

COMMISSIONERS MINUTES JULY 6, 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, Commissioner Wes Wootan. Commissioner Al Hofer will be late. Also present was Civil Attorney Buzz Grant and Clerk Barbara Steele.

The special session is being continued from July 5, 2012 to review and/or make decisions on property assessment appeals. The Board is still meeting as a Board of Equalization. Chairman Shaw swore in those who would be testifying, Assessor Ron Fisher, Chief Deputy Appraiser Terry Hughes, and Appraiser Connie Dorr.

The first appeal was from Raft River Investments, LLC, Parcel #RPA3S06E251655A. Scott Thomson appeared. Chairman Shaw swore in Mr. Thomson at the same time the Assessor's office employees were sworn in. Mr. Thomson handed in a written document which included information on the purchase of the property, valuation, and conclusion. Mr. Thomson feels that the income approach should be used. Appraiser Connie Dorr stated Mr. Thomson believes his property located on American Legion Blvd should be lowered in value for 2012 to \$400,000. He feels the length of time the property was listed on the market and his purchase price of \$359,000 shows the assessed market value is too high. This parcel was bank owned since 2010. This sale is a foreclosure, which does not indicate the true market value of the parcel. All three approaches to value were used to determine the current market value of Mr. Thomson's property. The cost approach was the method chosen to value this property since the improvements are relatively new. The office was constructed in 2007 and the storage building in 2005. The sales comparison approach and income approach were worked, but not used to indicate the value of this property. Appraiser Dorr explained the method she used for the assessment. Civil Attorney Grant commented on the approach method used and Assessor Fisher explained age, market and income information from the property owners factors into the assessment. The Assessor's Office feels that Mr. Thomson has been treated fairly and equitably and requests the value to remain at \$672,097.00. Mr. Thomson stated the income approach should be given the greatest weight to the assessment. The storage shed and potential rental income was discussed. The hearing was closed.

The next appeal on the agenda is for REB Family Trust (W. Roy Brown). The appeal has been rescheduled for 4:00 p.m. this afternoon due to an illness in the family.

The next appeal was from Robert Grimes, Parcel #001220020280A. Mr. Grimes was not present as he was unsure if he could make it due to the fact that he is an over the road trucker. Chief Deputy Hughes stated Mr. Grimes feels that all sales should be disclosed to the County, to obtain fair market value for property owners. He believes the current system is unfair and it's the County's responsibility to produce burden of proof for

property values. 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. Due to the lack of enough sales in any one area, bare land values were not adjusted 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 2011 to hopefully receive and include more sales in our study. Idaho is a nondisclosure state therefore anyone who buys property in Idaho is not required to report what they pay for their property. The Assessor uses mass appraisal techniques to value all properties in the county. According to Idaho Code Section 63-502; the taxpayer shall have the burden of proof. The Assessor's Office feels Mr. Grimes has been treated fairly and equitably and request the value remain at \$34,894.00. The hearing was closed.

The next appeal was from Tell and Brooke Riley, Parcel #RP04S06E154875A. Mr. and Mrs. Riley. Appeared, Chairman Shaw swore them in. Mr. Riley stated the property is bare land with no utilities and doesn't know why the assessment is so high. Chief Deputy Hughes stated Mr. and Mrs. Riley feel their land is assessed too high based on two comparable sales. 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 enough sales in any one area, bare land values were not adjusted 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 2011 to hopefully receive and include more sales in our study. The first comparable submitted by Mr. and Mrs. Riley occurred on February 5, 2010 and the second occurred on April 15, 2010. Both of these comparables are well outside our time frame and could not be used in our study. The Assessor's Office feels Mr. and Mrs. Riley were treated fairly and equitably and request the value to remain at \$41,368.00. Chief Deputy Hughes stated there were only three sales in the area and five sales are required. Mr. Riley and Chief Deputy Hughes discussed other property assessments. Assessor Fisher explained market value and sales. The hearing was closed.

The next appeal was from Billy and Kristen Riley, Parcel #RP04S06E154880A. Billy and Kristen Riley appeared. Chairman Shaw swore them in. Mrs. Riley stated this property used to be classified as grazing and submitted copies of sales with their appeal. Chief Deputy Terry Hughes stated Mr. and Mrs. Riley feel their land is assessed too high based on two comparable sales. 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 enough sales in any one area, bare land values were not adjusted 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 2011 to hopefully receive and include more sales in our study. The first comparable submitted by Mr. and Mrs. Riley occurred on June 5, 2012 and the second occurred on March 15, 2010. Both of these comparables are well outside our timeframe and could not be used in our study. The Assessor's Office feels that Mr. and Mrs. Riley have been treated fairly and equitably and request the value to remain at \$60,308.00. The hearing was closed.

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

SHAW..... - AYE

HOFER..... - ABSENT

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

Special Session resumed. Commissioner Al Hofer joined the meeting.

The next appeal was from Herl H. and Julia V. Kilgro, Parcel #RP00157000011AA and RP00157000011BA. Mr. & Mrs. Kilgro were present. Chairman Shaw swore them in. Mr. Kilgro stated he feels his property is assessed twice as much as it's worth. Chief Deputy Hughes stated Mr. & Mrs. Kilgro feel their land is valued too high. 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 market value. Due to the lack of enough sales in any one area, bare land values were not adjusted 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 2011 to hopefully receive and include more sales in our study. The Assessor's Office feels that Mr. & Mrs. Kilgro have been treated fair and equitably and request the value to remain at \$40,448.00 for each lot. Chief Deputy Hughes stated there were only three sales in the area and explained the ratio study. Mr. Kilgro stated that when the market value is what it is today he feels the property assessment is double. Assessor Fisher stated if there aren't any sales the assessment cannot change. Mr. Kilgro stated he was going to have to sell the lots. The hearing was closed.

Motion by Shaw, second by Wootan, to uphold the assessment on Parcel #RPA3S06E251655A, Raft River Investments, LLC, in the amount of \$672,097.00.

SHAW..... - AYE

HOFER..... - ABSTAIN

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

Motion by Shaw, second by Wootan, to uphold the assessment on Parcel #RP001220020280A, Robert Grimes in the amount of \$34,894.00.

SHAW..... - AYE

HOFER..... - ABSTAIN

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

Motion by Shaw, second by Wootan, to uphold the assessment on Parcel #RP04S06E154875A, Tell and Brooke Riley in the amount of \$41,368.00.

SHAW..... - AYE

HOFER..... - ABSTAIN

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

Motion by Shaw, second by Wootan, to uphold the assessment on Parcel #RP04S06E154880A, Billy and Kristin Riley in the amount of \$60,308.00.

SHAW..... - AYE

HOFER..... - ABSTAIN

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

Motion by Shaw, second by Wootan, to uphold the assessment on Parcel #RP00157000011AA and Parcel #RP00157000011BA, Herl L. and Julia V. Kilgo in the amount of \$40,448.00 each.

SHAW..... - AYE

HOFER..... - AYE

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

The next appeal was from Steve and Jeanette Reynolds, Parcel #RP04S06E021400A. Jeanette Reynolds was present. Chairman Shaw swore her in. Ms. Reynolds stated she was here to appeal the value that has been assessed on two building lots. Ms. Reynolds gave the Commissioners a sheet of paper listing what the parcel has been assessed at from 2004 to 2012. Ms. Reynolds stated she was puzzled at how the assessment has been done. Chief Deputy Hughes stated Mr. and Mrs. Reynolds feel their land is assessed to high based on two comparable sales. 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 enough sales in any one area, bare land values were not adjusted 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 2011 to hopefully receive and include more sales in our study. The first comparable submitted by Mr. & Mrs. Reynolds occurred on February 5, 2010 and the second occurred on April 15, 2010. Both of these comparables are well outside our time frame and were not used in our study. The Assessor's Office feels Mr. and Mrs. Reynolds have been treated fair and equitably and request the value remain at \$51,896.00. Mrs. Reynolds stated if she had been more informed she might not have appealed. Assessor Fisher explained the ratio study and the sales and there were only three sales. The hearing was closed.

A small recess was taken. Special Session resumed.

The next appeal was from David C. Spencer, Parcel #RP04S06E241895A. David Spencer appeared and Chairman Shaw swore him in. Mr. Spencer reviewed his land and assessment and stated the price per acre on his property is too high. Chief Deputy Hughes stated Mr. Spencer feels his land is assessed too high compared to adjacent parcels. He included six comparables to illustrate the difference in value by acre on these parcels. 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 enough sales in any one area, bare land values were not adjusted for 2012. A minimum of five sales is needed to ensure the validity and accuracy of a market study. Mr. Spencer used the "Land" value on his tax bill instead of his assessment notice to determine the value per acre on his parcel. This is a total value for his land while his land is actually divided into three different components. One acre is the "Improved Acre" having water and power being valued at \$26,250. There are two additional manufactured home sites with a combined value of \$1,050. The remaining acreage is value at market value of \$1,938 per acre. The fifth component was split into three different parcels in 2010. All three are in dry grazing with a value of \$30.00 per acre. The sixth comparable is in dry grazing and valued at \$30.00 per acre. Not including the parcels in an agriculture category, the average value per acre for the other four components is \$2,479.00. The Assessor's office feels Mr. Spencer has been treated fairly and equitably and requests the value remain at \$129,139.00. Commissioner Wootan asked how long the property had been out of the dry grazing category and Chief Deputy Hughes stated it was removed for 2012. The hearing was closed.

The next appeal was from CRV Classic Properties LP, Randy Esposito, G.P., Parcel #RP01N05E280600A. Randy Esposito did not appear. Chief Deputy Hughes stated Mr. Esposito, CRV Classic Properties LP, says his property is being used as open grazing and being assessed at too high of a value. In addition he states, "It is an area that is not financially feasible for development at this time". 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. This property was in dry grazing for 2011. In January of 2012, we mailed an Agricultural Eligibility Determination Form to Mr. Esposito in an effort to determine the use of the land. It was returned to us stating CRV Class Properties is not using it for grazing purpose, nor do they have a lease for grazing. After receiving the returned form, signed by Mr. Esposito, the parcel was removed from the dry grazing category. Sales, not the development potential of properties, are used to establish values. Due to the lack of enough sales in any one area, bare land values were not adjusted 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. The Assessor's Office feels they have treated Mr. Esposito fairly and equitably and request the value to remain at \$73,840.00.

The next appeal was from Desert Sky, LLC, Mr. and Mrs. Montierth, Parcel #RP003030010010A, RP003030010020A, RP003030010030A, RP003030010040A, RP003030010060A, RP003030010070A, RP003030010080A, RP003030010090A, RP003030020010A, RP003030020220A, RP003030020030A, RP003030020040A, RP003030020050A, RP003030020060A, and RP003030020070A. Mr. Montierth appeared and Chairman Shaw swore him in. Mr. Montierth stated the property was purchased last year and at that time there was confusion regarding the assessment from the bank they purchased the property from. Mr. Montierth gave the Board a stack of comparables he received from Realtor Daryl Rhead and reviewed some of the comparables with the Board. The comparables were submitted for the record. Mr. Montierth stated they did buy the property though an auction. Chief Deputy Hughes stated Mr. and Mrs. Montierth, Desert Sky, LLC, believe the value of their lots in the Desert Sky subdivision is over assessed in value. 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. Even though we extended the time frame by three months for reported sales, there still were not enough sales in any one area to adjust bare land values for 2012. A minimum of five sales is needed to ensure the validity and accuracy of a market study. Mr. and Mrs. Montierth acquired all the Desert Sky subdivision in one transaction at a public auction. Auctions are considered unreliable and are not used to value properties. The Assessor's Office feels that Mr. and Mrs. Montierth were treated fair and equitably and request the parcels remain at their assessed values. The comparables that Mr. Montierth brought in were not in the time frame that the Assessor's office uses for sales. Assessor Fisher explained to Mr. Montierth that there were not enough sales in the time frame used and the ratio study. Mr. Montierth stated he could not sell the lots for what they are assessed at. A lengthy discussion followed on values. The hearing was closed.

The next appeal was from REB Family Trust, W. Ray Brown and Jane George, Parcel #RPA0062000016XA. Jane George phoned and could not appear due to an illness in the family. Appraiser Connie Dorr stated Mr. Brown believes his property located on Airbase Road (DBA Domino's Pizza) should be lowered in value for 2012 to \$120,527.00. He feels the improvement is assessed to high at \$89,817.00 and would like it lowered to \$73,277. He didn't request any changes to the land. All three approaches to value were used to determine the current market value of Mr. Brown's Property. A weighted value was used to reach the final assessment. The Assessor's Office feels Mr. Brown has been treated fairly and equitably and requests the value to remain at \$137,067.00. Appraiser Dorr reviewed with the Commissioners the three approaches to value. The hearing was closed.

Motion by Shaw, second by Wootan, to uphold the assessment on Parcel #RP04S06E021400A, Steve and Jeanette Reynolds in the amount of \$51,896.00.

SHAW..... - AYE

HOFER..... - AYE

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

Motion by Shaw, second by Wootan, to uphold the assessment on Parcel ##RP04S06E241895A, David C. Spencer in the amount of \$129,139.00.

SHAW..... - AYE

HOFER..... - AYE

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

Motion by Shaw, second by Hofer, to uphold the assessment on Parcel # RP01N05E280600A, CRV Classic Properties LP, Randy Esposito, G.P. in the amount of \$73,840.00.

SHAW..... - AYE

HOFER..... - AYE

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

Motion by Shaw, second by Wootan, to uphold the assessment on Parcel #RP003030010010A, Desert Sky, LLC, in the amount of \$44,804.00.

SHAW..... - AYE

HOFER..... - AYE

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

Motion by Shaw, second by Hofer, to uphold the assessment on Parcel #RP003030010020A, Desert Sky, LLC, in the amount of \$44,804.00.

SHAW..... - AYE

HOFER..... - AYE

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

Motion by Shaw, second by Wootan, to uphold the assessment on Parcel # RP003030010030A, Desert Sky, LLC, in the amount of \$44,804.00.

SHAW..... - AYE

HOFER..... - AYE

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

Motion by Shaw, second by Hofer, to uphold the assessment on Parcel #RP003030010040A, Desert Sky, LLC, in the amount of \$44,804.00.

SHAW..... - AYE

HOFER..... - AYE

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

Motion by Hofer, second by Wootan, to uphold the assessment on Parcel #RP003030010060A, Desert Sky, LLC, in the amount of \$44,948.00.

SHAW..... - AYE

HOFER..... - AYE

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

Motion by Hofer, second by Wootan, to uphold the assessment on Parcel #RP003030010070A, Desert Sky, LLC, in the amount of \$44,804.00.

SHAW..... - AYE

HOFER..... - AYE

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

Motion by Hofer, second by Wootan, to uphold the assessment on Parcel #RP003030010080A, Desert Sky, LLC, in the amount of \$47,674.00.

SHAW..... - AYE

HOFER..... - AYE

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

Motion by Hofer, second by Wootan, to uphold the assessment on Parcel #RP003030010090A, Desert Sky, LLC, in the amount of \$50,186.00.

SHAW..... - AYE

HOFER..... - AYE

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

Motion by Hofer, second by Wootan, to uphold the assessment on Parcel #RP003030020010A, Desert Sky, LLC, in the amount of \$44,804.00.

SHAW..... - AYE

HOFER..... - AYE

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

Motion by Hofer, second by Wootan, to uphold the assessment on Parcel #RP003030020020A, Desert Sky, LLC, in the amount of \$44,804.00.

SHAW..... - AYE

HOFER..... - AYE

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

Motion by Hofer, second by Wootan, to uphold the assessment on Parcel #RP003030020030A, Desert Sky, LLC, in the amount of \$44,804.00.

SHAW..... - AYE

HOFER..... - AYE

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

Motion by Wootan, second by Shaw, to uphold the assessment on Parcel #RP003030020040A, Desert Sky, LLC, in the amount of \$44,876.00.

SHAW..... - AYE

HOFER..... - AYE

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

Motion by Wootan, second by Hofer, to uphold the assessment on Parcel #RP003030020050A, Desert Sky, LLC, in the amount of \$44,804.00.

SHAW..... - AYE

HOFER..... - AYE

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

Motion by Wootan, second by Hofer, to uphold the assessment on Parcel #RP003030020060A, Desert Sky, LLC, in the amount of \$49,612.00.

SHAW..... - AYE

HOFER..... - AYE

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

Motion by Wootan, second by Hofer, to uphold the assessment on Parcel #RP003030020070A, Desert Sky, LLC, in the amount of \$49,036.00.

SHAW..... - AYE

HOFER..... - AYE

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

Motion by Wootan, second by Shaw, to uphold the assessment on Parcel #RPA0062000016XA, REB Family Trust, W. Roy Brown in the amount of \$137,067.00.

SHAW..... - AYE

HOFER..... - AYE

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

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

SHAW..... - AYE

HOFER..... - AYE

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

Motion by Shaw, second by Hofer, to adjourn.

SHAW..... - AYE

HOFER..... - AYE

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

/S/ ARLEN O. SHAW, Chairman

ATTEST: /S/ BARBARA STEELE, Clerk