commissioners a Settlement Statement dated June 18, 2012 showing the sales price at \$472,500, buyer was Jason Lehosit. Chief Deputy Hughes stated Mr. Conner feels the value is too high and the property should be valued at the sales price of \$472,000. Assessed values in the State of Idaho are based on market value. A ratio study is performed every year based on sales reported to us. Once the market is determined all properties are indexed to meet market value. Mr. Connor stated there was fire damage to the house on December 31, 2011. After receiving a costs list, we lowered the value by \$31,066 for damage it received because we assess property as of January 1st of each year. Our ratio study was based on sales from October 1, 2010 to September 30, 2011. We elected to use sales through December 31, 2011 to set values for 2012 due to economic conditions. This sale is not only well outside our time frame, it occurred after assessment notices were sent to property owners. Since we mass appraise we have to use all sales reported to us. Property values are not set by the sale of one property but grouped together with all other sales of similar properties to arrive at the market value. Discussion followed on comparable sales and the ratio study. Mr. Conner stated the property does not have year round access and the fire insurance is very high and he believes the value is what he sold it for. The Assessor's office feels they have treated Mr. Conner fairly and equitably and based on the facts provided request the value to remain at \$638,678.00. The hearing was closed.

The appeal on the same property, Parcel #RP01N10E070290A from Sweet Swede Land Company, LLC was held. The affidavit from Sweet Swede Land Company, LLC, who bought the property from Jason Lehosit on June 19, 2012, was admitted into the record. Civil Attorney Grant stated the testimony from the hearing on Mr. Conner will be incorporated into the Sweet Swede Land Company, LLC Hearing on Parcel #RP01N10E070290A. Assessor Fisher stated there has been no evidence submitted to the Board and asks that the assessment of \$638,678 be upheld. The hearing was closed.

Motion by Shaw, second by Hofer, to recess for lunch.

SHAW..... - AYE

HOFER..... - AYE

WOOTAN..... - AYE Motion carried and so ordered.

Special session resumed after lunch.

The next appeal was for Troy Pierson, parcel #RP003160000010A. Mr. Pierson was not present. Chief Deputy Hughes stated Mr. Pierson had his property appraised on March 22, 2012 and requests that his property be set at the appraised value of \$225,000. Assessed values in the State of Idaho are based on market value. We do a ratio study each year comparing our assessed values to actual sales reported to us. Once we

determine the market, all properties are indexed to meet that market value. Mr. Pierson's appraisal falls outside the time frame and all comparables used were foreclosures. Our ratio study uses sales from October 1, 2010 to September 30, 2011. Due to the declining market the Assessor's Office used sales through December 31, 2011 to set the values for 2012. Since we mass appraise, we used all 202 reported sales in Mountain Home to set market value. The Assessor's office feels they have treated Mr. Pierson fairly and equitably and based on the facts provided request that the value remain at \$301,108. The hearing was closed.

The next appeal was from John J. and Wendi N. Combs, Parcel #RP01N10E070283A and Parcel #RP01N10E070285A. John Combs appeared and Chairman Shaw swore him in. Mr. Combs stated they purchased the property about a year ago and feels that the property assessment is high, there is no winter road maintenance and the property cannot be subdivided any further. Mr. Combs referenced an appraisal and explained they paid more for the property than it was assessed at in 2011.

Regarding Parcel #RP01N10E070283A, Chief Deputy Hughes stated that Mr. & Mrs. Combs feel that their property is overvalued. They believe the value should be \$153,476. They also feel using location code 10 for establishing values does not indicate the true value of their property. Assessed values in the State of Idaho are based on market value. A ratio study is performed every year based on sales reported to us. Once the market is determined all properties are indexed to meet market value. The Combs purchased this property on June 1, 2011 for \$180,000 and even though this sale was included in the 2012 ratio study, there were not enough sales in their area to perform an accurate market study. If the sales reported to us for this area had been used it would have resulted in an increase in value for 2012. The property is in location Code 10. Parcels within location code 10 have similar attributes, including limited access. Due to a lack of bare land sales within location code 10, sales for the whole county were looked at. The ratio study for bare land sales showed that we were at 94%, within compliance with State standards. So, no reduction in land values was made. The Assessor's office allows for a price per acre discount for multiple acre parcels. This discount includes multiple parcels that are physically connected, known as contiguous acres. After the sale on June 1, 2011, adjacent parcels were no longer owned by the same person. This resulted in a reduction of contiguous acres and an increase in price per acre. The only reason for the increase in their land value was due to reduction of contiguous acres. The Assessor's Office feels that Mr. & Mrs. Combs were treated fair and equitably and based on the facts provided they request the value to remain at \$174,642.

Regarding parcel #RP01N10E070285A, Chief Deputy Hughes stated Mr. & Mrs. Combs feel their property is overvalued. They believe the value should be \$38,000, the price they paid for it. They also feel using location code 10 for establishing values does not indicate the true value of their property. Assessed values in the State of Idaho are based on market value. A ratio study is performed every year based on sales reported to us. Once the market is determined all properties are indexed to meet market value. The Combs purchased this property on June 1, 2011 for \$38,000. Since we mass appraise, we have to use all sales reported to us. While this one sale does not set or represent the

market value for all other similar properties, it was included in our market study to help arrive at our current assessed values. Their property is in location code 10. Parcels within location code 10 have similar attributes, including limited access. Due to a lack of bare land sales within location code 10 no reduction in land values were made. All sales for the county as a whole were used to determine compliance with State standards. The ratio study for bare land sales showed that we were at 94% within compliance with State standards, so no reduction in land was made. The Assessor's office allows for a price per acre discount for multiple parcels. This discount includes multiple parcels that are physically connected, known as contiguous acres. After the sale on June 1, 2011, adjacent parcels were no longer owned by the same person. This resulted in a reduction of contiguous acres and an increase in price per acre. The only reason for the increase in their land value was due to reduction of contiguous acres. The Assessor's Office feels that Mr. & Mrs. Combs were treated fair and equitably and based on the facts provided they request the value to remain at \$61,230. The hearing was closed.

The next appeal was from Heather Summers, Parcel #RP01N10E070282A and Parcel#RP01N10E070284A. Ms. Summers appeared and Chairman Shaw swore her in. Mr. Summers asked if Mr. Combs left a copy of his appraisal. Clerk Steele stated he only submitted one page of the appraisal and gave Ms. Summers a copy. Ms. Summers stated it is hard to sell property in this area because there is no winter road access. Chief Deputy Hughes stated Ms. Summers feels that her property is overvalued. She believes the value should be \$45,859 and \$42,479. She also feels using location code 10 for establishing values does not indicate the true value of her property. Since we mass appraise, we have to use all sales reported to us. Ms. Summers sold a bare lot on June 1, 2011 for \$38,000. While this one sale does not set or represent the market value for all other similar properties, it was included in our market study to help arrive at our current assessed values. Her property is in location code 10. Parcels within location code 10 have similar attributes, including limited access. A minimum of five sales is needed to ensure the validity and accuracy of a market study. Due to lack of bare land sales within location code 10, no reduction in land values was made. All sales for the county as a whole were used to determine compliance with State standards. The ratio study for bare land sales showed that we are at 94%. The Assessor's office allows for a price per acre discount for multiple parcels. This discount includes multiple parcels that are physically connected, known as contiguous acres. Ms. Summer's previously received contiguous acres on 4 adjacent parcels. After the sale on June 1, 2011, adjacent parcels were no longer owned by the same person. This resulted in a reduction of contiguous acres and an increase in price per acre. The only reason for the increase in her land value was due to reduction of contiguous acres. The Assessor's Office feels they have treated Ms. Summers fairly and equitably and based on the facts provided, request the value to remain at \$66,333 for Parcel #RP01N10070282A and \$61,443 for Parcel #RP01N10E070284A. Discussion followed on the area and winter road access. The hearing was closed.

A small recess was taken. Regular session resumed.

The next appeal was from Donald W. Bracy, Parcel #RPA00430010090A. Mr. Bracy was present. Chairman Shaw swore in Mr. Bracy. Mr. Bracy stated the value of his lot keeps increasing as the housing market keeps decreasing. Chief Deputy Hughes stated Mr. Bracy feels his lot is assessed too high and should be valued at \$15,000. Assessed values in the State of Idaho are based on market value. A ratio study is performed every year based on sales reported to us. Once the market is determined all properties are indexed to meet market value. The State Tax Commission performs their own ratio study to determine whether we meet compliance standards. Due to the lack of any lot sales in Mountain Home, lot values were left unchanged for 2012. A minimum of five sales is needed to ensure the validity and accuracy of a market study. Our time frame for sales used in the ratio study is October 1, 2010 through September 30, 2011. We elected to extend this time frame through December 31, 2011 to hopefully receive and include more sales in our study. Mr. Bracy's lot is of average size in the Sunrise Park #4 Subdivision and is a buildable lot. His lot is assessed the same as the other lots in this subdivision. There are no detriments affecting this lot. The Assessor's Office feels that Mr. Bracy has been treated fair and equitably and based on the facts request the value to remain at \$28,413. Mr. Bracy and Assessor Fisher discussed taxes and the assessment process involving the State and land sales.

A small recess was taken. Regular session resumed.

The next appeal was from Raymond R. and Kimberly A. Liercke, Parcel #RPA02610090200A and Parcel #RPA02610090140A. Sue Liercke appeared and stated the reduction is being asked for because of appraisals that were done. Chief Deputy Hughes stated Mr. & Mrs. Liercke believe that the assessed value of their duplex is too high. They feel it should be reduced to \$98,000, based on an appraisal as of February 29, 2012. Assessed values in the State of Idaho are based on market value. We do a ratio study each year comparing our assessed values to actual sales reported to us. Once we determine the market, all properties are indexed to meet that market value. The state tested sales in or ratio study from October 1, 2010 to September 30, 2011. After seeing declining sale prices extending past these dates, the Assessor's Office used sales through December 31, 2011, to set values for 2012. For reported sales in that time frame, 13 of the 14 multifamily sales were either repos or short sales. We included these sales in our ratio study and it showed that our values needed to be lowered. Accordingly, Mr. & Mrs. Liercke's duplex was reduced by 31% for 2012. When looking over the appraisal that Mr. & Mrs. Liercke brought in, we were not able to verify sales at 492-494 and 422-424 NW Wood Duck Place. The third comparable in their appraisal sold for \$165,000 in Sept. 2010, which is before our time frame. Since there were no comparable sales attached, it would appear the appraisal is based on the income approach. Using the income approach, the value should be \$104,000, as stated on their appraisal. The Assessor's Office feels that they have treated Mr. & Mrs. Liercke fairly and equitably and based on the facts provided and based on the facts request the value to remain at \$101,335.00.

Comparables were reviewed. The hearing was closed.

Motion by Shaw, second by Hofer, to uphold the assessment on Parcel #RP00141001013BA, Billy Dyer in the amount of \$136,670.00 for tax year 2012.

SHAW..... - AYE

HOFER..... - AYE

WOOTAN..... - AYE Motion carried and so ordered.

Motion by Shaw, second by Wootan, to uphold the assessment on Parcel #RPA01210020290A, Jimmy Adams and Maria C. Jaya in the amount of 69,197.00 for tax year 2012.

SHAW..... - AYE

HOFER..... - AYE

WOOTAN..... - AYE Motion carried and so ordered.

Motion by Shaw, second by Hofer, to uphold the assessment on Parcel #RPA00690010150A, Jimmy Adams and Maria C. Jaya in the amount of \$79,233.00 for tax year 2012.

SHAW..... - AYE

HOFER..... - AYE

WOOTAN..... - AYE Motion carried and so ordered.

Motion by Shaw, second by Wootan, to uphold the assessment on Parcel #RPA00160030170A, Joy Adams in the amount of \$72,021.00 for tax year 2012.

SHAW..... - AYE

HOFER..... - AYE

WOOTAN..... - AYE Motion carried and so ordered.

Motion by Shaw, second by Wootan, to uphold the assessment on Parcel #RP01N10E070290A. Chris Conner and Sweet Swede Land Company, LLC in the amount of \$638,678.00 for the tax year 2012.

SHAW..... - AYE

HOFER..... - AYE

WOOTAN..... - AYE Motion carried and so ordered.

Motion by Shaw, second by Wootan, to uphold the assessment on Parcel #003160000010A, Troy Pierson in the amount of \$301,108.00.

SHAW..... - AYE

HOFER..... - AYE

WOOTAN..... - AYE Motion carried and so ordered.

Motion by Shaw, second by Hofer, to uphold the assessment on Parcel #01N10E070283A, John J. and Wendi N. Combs in the amount of \$174, 642.00. Discussion followed on winter access.

SHAW..... - AYE

HOFER..... - AYE

WOOTAN..... - AYE Motion carried and so ordered.

Motion by Shaw, second by Wootan, to uphold the assessment on Parcel #01N10E070285A, John J. and Wendi N. Combs in the amount of \$61,230.00.

SHAW..... - AYE

HOFER..... - AYE

WOOTAN..... - AYE Motion carried and so ordered.

Motion by Shaw, second by Wootan, to uphold the assessment on Parcel #RP01N10E070282A, Heather Summers, in the amount of \$66,333.00.

SHAW..... - AYE

HOFER..... - AYE

WOOTAN..... - AYE Motion carried and so ordered.

Motion by Shaw, second by Hofer, to uphold the assessment on Parcel #RP01N10E070284A, Heather Summers, in the amount of \$61,443.00.

SHAW..... - AYE

HOFER..... - AYE

WOOTAN..... - AYE Motion carried and so ordered.

Motion by Shaw, second by Wootan, to uphold the assessment on Parcel #RPA00430010090A, Donald W. Bracy, in the amount of \$28,413.00.

SHAW..... - AYE

HOFER..... - AYE

WOOTAN..... - AYE Motion carried and so ordered.

Motion by Shaw, second by Wootan, to uphold the assessment on Parcel #A02610090200A, Raymond R. and Kimberly A. Liercke, in the amount of \$101,335.00.

SHAW..... - AYE

HOFER..... - AYE

WOOTAN..... - AYE Motion carried and so ordered.

Motion by Shaw, second by Wootan, to uphold the assessment on Parcel #A02610090140A, Raymond R. and Kimberly A. Liercke, in the amount of \$101,418.00.

SHAW..... - AYE

HOFER..... - AYE

WOOTAN..... - AYE Motion carried and so ordered.

Motion by Shaw, second by Wootan, to recess as a Board of Equalization until 9:30 a.m., Friday July 6, 2012.

SHAW..... - AYE

HOFER..... - AYE

WOOTAN..... - AYE Motion carried and so ordered.

/S/ ARLEN O. SHAW, Chairman

ATTEST:/S/ BARBARA STEELE, Clerk